MATHIS
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

Lovvorn & Kieschnick
CERTIFIED PUBLIC ACCOUNTANTS

LOVVORN & KIESCHNICK, LLP

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MATHIS INDEPENDENT SCHOOL DISTRICT

DIRECTORY OF OFFICIALS

AUGUST 31, 2023

BOARD OF TRUSTEES

MELINDA BARAJAS	PRESIDENT
RICK CORTEZ, JR.	VICE-PRESIDENT
MOISES ALFARO	SECRETARY
ANGIE TREJO	MEMBER
JUSTINE SABLATURA	MEMBER
SEAN ORSAK	MEMBER
RAMON ACOSTA, JR.	MEMBER

OTHER OFFICIALS

TIM NORMAN	SUPERINTENDENT
GAIL SHEPLER	CHIEF FINANCIAL OFFICER
VERONICA GARZA	DIRECTOR OF SPECIAL EDUCATION
VERONICA GUTIERREZ	ASSISTANT SUPERINTENDENT
CHRISTINA ALVARADO	FEDERAL PROGRAMS AND ASSESSMENTS DIRECTOR
SONJA GOMEZ	READING CURRICULUM INSTRUCTIONAL COACH
ROGER MASTERS	ATHLETIC DIRECTOR

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Mathis Independent School District
Annual Financial Report
For The Year Ended August 31, 2023

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Introductory Section

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CERTIFICATE OF BOARD

Mathis Independent School District	San Patricio	205-904
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended August 31, 2023, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

_____ _____

Signature of Board Secretary Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

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Financial Section

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Lovvorn & Kieschnick, LLP
418 Peoples Street, Ste. 308
Corpus Christi, TX 78401

Independent Auditor's Report

To the Board of Trustees
Mathis Independent School District
P. O. Box 1177
Mathis, Texas 78368

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mathis Independent School District ("the District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Mathis Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mathis Independent School District as of August 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mathis Independent School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mathis Independent School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*

will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mathis Independent School District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial

statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 on our consideration of Mathis Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mathis Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mathis Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

Corpus Christi, TX
December 8, 2023

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Management's Discussion and Analysis

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MATHIS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023
UNAUDITED

This section of Mathis Independent School District (the "District") financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

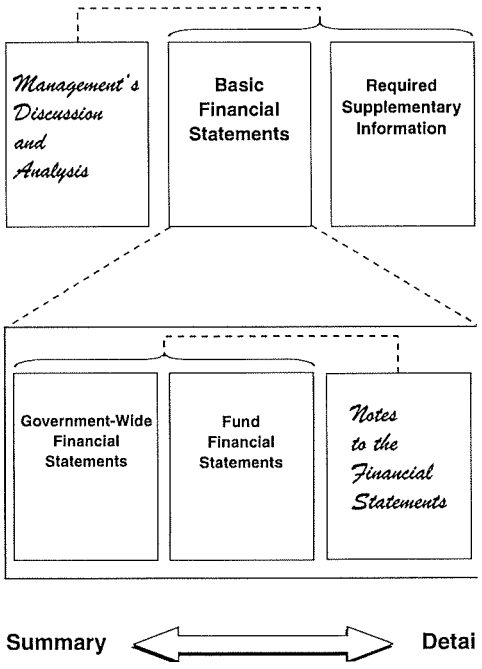
- The District's total combined net position was $24,284,085 as of August 31, 2023.
- During the year, the District's expenses were $2,233,105 less than the $31,155,046 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of $12,078,876.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements, and required supplementary information.* The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or custodian* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of

the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Internal Service fund*—The District's worker compensation insurance coverage costs are accounted for in an internal service fund. Costs related to worker compensation insurance coverage services provided to parties inside the District are distributed to the users of support services on a cost-reimbursement basis.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

Net position may serve time as a useful indicator of the District's financial position. The District's combined net position was 24,284,085 as of August 31, 2023. (See Table A-1.)

Table A-1
Mathis Independent School District's Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Assets:			
Cash and Cash Equivalents	6,460,772	7,737,349	-16.5%
Investments	7,188,736	7,344,476	-2.1%
Property Taxes Receivable (Net)	2,001,654	1,666,847	20.1%
Due from Other Governments	3,194,063	2,581,862	23.7%
Other Receivables (Net)	9,802	360,325	-97.3%
Capital Assets:			
Land	715,385	715,385	0.0%
Construction in Progress	-	2,694,196	-100.0%
Buildings, Furniture, and Equipment, (Net)	40,348,782	37,421,266	7.8%
Total Assets	59,919,194	60,521,706	-1.0%
Deferred Outflows of Resources:			
Deferred Charge for Refunding	247,520	264,764	-6.5%
Deferred Outflow Related to Pensions	3,680,101	2,062,476	78.4%
Deferred Outflow Related to OPEB	2,375,956	1,941,715	22.4%
Total Deferred Outflows of Resources	6,303,577	4,268,955	47.7%
Liabilities:			
Accounts Payable	112,356	290,943	-61.4%
Interest Payable	36,858	37,873	-2.7%
Accrued Expenses	1,218,626	1,171,086	4.1%
Due to Other Governments	-	573,276	-100.0%
Unearned Revenue	8,374	8,290	1.0%
Non-current Liabilities:			
Due Within One Year	1,134,523	1,088,596	4.2%
Due in More than One Year	21,432,363	23,600,986	-9.2%
Net Pension Liability	7,183,228	2,692,002	166.8%
Net OPEB Liability	4,001,013	5,966,293	-32.9%
Total Liabilities	35,127,341	35,429,345	-0.9%
Deferred Inflows of Resources:			
Deferred Inflow Related to Pensions	698,483	3,160,473	-77.9%
Deferred Inflow Related to OPEB	6,112,869	4,149,864	47.3%
Total Deferred Inflows of Resources	6,811,352	7,310,337	-6.8%
Net Position:			
Net Investment in Capital Assets	18,748,006	16,649,508	12.6%
Restricted for:			
State & Federal Programs	1,700,637	1,118,970	52.0%
Debt Service	3,721,132	3,086,939	20.5%
Unrestricted	114,310	1,195,562	-90.4%
Total Net Position	24,284,085	22,050,979	10.1%

The District continues to be fiscally conservative and has unrestricted net position of $114,310. The unrestricted net position of the District has decreased by $1,081,252 during the current fiscal year.

Changes in Net Position

The District's total revenues were $31,155,046. A portion, 29.0%, of the District's revenue comes from local taxes, approximately 36.8% comes from state aid, 30.3% from operating grants, 0.8% from charges for services, and 3.1% other.

The total cost of all programs and services was $28,921,941.

Governmental Activities

Property tax rates were $1.3472: M&O $.943 and I&S $.4042.

- The cost of all governmental activities this year was $28,921,941. (See Table A-2.)
- However, the amount that our taxpayers paid for these activities through property taxes was $9,031,282.
- Grants and contributions 9,435,301.

Table A-2
Changes in Mathis Independent School District's Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Program Revenues:			
Charges for Services	239,716	239,815	0.0%
Operating Grants and Contributions	9,435,301	10,268,844	-8.1%
General Revenues:			
Property Taxes	9,031,282	9,271,753	-2.6%
State Aid	11,460,447	8,811,800	30.1%
Other Local Revenues	988,300	499,516	97.9%
Total Revenues	31,155,046	29,091,728	7.1%
Expenses:			
Instruction	14,008,095	12,712,946	10.2%
Instructional Resources and Media Services	379,688	355,630	6.8%
Curriculum and Staff Development	263,277	243,214	8.2%
Instructional Leadership	6,816	7,187	-5.2%
School Leadership	1,521,255	1,340,201	13.5%
Guidance, Counseling and Evaluation Services	527,803	406,072	30.0%
Social Work Services	4,027	72,148	-94.4%
Health Services	224,748	179,822	25.0%
Student Transportation	1,232,375	1,027,540	19.9%
Food Services	1,964,933	2,348,038	-16.3%
Extracurricular Activities	937,958	868,682	8.0%
General Administration	1,282,938	1,144,971	12.0%
Plant Maintenance & Operations	4,333,509	3,838,462	12.9%
Security & Monitoring Services	155,703	43,442	258.4%
Data Processing Services	326,166	269,607	21.0%
Community Services	133,858	54,387	146.1%
Interest on Long-term Debt	689,834	818,368	-15.7%
Bond Issuance Costs and Fees	16,719	16,886	-1.0%
Capital Outlay	805,800	1,321,816	-39.0%
Other Intergovernmental Charges	106,439	100,636	5.8%
Total Expenses	28,921,941	27,170,055	6.4%
Change in Net Position	2,233,105	1,921,673	16.2%

Table A-3 represents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what state revenues as well as local tax dollars funded.

Table A-3

Net Cost of Selected Mathis Independent School District Functions

	Total Cost of Services			Net Cost of Services		
	2023	2022	% Change	2023	2022	% Change
Instruction	14,008,095	12,712,946	10.2%	9,464,299	7,072,237	33.8%
General Administration	1,282,938	1,144,971	12.0%	1,234,975	1,083,438	14.0%
Plant Maintenance & Operations	4,333,509	3,838,462	12.9%	2,952,568	2,311,283	27.7%
Food Services	1,964,933	2,348,038	-16.3%	(393,269)	71,680	-648.6%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled $31,573,983.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget as necessary to cover unforeseen expenses. Staffing is budgeted for full employment throughout the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had assets of $68,110,643 in a broad range of capital assets, including land, construction in progress, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4

Mathis Independent School District's Capital Assets
(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Land	0.72	0.72	0.0%
Construction in Progress	-	2.69	-100.0%
Buildings and Improvements	62.05	58.04	6.9%
Vehicles	2.73	2.34	16.7%
Equipment	2.61	2.39	9.2%
Total Assets at Historical Cost	68.11	66.18	2.9%
Total Accumulated Depreciation	(27.05)	(25.35)	6.7%
Net Capital Assets	41.06	40.83	0.6%

Long-Term Obligations

At year-end the District had $33,751,127 in obligation for bonds and net pension and net OPEB liability as shown in Table A-5. More detailed information about the District's obligations is presented in the notes to the financial statements.

The District had the following obligations at August 31, 2023:

Bond Ratings

The District's unlimited-tax school building bonds presently carry "BBB+" from Standard and Poors underlying rating (SPUR) with outlook as Stable.

Table A-5
Mathis Independent School District's Long-Term Obligations

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Bonds and Notes Payable	22,566,886	24,689,582	-8.6%
Net Pension Liability	7,183,228	2,692,002	166.8%
Net OPEB Liability	4,001,013	5,966,293	-32.9%
Total Long-Term Obligations	33,751,127	33,347,877	1.2%

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

- The District's 2023-2024 total enrollment is 1,350, and the District's refined average daily attendance is approximately 1,319. TEA will be reducing state funding significantly due to the U.S. Department of Education awarding ESSER II and ESSER III Funding. ESSER II funding can be used until September 30, 2023, and ESSER III funding can be utilized until September 30, 2024.

- The Appraisal values used for the 2023-2024 budget have increased and the District tax rate for M & O will be $0.75750.

- Grant opportunities and the increase in property value will help the District close the financial gap in budgeting to allow for a balanced budget due to continual reductions in State Funding. In 2023-2024 MISD was awarded the 21st Century, Year 1 Grant, GEAR-UP Year 5 Grant in addition to the ESSER Grants listed above.

- ESSER funds will be used for instructional needs, technology investments and adding additional positions to instructional and counseling staff. Freed local funds will be used to purchase three new buses, increase longevity pay and purchase furnishings for classrooms.

- The District will be receiving approximately $795,000 from the Pacific Windmill Project & the El Algodon Alto Windmill project.

- The District has applied for a solar farm 313 agreement; it should be approved by May 31, 2024.

- The District is increasing school safety daily with increased allocated funds from fund balance.

- Mathis ISD will conduct facility reviews to establish a working list of infrastructure repairs needed.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, Mathis ISD, 602 E. San Patricio, (PO Box 1179) Mathis, TX 78368.

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Basic Financial Statements

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
AUGUST 31, 2023

Data Control Codes		1 Governmental Activities
	ASSETS:	
1110	Cash and Cash Equivalents	$ 6,460,772
1120	Current Investments	7,188,736
1225	Property Taxes Receivable (Net)	2,001,654
1240	Due from Other Governments	3,194,063
1290	Other Receivables (Net)	9,801
	Capital Assets:	
1510	Land	715,385
1520	Buildings and Improvements, Net	38,191,765
1530	Furniture and Equipment, Net	2,157,017
1000	Total Assets	59,919,194
	DEFERRED OUTFLOWS OF RESOURCES:	
1701	Deferred Charge for Refunding	247,520
1705	Deferred Outflow Related to Pensions	3,680,101
1706	Deferred Outflow Related to OPEB	2,375,956
1700	Total Deferred Outflows of Resources	6,303,577
	LIABILITIES:	
2110	Accounts Payable	112,356
2140	Interest Payable	36,858
2165	Accrued Liabilities	1,218,626
2300	Unearned Revenue	8,374
	Noncurrent Liabilities:	
2501	Due Within One Year	1,134,523
2502	Due in More Than One Year	21,432,363
2540	Net Pension Liability	7,183,228
2545	Net OPEB Liability	4,001,013
2000	Total Liabilities	35,127,341
	DEFERRED INFLOWS OF RESOURCES:	
2605	Deferred Inflow Related to Pensions	698,483
2606	Deferred Inflow Related to OPEB	6,112,869
2600	Total Deferred Inflows of Resources	6,811,352
	NET POSITION:	
3200	Net Investment in Capital Assets	18,748,006
	Restricted For:	
3820	Federal and State Programs	1,700,637
3850	Debt Service	3,721,132
3900	Unrestricted	114,310
3000	Total Net Position	$ 24,284,085

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues: Charges for Services	4 Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
	Governmental Activities:				
11	Instruction	$ 14,008,095	$ 51,418	$ 4,492,378	$ (9,464,299)
12	Instructional Resources and Media Services	379,688	--	31,386	(348,302)
13	Curriculum and Staff Development	263,277	--	195,957	(67,320)
21	Instructional Leadership	6,816	--	260	(6,556)
23	School Leadership	1,521,255	--	73,148	(1,448,107)
31	Guidance, Counseling, and Evaluation Services	527,803	--	144,737	(383,066)
32	Social Work Services	4,027	--	3,505	(522)
33	Health Services	224,748	--	18,390	(206,358)
34	Student Transportation	1,232,375	--	709,326	(523,049)
35	Food Service	1,964,933	121,426	2,236,776	393,269
36	Cocurricular/Extracurricular Activities	937,958	66,872	7,538	(863,548)
41	General Administration	1,282,938	--	47,963	(1,234,975)
51	Facilities Maintenance and Operations	4,333,509	--	1,380,941	(2,952,568)
52	Security and Monitoring Services	155,703	--	5,582	(150,121)
53	Data Processing Services	326,166	--	18,578	(307,588)
61	Community Services	133,858	--	47,548	(86,310)
72	Interest on Long-term Debt	689,834	--	--	(689,834)
73	Bond Issuance Costs and Fees	16,719	--	--	(16,719)
81	Capital Outlay	805,800	--	21,288	(784,512)
99	Other Intergovernmental Charges	106,439	--	--	(106,439)
TG	Total Governmental Activities	28,921,941	239,716	9,435,301	(19,246,924)
TP	Total Primary Government	$ 28,921,941	$ 239,716	$ 9,435,301	(19,246,924)

	General Revenues:	
MT	Property Taxes, Levied for General Purposes	5,881,954
DT	Property Taxes, Levied for Debt Service	3,149,328
	Chapter 313 Payments	381,960
IE	Investment Earnings	354,341
GC	Grants and Contributions Not Restricted to Specific Programs	11,460,447
MI	Miscellaneous	252,000
TR	Total General Revenues	21,480,029
CN	Change in Net Position	2,233,105
NB	Net Position - Beginning	22,050,980
NE	Net Position - Ending	$ 24,284,085

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2023

Data Control Codes		10 General Fund	ESSER II
	ASSETS:		
1110	Cash and Cash Equivalents	$ 2,972,718	$ 69,152
1120	Current Investments	7,158,998	--
1225	Taxes Receivable, Net	1,519,241	--
1240	Due from Other Governments	1,978,994	751,144
1260	Due from Other Funds	1,075,937	--
1290	Other Receivables	9,801	--
1000	Total Assets	14,715,689	820,296
	LIABILITIES:		
	Current Liabilities:		
2110	Accounts Payable	$ 22,495	$ --
2150	Payroll Deductions and Withholdings	108,919	--
2160	Accrued Wages Payable	977,791	--
2170	Due to Other Funds	--	820,296
2300	Unearned Revenue	8,374	--
2000	Total Liabilities	1,117,572	820,296
	DEFERRED INFLOWS OF RESOURCES:		
2601	Unavailable Revenue - Property Taxes	1,519,241	--
2600	Total Deferred Inflows of Resources	1,519,241	--
	FUND BALANCES:		
	Restricted Fund Balances:		
3450	Federal/State Funds Grant Restrictions	1,667,376	--
3470	Capital Acquisitions and Contractual Obligations	--	--
3480	Retirement of Long-Term Debt	--	--
3490	Other Restrictions of Fund Balance	--	--
	Committed Fund Balances:		
3510	Construction	550,000	--
3545	Other Committed Fund Balance	650,000	--
3600	Unassigned	9,211,500	--
3000	Total Fund Balances	12,078,876	--
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 14,715,689	$ 820,296

The accompanying notes are an integral part of this statement.

50 Debt Service	Other Governmental Funds	98 Total Governmental Funds
$ 3,247,826	$ 8,047	$ 6,297,743
27,751	1,987	7,188,736
482,413	--	2,001,654
--	463,726	3,193,864
--	--	1,075,937
--	--	9,801
3,757,990	473,760	19,767,735
$ --	$ 41,493	$ 63,988
--	--	108,919
--	131,916	1,109,707
--	255,640	1,075,936
--	--	8,374
--	429,049	2,366,917
482,413	--	2,001,654
482,413	--	2,001,654
--	33,261	1,700,637
--	3,205	3,205
3,275,577	--	3,275,577
--	--	--
--	--	550,000
--	8,245	658,245
--	--	9,211,500
3,275,577	44,711	15,399,164
$ 3,757,990	$ 473,760	$ 19,767,735

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MATHIS INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2023

Total fund balances - governmental funds balance sheet	$ 15,399,164
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	41,064,167
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,001,654
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	114,860
Payables for bond principal which are not due in the current period are not reported in the funds.	(18,325,000)
Payables for debt interest which are not due in the current period are not reported in the funds.	(36,858)
Payables for notes which are not due in the current period are not reported in the funds.	(1,867,044)
Bond premiums are amortized in the SNA but not in the funds.	(2,374,842)
Deferred charge for refunding is not expended in the funds, but is amortized in the statement of net position.	247,520
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(7,183,228)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(698,483)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	3,680,101
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(4,001,013)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(6,112,869)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	2,375,956
Net position of governmental activities - Statement of Net Position	$ 24,284,085

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		10 General Fund	ESSER II
	REVENUES:		
5700	Local and Intermediate Sources	$ 6,733,151	$ --
5800	State Program Revenues	11,388,677	--
5900	Federal Program Revenues	3,058,365	2,233,612
5020	Total Revenues	21,180,193	2,233,612
	EXPENDITURES:		
	Current:		
0011	Instruction	8,829,862	1,452,813
0012	Instructional Resources and Media Services	361,914	10,449
0013	Curriculum and Staff Development	55,287	--
0021	Instructional Leadership	6,431	--
0023	School Leadership	1,515,730	12,529
0031	Guidance, Counseling, and Evaluation Services	390,367	7,837
0032	Social Work Services	285	--
0033	Health Services	212,883	5,377
0034	Student Transportation	411,657	334,148
0035	Food Service	1,819,654	--
0036	Cocurricular/Extracurricular Activities	797,058	5,073
0041	General Administration	1,265,518	--
0051	Facilities Maintenance and Operations	3,552,199	398,792
0052	Security and Monitoring Services	147,692	--
0053	Data Processing Services	314,008	6,594
0061	Community Services	3,788	--
0071	Principal on Long-term Debt	227,564	--
0072	Interest on Long-term Debt	56,858	--
0073	Bond Issuance Costs and Fees	400	--
0081	Capital Outlay	1,871,903	--
0099	Other Intergovernmental Charges	106,439	--
6030	Total Expenditures	21,947,497	2,233,612
1100	Excess (Deficiency) of Revenues Over (Under)		
1100	Expenditures	(767,304)	--
	Other Financing Sources and (Uses):		
7915	Transfers In	--	--
8911	Transfers Out	--	--
7080	Total Other Financing Sources and (Uses)	--	--
1200	Net Change in Fund Balances	(767,304)	--
0100	Fund Balances - Beginning	12,846,180	--
3000	Fund Balances - Ending	$ 12,078,876	$ --

The accompanying notes are an integral part of this statement.

50 Debt Service	onmf Other Governmental Funds	98 Total Governmental Funds
$ 3,057,147	$ 134,193	$ 9,924,491
--	44,679	11,433,356
--	4,924,159	10,216,136
3,057,147	5,103,031	31,573,983
--	3,422,022	13,704,697
--	7,179	379,542
--	193,798	249,085
--	--	6,431
--	3,049	1,531,308
--	122,043	520,247
--	3,524	3,809
--	5,003	223,263
--	359,549	1,105,354
--	28,275	1,847,929
--	123,081	925,212
--	--	1,265,518
--	697,286	4,648,277
--	--	147,692
--	--	320,602
--	122,857	126,645
1,760,000	--	1,987,564
751,879	--	808,737
16,319	--	16,719
--	244,341	2,116,244
--	--	106,439
2,528,198	5,332,007	32,041,314
528,949	(228,976)	(467,331)
--	141,000	141,000
--	(141,000)	(141,000)
--	--	--
528,949	(228,976)	(467,331)
2,746,628	273,687	15,866,495
$ 3,275,577	$ 44,711	$ 15,399,164

MATHIS INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

Net change in fund balances - total governmental funds	$	(467,331)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		1,929,299
The depreciation of capital assets used in governmental activities is not reported in the funds.		(1,695,979)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		334,808
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		1,760,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.		227,564
(Increase) decrease in accrued interest from beginning of period to end of period.		1,015
The net revenue (expense) of internal service funds is reported with governmental activities.		936
Amortization of bond premium and deferred amount is an expense in the SOA, but not in the funds.		117,888
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.		(411,611)
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.		436,516
Change in net position of governmental activities - Statement of Activities	$	2,233,105

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AUGUST 31, 2023

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	ASSETS:	
	Current Assets:	
1110	Cash and Cash Equivalents	$ 163,228
	Total Current Assets	163,228
1000	Total Assets	163,228
	LIABILITIES:	
	Current Liabilities:	
2110	Accounts Payable	$ 48,368
	Total Current Liabilities	48,368
2000	Total Liabilities	48,368
	NET POSITION:	
3900	Unrestricted	114,860
3000	Total Net Position	$ 114,860

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	OPERATING REVENUES:	
5700	Local and Intermediate Sources	$ 52,058
5020	Total Revenues	52,058
	OPERATING EXPENSES:	
6400	Other Operating Costs	51,122
6030	Total Expenses	51,122
1300	Change in Net Position	936
0100	Total Net Position - Beginning	113,924
3300	Total Net Position - Ending	$ 114,860

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from Customers	$ --
Cash Received from Grants	--
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	52,058
Cash Payments to Employees for Services	--
Cash Payments to Other Suppliers for Goods and Services	(51,122)
Cash Payments for Grants to Other Organizations	--
Other Operating Cash Receipts (Payments)	--
Net Cash Provided (Used) by Operating Activities	936
Cash Flows from Non-capital Financing Activities:	
Proceeds (Payments) from (for) Borrowings	--
Net Cash Provided (Used) by Non-capital Financing Activities	--
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	--
Net Cash Provided (Used) for Investing Activities	--
Net Increase (Decrease) in Cash and Cash Equivalents	936
Cash and Cash Equivalents at Beginning of Year	162,292
Cash and Cash Equivalents at End of Year	$ 163,228
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	$ 936
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	--
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	--
Decrease (Increase) in Prepaid Expenses	--
Increase (Decrease) in Accounts Payable	--
Increase (Decrease) in Interfund Payables	--
Increase (Decrease) in Accrued Expenses	--
Total Adjustments	--
Net Cash Provided (Used) by Operating Activities	$ 936

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2023

Data Control Codes		Private-purpose Trust Fund Student Scholarships	Custodial Fund Student Activity
	ASSETS:		
1110	Cash and Cash Equivalents	$ --	$ 84,889
1800	Restricted Assets	17,215	--
1000	Total Assets	17,215	84,889
	LIABILITIES:		
2000	Total Liabilities	--	--
	NET POSITION:		
	Restricted for:		
3800	Student Scholarships	$ 17,215	$ --
3800	Student Activities	--	84,889
3000	Total Net Position	$ 17,215	$ 84,889

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Private Purpose Trust Fund	Custodial Funds
	Student Scholarships	Student Activity
ADDITIONS:		
Investment Income	$ 25	$ --
Fundraising Activities	--	157,221
Total Additions	25	157,221
DEDUCTIONS:		
Student Activities	--	140,013
Student Scholarships	--	--
Total Deductions	--	140,013
Change in Fiduciary Net Position	25	17,208
Net Position-Beginning of the Year	17,191	67,681
Net Position-End of the Year	$ 17,215	$ 84,889

The accompanying notes are an integral part of this statement.

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A. Summary of Significant Accounting Policies

The basic financial statements of Mathis Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: This fund is used to account for the District's debt service property ta revenue and related debt service expenditures for bonded debt.

ESSER II: This fund is used to account for federal stimulus ESSER II funds granted to LEA's through the CRRSA Act.

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or custodial capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on

receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50
Vehicles	5-10
Equipment	5-20
Computer Equipment	3-15

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

Except for delinquent taxes, there are no significant receivables which are not scheduled for collection

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is

for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

k. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

l. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At August 31, 2023, the District reported the following:

Net Pension Asset	$	
Net Pension Liability	$	7,183,228

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to / deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

6. Implementation of New Standards

In the current fiscal year, the District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Management had determined that the District does not have any leases that meet the requirement to be recorded under the provisions of GASB Statement No. 96, Subscription-Based Information

Technology Arrangements.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

C. Deposits and Investments

The Public Funds Investment Act (Texas Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturiy allowed based on the stated maturity date for the protfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At August 31, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was 6,545,661 and the bank balance was 7,910,602. The District's cash deposits at August 31, 2023 and during the year ended August 31, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

As of August 31, 2023 the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years) Less than 1	1 to 2	2 to 3
Investment Pools:				
Investment in TexPool	$ 5,921,046	$ 5,921,046	$ --	$ --
Investment in Lone Star Pool	1,267,690	1,267,690	--	--
Total Fair Value	$ 7,188,736	$ 7,188,736	$ --	$ --

Interest Rate Risk - In accordance with state law and District policy, the District does not purchase any investments with maturities greater than 10 years.

Credit Risk - In accordance with state law and the District's investment policy investments in mutual funds, and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. The District's investments in investment pools were rated AAA.

Concentration of Credit Risk - The District does not place a limit on the amount the District may invest in any one issuer. The District does not have a concentration of credit risk.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a custodial credit risk.

The local government investment pool such as TexPool and Lone Star Pool is not evidenced by securities in physical form. They are managed conservatively to provide safe, efficient and liquid investments to Texas governmental entities. The pool seeks to maintain a $1 value per share as required by the Texas Public Investment Act.

Federated Investors manages the assets, provides participant services, and arranges for all custody and other functions in support of TexPool operations under a contract with the State Comptroller of Public Accounts. The state comptroller maintains oversight responsibility for TexPool, including the ability to influence operations, designation of management and accountability for fiscal matters. Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than market value to report net assets to compute share price. The fair value of the District's position in TexPool is the same as the value of TexPool shares.

Lone Star Investment Pool is administered by FIRST Public. The fair value of the funds in Lone Star is also the same as the value of Lone Star shares.

Limitations exist for withdrawals in this way: ACH (Automated Clearing House) withdrawals from TexPool or Lone Star are restricted to the account designated by the direct deposit form currently on record. The current authorized direct deposit form designates only the District Depository Bank as the entitiy to use for deposits or withdrawals by ACH. The Superintendent must authorize any new or replacement direct deposit form that would alter or replace the depository bank.

Limitations exist for wire transfers in this way: A Wire Transfer to or from TexPool requires two signatures from authorized representatives in order to be processed.

D. Capital Assets

Capital asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 715,385	$ --	$ --	$ 715,385
Construction in progress	2,694,196	--	2,694,196	--
Total capital assets not being depreciated	3,409,581	--	2,694,196	715,385
Capital assets being depreciated:				
Buildings and improvements	58,039,446	4,009,605	--	62,049,051
Equipment	2,392,750	222,228	--	2,614,978
Vehicles	2,339,567	391,662	--	2,731,229
Total capital assets being depreciated	62,771,763	4,623,495	--	67,395,258
Less accumulated depreciation for:				
Buildings and improvements	(22,418,683)	(1,438,603)	--	(23,857,286)
Equipment	(1,332,903)	(121,017)	--	(1,453,920)
Vehicles	(1,598,911)	(136,359)	--	(1,735,270)
Total accumulated depreciation	(25,350,497)	(1,695,979)	--	(27,046,476)
Total capital assets being depreciated, net	37,421,266	2,927,516	--	40,348,782
Governmental activities capital assets, net	$ 40,830,847	$ 2,927,516	$ 2,694,196	$ 41,064,167

Depreciation was charged to functions as follows:

Instruction	$ 819,357
Instructional Resources and Media Services	22,693
Curriculum and Staff Development	14,893
Instructional Leadership	385
School Leadership	91,559
Guidance, Counseling, & Evaluation Services	31,106
Social Work Services	228
Health Services	13,349
Student Transportation	136,365
Food Services	121,559
Extracurricular Activities	55,320
General Administration	75,667
Plant Maintenance and Operations	277,926
Security and Monitoring Services	8,831
Data Processing Services	19,169
Community Services	7,572
	$ 1,695,979

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2023, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	$ 255,640	Short-term loans
General Fund	ESSER II	820,296	Short-term loans
	Total	$ 1,075,936	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2023, consisted of the following:

Transfers From	Transfers To		Amount	Reason
Other Governmental Funds	Other Governmental Funds	$	141,000	Supplement other funds sources
	Total	$	141,000	

F. Long-Term Obligations

1. Long-Term Obligation Activity

On October 17, 2022, the District used $1,350,855 of its own resources from the Debt Service Fund to advance refund $1,385,000 of outstanding series 2019 Unlimited Tax School Building Bonds with interest rates of 2.50%-4.00%. The District used these resources to purchase U.S. Government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on refunded portions of the 2019 series bonds. As a result, that portion of the 2019 series bonds is considered defeased, and the District has removed the liability from its accounts.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended 2023, Mathis Independent School District, are as follows:

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 9/1/22	Issued	Retired	Amounts Outstanding 8/31/23	Amounts Due Within One Year
Unlimted Tax Refunding Bonds Series 2016	2.00% to 4.00%	5,185,000	3,005,000	--	155,000	2,850,000	165,000
Unlimted Tax Refunding Bonds Series 2017	2.00% to 4.00%	4,180,000	3,310,000	--	60,000	3,250,000	250,000
Unlimited Tax School Building Bonds, Series 2019	2.00% to 5.00%	12,200,000	11,500,000	--	1,385,000	10,115,000	355,000
Unlimted Tax Refunding Bonds Series 2020	3.00% to 4.00%	2,575,000	2,270,000	--	160,000	2,110,000	--
Sub-Total - Bonds			20,085,000	--	1,760,000	18,325,000	770,000
Maintenance Tax Notes Series 2012	3.50%	1,030,000	602,097	--	51,324	550,773	53,120
Loan STAR Revolving Loan Series 2016	0.25%	405,592	102,511	--	51,240	51,271	51,271

Maintenance Tax Notes							
Series 2017	2.57%	1,900,000	1,390,000	--	125,000	1,265,000	125,000
Sub-Total - Bonds & Notes			22,179,608	--	1,987,564	20,192,044	999,391
Bond Premiums on Refunding			2,509,974	--	135,132	2,374,842	135,132
Total Bonds & Notes			24,689,582	--	2,122,696	22,566,886	1,134,523
Other Liabilities:							
Net Pension Liability			2,692,002	5,055,830	564,604	7,183,228	--
Net OPEB Liability			5,966,293	(1,828,035)	137,245	4,001,013	--
Total Governmental Activities			$ 33,347,877	$ 3,227,795	$ 2,824,545	$ 33,751,127	$ 1,134,523

2. Debt Service Requirements

Governmental Activiy Debt service requirements on long-term debt at August 31, 2023, are as follows:

Year Ending	General Obligation Bonds			Maintenance Tax Notes and Revolving Loan		
August 31,	Principal	Interest	Total	Principal	Interest	Total
2024	770,000	774,775	1,544,775	229,392	51,818	281,210
2025	425,000	750,950	1,175,950	184,979	46,716	231,695
2026	440,000	735,550	1,175,550	191,903	41,451	233,354
2027	460,000	717,950	1,177,950	193,895	35,989	229,884
2028	610,000	699,550	1,309,550	200,956	30,459	231,415
2029-2033	4,895,000	3,001,650	7,896,650	865,920	62,604	928,524
2034-2038	5,685,000	1,819,100	7,504,100	--	--	--
2039-2043	4,215,000	768,400	4,983,400	--	--	--
2044	825,000	41,250	866,250	--	--	--
Totals	$ 18,325,000	$ 9,309,175	$ 27,634,175	$ 1,867,045	$ 269,037	$ 2,136,082

General Obligation Bonds are paid by the Debt Service Fund. Maintenance Tax Notes are paid by the General Fund.

Defeased Bonds Outstanding -

The District had $1,385,000 of defeased bonds outstanding as of August 31, 2023.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions

Mathis Independent School District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Events Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC rule 15c2-12 to enable investors to analyze the financial condition and operations of Mathis Independient School District.

G. Leases

In the current fiscal year, Management has determined that the District does not have any leases that meet the requirement to be recorded under the provisions of GASB Statement No. 87, Leases.

H. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and

omissions, injuries to employees, and natural disasters. During fiscal year 2023, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Unemployment Compensation

During the year ended August 31, 2023, Mathis ISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All districts participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund's Unemployment Compensation Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. The Fund meets its obligations to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggragate stop loss coverage for Unemployment Compensation pool members.

The Fund engages the services of an independent auditor to conduct and independent financial audit after the close of each plan year on August 31. The audit is approved by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin.

Worker's Compensation

The District has established the Worker's Compensation fund to account for and finance workers compensation claims. It is a modified self-insurance plan known as School Comp. The plan year began September 1, 2022 and ended September 1, 2023. The District's maximum financial exposure for the plan year is $129,756. Any costs above $129,756 for the 2022-2023 plan year are the shared responsibility of the remaining School Comp members. TheDistrict's self-insured retention per occurrence is $38,927. Costs for any one claim above the self-insured retention are the shared responsibility of the remaining School Comp members. Excess insurance is provided by Safety National Casualty Corporation and admitted carrier. The policy provides for specific stop-loss attachment at $350,000 per occurrence and aggregate stop-loss attachment at $10,524,791. Settled claims have not exceeded this commercial coverage in any of the past three fiscal year.

All funds of the District participated in the program and make payments to the fund based on acturial estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for losses relating to catastrophes. That reserve was $114,860 at 8/31/23, and is reported as reserved Net Assets of the Worker's Compensation Internal Service Fund. The claims liability of $48,368 reported in the fund at 8/31/23, is based on the requirements of Governmental Accounting Standards board 10, which requires that a liability for claims be reported if information prior to the insurance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during the past year are:

	Year Ended 08/31/23	Year Ended 08/31/22
Unpaid claims, beginning of year	48,368 $	53,708
Current year claims and changes in estimate	51,122	47,399
Claim payments	(51,122)	(52,739)
Unpaid claims, end of year	48,368 $	48,368

I. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about%20publications.aspx ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal

year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Contribution Rates	2022	2023
Member	8.0%	8.0%
Non-Employer Contributing Entity (State)	7.75%	8.0%
Employers	7.75%	8.0%

District's 2023 Employer Contributions	$	577,564
District's 2023 Member Contributions	$	1,032,935
2022 NECE On-Behalf Contributions (State)	$	590,260

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

5. Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal

Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91% *
Last year ending August 31 in Projection Period	2121
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2021.

6. Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized below:

Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%

Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	(6.0%)	3.6%	(0.05)%
Inflation Expectation			2.70%
Volatility Drag ****			(0.91)%
Expected Return	**100.0%**		**8.19%**

* Absolute Return includes Credit Sensitive Investments.
** Target allocations are based on the FY2022 policy model.
*** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022)
**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using a discount rate of 7.00 percent, and what the net position liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	$ 11,174,378	$ 7,183,228	$ 3,948,212

8. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2023, the District reported a liability of $7,183,228 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 7,183,228
State's proportionate share that is associated with District	7,509,650
Total	$ 14,692,878

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0120996104% which was an increase (decrease) of 0.0015288366% from its proportion measured as of August 31, 2021.

9. Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2023, the District recognized pension expense of $1,707,012 and revenue of $717,837 for support provided by the State.

At August 31, 2023, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Actuarial Experience	$ 104,156	$ 156,608
Changes in Actuarial Assumptions	1,338,469	333,584
Difference Between Projected and Actual Investment Earnings	709,680	--
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	950,232	208,291
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	577,564	--
Total	$ 3,680,101	$ 698,483

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31,	Pension Expense Amount
2024	$ 620,825
2025	$ 420,930
2026	$ 205,262
2027	$ 954,742
2028	$ 202,295
Thereafter	$ --

J. Defined Other Post-Employment Benefit Plans

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 135	$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

4. Contributions

Contribution rates for the TRS-Care plan are established in State Statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers are based on active employee compensation. The TRS board does not have the authority to set or amend contribution rates.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of Salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	
	2023
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding remitted by Employers	1.25%

District's 2023 Employer Contributions	$	134,984
District's 2023 Member Contributions	$	83,927
2022 NECE On-Behalf Contributions (state)	$	167,417

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of $535 per month when employing a retiree of TRS.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.

Ad hoc post-employment benefit changes	None

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an an ultimate trend rate of 4.25 percent over a period of 12 years.

6. Discount Rate

A single discount rate of 3.91 percent was used to measure the Total OPEB Liability. This was an increase of 1.96 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2022 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District's proportionate share of the Net OPEB Liability:	$ 4,717,511	$ 4,001,013	$ 3,420,557

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2023, the District reported a liability of $4,001,013 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$ 4,001,013
State's proportionate share that is associated with the District	$ 4,880,607
Total	$ 8,881,620

The Net OPEB liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022 the District's proportion of the collective net OPEB liability was 0.0167098719% which was an increase (decrease) of 0.0012429228% from its proportion measured as of August 31, 2021.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1 percent less than and

1 percent greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	$ 3,296,852	$ 4,001,013	$ 4,913,866

9. Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period:

- The discount rate was changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was $(692,597).

At August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 222,442	$ 3,333,203
Changes in actuarial assumptions	609,433	2,779,666
Difference between projected and actual investment earnings	11,918	
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,397,179	--
Contributions paid to TRS subsequent to the measurement date	134,984	
Total	$ 2,375,956	$ 6,112,869

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount
2024	$ (757,331)
2025	$ (757,289)
2026	$ (587,620)
2027	$ (357,916)
2028	$ (443,901)
Thereafter	$ (967,840)

For the year ended August 31, 2023, the District recognized OPEB expense of $(994,129) and revenue of

$(692,597) for support provided by the State.

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2023, the subsidy payment received by TRS-Care on behalf of the District was $70,953.

K. Employee Health Care Coverage

During the year ended August 31, 2023, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of $401 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, 2023, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Blue Cross Blue Shield are available for the year ended , have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

L. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2023.

M. Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2023, are reported on the combined financial statements as Due from Other Governments and are summarized below:

Fund	State Entitlements	Federal Grants	Total
General	$ 1,697,838	$ 281,156	$ 1,978,994
ESSER II	--	751,144	751,144
Other Governmental Funds	38,064	425,662	463,726
Total	$ 1,735,902	$ 1,457,962	$ 3,193,864

N. Unearned Revenue

Unearned revenue at year end consisted of the following:

Revenue Description	General Fund	Other Governmental Funds	Total Unearned Revenue
Other	$ 8,374	$ --	$ 8,374
Grant Programs	--	--	--
Total Unearned Revenue	$ 8,374	$ --	$ 8,374

O. Fund Balances

The following is a summary of Governmental Fund fund balances of the District at the year ended August 31, 2023:

General Fund	
Restricted:	
Child Nutrition Program	$ 1,667,376
Committed:	
Construction and renovation	550,000
Capital expenditures for equipment	150,000
Technology	250,000
Storm replacement	250,000
	1,200,000
Unassigned:	9,211,500
Total General Fund fund balance	12,078,876
Debt Service Fund:	
Restricted:	
Retirement of Long-Term Debt	3,275,577
Other Governmental Funds	
Restricted:	
Special Education	545
Summer feeding	4,253
State Textbook	28,463
Construction of facilities	3,205
	36,466
Committed:	
Campus Activity Funds	8,245
Total Other Governmental Fund fund balance	44,711
Total Governmental fund balance	$ 15,399,164

P. Food Service Operations Reported in General Fund

Beginning in 2011 fiscal year end, the District entered into a Provision #2 program with Child Nutrition, and such Districts do not charge students for meals. As required by the Financial Accountability System Resource Guide,

revenues and expenditures for the Provision #2 Child Nutrition Program have been reported in the General Fund for 2022-2023. The following is a summary of the Food Service Operations included in the General Fund.

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
	Revenue:				
5700	Local	$ 114,377	$ 114,377	$ 126,559	$ 12,182
5800	State Program	12,607	12,607	5,143	(7,464)
5900	Federal Program	2,079,472	2,079,472	2,409,338	329,866
5020	Total Revenue	2,206,456	2,206,456	2,541,040	334,584
	Expenditures:				
0035	Food Services	2,056,356	2,050,356	1,819,654	230,702
0051	Plant Maintenance and Operations	150,100	150,100	144,516	5,584
6030	Total Expenditures	2,206,456	2,200,456	1,964,170	236,286
7915	Operating Transfer In	--	--	--	--
1200	Net Change in Fund Balance	--	6,000	576,870	570,870
0100	Fund Balance - Beginning	1,090,508	1,090,508	1,090,508	--
3000	Fund Balance - Ending	$ 1,090,508	$ 1,096,508	$ 1,667,378	$ 570,870

Q. Tax Abatements

The Mathis ISD Board of Trustees has approved agreements with various companies for a Limitation on Appraised Value of Property for School Distict Maintenance and Operations Taxes pursuant to the Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended

Value limitation agreements are a part of a state program, originally created in 2001 which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in statute. The project(s) under the Chapter 313 agreement must be consistent with the state's goal to "encourage large scale capital investments in this state." Chapter 313 of the Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and date centers.

In order to qualify for a value limitation agreement, each applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the projects. The applications, the agreements and state reporting requirement documentation can be viewed at the Texas Comptroller's website: https://www.comptroller.texas.gov/economy/local/ch313/agreement-docs.php.

After approval, the applicant company must maintain a viable presence in the district for the entire period of the value limitation plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

In the event that a company terminates this Agreement without the consent of the District, or in the event that the company or is successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, on that recaptured ad valorem tax revenue. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code Sec 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with

the methodology set forth in Texas Tax Code Sec. 33.01(c), or its successor statute. The agreement provides an administrative procedure to determine any company liability. Ultimately, enforcement of any payment obligation is through the local state district court.

Below is the abatement information that is required by GASB Statement No. 77 for M&O purposes. It includes the net benefit to the District but does not include any I&S impact.

Project	< A > Project Value 2022	< B > Project's Value Limitation Amount 2022	< C > Amount of Applicant's M&O Taxes Paid 2022	< D < Amount of Applicant's M&O Taxes Reduced 2022	< E > Company Revenue Loss Payment to School District 2022	< F > Company Supplemental Payment to School District 2022	< G > Net Benefit (Loss) to the School District 2022 (E+F)
1.	$169,213,050	$20,000,000	$188,590	$1,407,004	--	$186,488	$186,488
2.	$35,871,320	$20,000,000	$188,590	$149,659	$195,472	$0	$195,472

Project Description

1. Pacific Wind Development (Application #1178)
   First Year Value Limitation: 2020

2. El Algodon Alto Wind Farm (Application #1492)
   First Year Value Limitation: 2022

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

MATHIS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	REVENUES:				
5700	Local and Intermediate Sources	$ 6,986,089	$ 6,986,089	$ 6,733,151	$ (252,938)
5800	State Program Revenues	10,708,737	10,708,737	11,388,677	679,940
5900	Federal Program Revenues	3,091,972	3,091,972	3,058,365	(33,607)
5020	Total Revenues	20,786,798	20,786,798	21,180,193	393,395
	EXPENDITURES:				
	Current:				
	Instruction and Instructional Related Services:				
0011	Instruction	9,641,060	9,517,460	8,829,862	687,598
0012	Instructional Resources and Media Services	417,881	417,881	361,914	55,967
0013	Curriculum and Staff Development	90,375	90,375	55,287	35,088
	Total Instruction and Instr. Related Services	10,149,316	10,025,716	9,247,063	778,653
	Instructional and School Leadership:				
0021	Instructional Leadership	7,500	7,500	6,431	1,069
0023	School Leadership	1,466,455	1,526,455	1,515,730	10,725
	Total Instructional and School Leadership	1,473,955	1,533,955	1,522,161	11,794
	Support Services - Student (Pupil):				
0031	Guidance, Counseling and Evaluation Services	411,225	411,225	390,367	20,858
0032	Social Work Services	5,000	5,000	285	4,715
0033	Health Services	235,252	235,252	212,883	22,369
0034	Student (Pupil) Transportation	410,515	430,515	411,657	18,858
0035	Food Services	2,056,356	2,050,356	1,819,654	230,702
0036	Cocurricular/Extracurricular Activities	1,023,683	1,023,683	797,058	226,625
	Total Support Services - Student (Pupil)	4,142,031	4,156,031	3,631,904	524,127
	Administrative Support Services:				
0041	General Administration	1,116,848	1,331,848	1,265,518	66,330
	Total Administrative Support Services	1,116,848	1,331,848	1,265,518	66,330
	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	2,478,383	3,780,252	3,552,199	228,053
0052	Security and Monitoring Services	80,942	169,542	147,692	21,850
0053	Data Processing Services	334,296	334,296	314,008	20,288
	Total Support Services - Nonstudent Based	2,893,621	4,284,090	4,013,899	270,191
	Ancillary Services:				
0061	Community Services	5,000	5,000	3,788	1,212
	Total Ancillary Services	5,000	5,000	3,788	1,212
	Debt Service:				
0071	Principal on Long-Term Debt	229,000	229,000	227,564	1,436
0072	Interest on Long-Term Debt	64,250	64,250	56,858	7,392
0073	Bond Issuance Costs and Fees	2,000	102,000	400	101,600
	Total Debt Service	295,250	395,250	284,822	110,428
	Capital Outlay:				
0081	Capital Outlay	590,777	2,930,732	1,871,903	1,058,829
	Total Capital Outlay	590,777	2,930,732	1,871,903	1,058,829
0099	Other Intergovernmental Charges	120,000	120,000	106,439	13,561

MATHIS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	Total Intergovernmental Charges	120,000	120,000	106,439	13,561
6030	Total Expenditures	20,786,798	24,782,622	21,947,497	2,835,125
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	(3,995,824)	(767,304)	3,228,520
1200	Net Change in Fund Balance	--	(3,995,824)	(767,304)	3,228,520
0100	Fund Balance - Beginning	--	--	12,846,180	12,846,180
3000	Fund Balance - Ending	$ --	$ (3,995,824)	$ 12,078,876	$ 16,074,700

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2023

	Measurement Year Ended August 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0 0120996104%	0 0105707738%	0 0100971217%	0 0107674007%	0 0089921564%	0 0095477644%	0 0097162229%	0 0102482000%	0 0073772000%
District s Proportionate Share of Net Pension Liability (Asset)	$ 7,183,228	$ 2,692,002	$ 5,407,812	$ 5,597,231	$ 4,949,501	$ 3,052,861	$ 3,671,616	$ 3,622,602	$ 1,970,552
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	7,509,650	3,668,886	7,854,180	7,717,708	9,088,516	5,089,027	6,466,382	6,145,538	5,407,526
Total	$ 14,692 878	$ 6,360,888	$ 13,261,992	$ 13,314,939	$ 14,038,017	$ 8,141,888	$ 10,137,998	$ 9,768,140	$ 7,378,078
District's Covered Payroll	$ 12,664,929	$ 11,891,104	$ 11,511,921	$ 11,227,246	$ 10,656,824	$ 10,109,296	$ 10,350,557	$ 22,327,598	$ 21,554,555
District s Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	56 72%	22 64%	46 98%	49 85%	46 44%	30 20%	35 47%	16 22%	9 14%
Plan Fiduciary Net Position as a % of Total Pension Liability	75 62%	88 79%	75 54%	75 24%	73 74%	82 17%	78 00%	78 43%	83 25%

Note Only nine years of data is presented in accordance with GASB #68, paragraph 138 "The information for all periods for the 10 year schedules that are required to be presented as required supplementary information may not be available initially In these cases, during the transition period, that information should be presented for as many years as are available The schedules should not include information that is not measured in accordance with the requirements of this Statement "

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year Ended August 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 577,564	$ 564,604	$ 451,105	$ 416,256	$ 376,872	$ 303,312	$ 302,848	$ 653,258	$ 646,499
Contribution in Relation to Contractually Required Contribution	(577,564)	(564,604)	(451,105)	(416,256)	(376,872)	(303,312)	(302,848)	(653,258)	(646,499)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 12,911,695	$ 12,664,929	$ 11,891,104	$ 11,511,921	$ 11,227,246	$ 10,656,824	$ 10,109,296	$ 23,453,444	$ 22,327,598
Contributions as a % of Covered Payroll	4 47%	4 46%	3 79%	3 62%	3 36%	2 85%	3 00%	2 79%	2 90%

Note Only nine years of data is presented in accordance with GASB #68, paragraph 138 "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially In these cases, during the transition period, that information should be presented for as many years as are available The schedules should not include information that is not measured in accordance with the requirements of this Statement "

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2023

	Measurement Year Ended August 31,					
	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0 0167098719%	0 0154669491%	0 0151816306%	0 0151722533%	0 0136261560%	0 0134021639%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ 4,001,013	$ 5,966,293	$ 5,771,223	$ 7,175,144	$ 6,803,664	$ 5,828,098
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	4,880,607	7,993,504	7,755,141	9,534,162	8,639,806	7,238,740
Total	$ 8,881,620	$ 13,959,797	$ 13,526,364	$ 16,709,306	$ 15,443,470	$ 13,066,838
District's Covered Payroll	$ 12,664,929	$ 11,891,104	$ 11,511,921	$ 11,227,246	$ 10,656,824	$ 10,109,296
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	31.59%	50 17%	50.13%	63 91%	63.84%	57.65%
Plan Fiduciary Net Position as a % of Total OPEB Liability	11 52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note Only six years of data is presented in accordance with GASB #75, paragraph 245 "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially In these cases, during the transition period, that information should be presented for as many years as are available The schedules should not include information that is not measured in accordance with the requirements of this Statement "

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year Ended August 31,					
	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 134,984	$ 137,245	$ 120,832	$ 115,395	$ 107,681	$ 94,001
Contribution in Relation to Contractually Required Contribution	(134,984)	(137,245)	(120,832)	(115,395)	(107,681)	(94,001)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 12,911,695	$ 12,664,929	$ 11,891,104	$ 11,511,921	$ 11,227,246	$ 10,656,824
Contributions as a % of Covered Payroll	1.05%	1.08%	1.02%	1.00%	0.96%	0.88%

Note: Only six years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.

c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Other Post-Employment Benefit Plan

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

MATHIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2023

Year Ended August 31	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value For School Tax Purposes
2014 and Prior Years	$ Various	$ Various	$ Various
2015	1.17	.234	365,149,786
2016	1.17	.233	365,256,166
2017	1.17	.2647	343,341,495
2018	1.17	.2647	342,647,104
2019	1.17	.2596	342,930,039
2020	1.0684	.4042	367,131,507
2021	.9631	.4042	513,996,489
2022	.9604	.4042	570,657,652
2023 (School Year Under Audit)	.943	.4042	621,962,736
1000 Totals			

10 Beginning Balance 9/1/22	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/23
$ 466,115	$ --	$ 18,643	$ 3,264	$ (98)	$ 444,110
82,062	--	5,920	1,184	(101)	74,857
96,097	--	6,171	1,229	(648)	88,049
118,758	--	7,532	1,704	(662)	108,860
183,160	--	33,815	7,649	36,378	178,074
166,013	--	37,648	8,354	36,700	156,711
200,623	--	36,622	13,855	34,348	184,494
236,265	--	28,538	11,978	18,957	214,706
534,464	--	122,229	51,445	18,686	379,476
--	8,378,771	5,177,749	2,886,729	358,437	672,730
$ 2,083,557	$ 8,378,771	$ 5,474,867	$ 2,987,391	$ 501,997	$ 2,502,067

Levies and Collections

Fiscal Year End	Levy Year	Tax Levy	Total Tax Collection	Percent of Levy
08/31/14	2014	4,748,081	4,562,856	96.10%
08/31/15	2015	5,083,776	4,969,731	97.76%
08/31/16	2016	5,121,721	4,944,565	96.54%
08/31/17	2017	4,928,900	4,781,759	97.01%
08/31/18	2018	4,999,424	4,734,001	94.69%
08/31/19	2019	4,995,832	4,882,049	97.72%
08/31/20	2020	5,389,585	5,419,482	100.55%
08/31/21	2021	7,158,215	7,253,636	101.33%
08/31/22	2022	7,927,292	7,752,083	97.79%
08/31/23	2023	8,737,208	8,462,258	96.85%

MATHIS INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2023

Data Control Codes		Responses
	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 2,004,219
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30, 34)	$ 1,807,393
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 6,399
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	$ 14,188

MATHIS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	REVENUES:				
5700	Local and Intermediate Sources	$ 2,949,293	$ 2,949,293	$ 3,057,147	$ 107,854
5800	State Program Revenues	28,285	28,285	--	(28,285)
5020	Total Revenues	2,977,578	2,977,578	3,057,147	79,569
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	2,113,152	2,113,152	1,760,000	353,152
0072	Interest on Long-Term Debt	844,426	844,426	751,879	92,547
0073	Bond Issuance Costs and Fees	20,000	20,000	16,319	3,681
	Total Debt Service	2,977,578	2,977,578	2,528,198	449,380
6030	Total Expenditures	2,977,578	2,977,578	2,528,198	449,380
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	528,949	528,949
1200	Net Change in Fund Balance	--	--	528,949	528,949
0100	Fund Balance - Beginning	--	--	2,746,628	2,746,628
3000	Fund Balance - Ending	$ --	$ --	$ 3,275,577	$ 3,275,577

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Lovvorn & Kieschnick, LLP
418 Peoples Street, Ste. 308
Corpus Christi, TX 78401

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

Board of Trustees
Mathis Independent School District
P. O. Box 1177
Mathis, Texas 78368

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mathis Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Mathis Independent School District's basic financial statements, and have issued our report thereon dated December 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mathis Independent School District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mathis Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mathis Independent School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mathis Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be

reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

Corpus Christi, TX
December 8, 2023

Lovvorn & Kieschnick, LLP
418 Peoples Street, Ste. 308
Corpus Christi, TX 78401

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Mathis Independent School District
P. O. Box 1177
Mathis, Texas 78368

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Progam

We have audited Mathis Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Mathis Independent School District's major federal programs for the year ended August 31, 2023. Mathis Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mathis Independent School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Progam

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing* Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mathis Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mathis Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Mathis Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the

compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mathis Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mathis Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mathis Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Mathis Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Mathis Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

Corpus Christi, TX
December 8, 2023

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? ____ Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? ____ Yes X None Reported

Noncompliance material to financial statements noted? ____ Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? ____ Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? ____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: May 2023

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?? ____ Yes X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.010A	Title I, Part A - Improving Basic Programs
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Supply Chain Assistance
84.425D	CRRSA ESSER II
84.425U	ARP ESSER III
84.425W	ARP Homeless II

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? X Yes ____ No

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

MATHIS INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2023

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
N/A - No prior findings		

MATHIS INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2023

Program	Corrective Action Plan
N/A	No corrective action required

MATHIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed Through to Subre-cipients	Federal Expenditures
U. S. Department of Health and Human Services				
Passed Through Texas Department of Health & Human Services:				
Medicaid Administration Claiming Program	93.778	529-15-0048-00022	$ --	$ 15,804
Total U. S. Department of Health and Human Services			--	15,804
U. S. Department of Education				
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010A	23610101205904	--	932,383
IDEA-B Cluster:				
IDEA-Part B, Formula	84.027A	236600012059046600	--	410,620
IDEA - Part B, Formula - American Rescue Plan (ARP) Act of 2021	84.027X	225350012059045350	--	72,195
IDEA-Part B, Preschool	84.173A	236610012059046610	--	6,341
IDEA - Part B, Preschool - American Rescue Plan (ARP) Act of 2021	84.173X	225360012059045360	--	3,863
Total IDEA-B Cluster			--	493,019
Career and Technical Education - Basic Grant	84.048A	23420006205904	--	35,139
ESEA Title II, Part A - Teacher and Principal Training and Recruitin	84.367A	23694501205904	--	89,584
Title IV, Part B-21st Century Community Learning Centers	84.287C	236950267110031	--	1,259,093
Title IV, Part B-21st Century Community Learning Centers	84.287C	246950267110031	--	38,303
Total ALN Number 84.287C			--	1,297,396
ESEA, Title V, Part B, Subpart 2-Rural and Low Income School Gr	84.358B	23696001205904	--	39,076
GEAR UP	84.334S	215111017110003	--	4,720
GEAR UP	84.334S	225111017110003	--	138,847
Total ALN Number 84.334S			--	143,567
American Rescue Plan (ARP) Act - Homeless II - Education for Ho	84.425W	21533002205904	--	1,566
ESSER Fund II of the CRRSA Act	84.425D	21521001205904	--	2,458,377
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	21528001205904	--	1,844,722
Title IV, Part A, Subpart 1	84.424A	23680101205904	--	72,237
Total Passed Through State Department of Education			--	7,407,067
Total U. S. Department of Education			--	7,407,067
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
Child Nutrition Cluster				
School Breakfast Program	10.553	806780706	--	563,596
National School Lunch Program	10.555	806780706	--	925,386
Supply Chain Assistance	10.555	806780706	--	39,740
Summer Food Service Program	10.559	806780706	--	32,529
Total Child Nutrition Cluster			--	1,561,250
Child and Adult Care Food Program	10.558	806780706	--	768,648

MATHIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

(1)	(2)	(2A)		
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed Through to Subre-cipients	Federal Expenditures
Commodity Supplemental Food Program	10.565	806780706	--	111,969
Total Passed Through Texas Department of Agriculture			--	2,441,867
Total U. S. Department of Agriculture			--	2,441,867
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ --	$ 9,864,738

The accompanying notes are an integral part of this schedule.

Federal Assistance Reconciliation

Federal Grants and Contracts Revenues per Exhibit C-2	10,216,136
Less: School Health & Related Services (SHARS) reported in General Fund	(351,398)
Total Federal Revenues per Schedule of Expenditures of Federal Awards	9,864,738

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Mathis Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Mathis Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.