MATHIS
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2024



Lovvorn & Kieschnick

CERTIFIED PUBLIC ACCOUNTANTS

LOVVORN & KIESCHNICK, LLP

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MATHIS INDEPENDENT SCHOOL DISTRICT

DIRECTORY OF OFFICIALS

AUGUST 31, 2024

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

DR. VERONICA GUTIERREZ	ACTING SUPERINTENDENT OF SCHOOLS
VANESSA M. CASAS	CHIEF FINANCIAL OFFICER
CHRISTINA ALVARADO	FEDERAL PROGRAMS AND ASSESSMENTS DIRECTOR

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Mathis Independent School District
Annual Financial Report
For The Year Ended August 31, 2024

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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, 2024, 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, 2024, 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, 2024, 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 January 13, 2025 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 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
January 13, 2025

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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, 2024
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, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

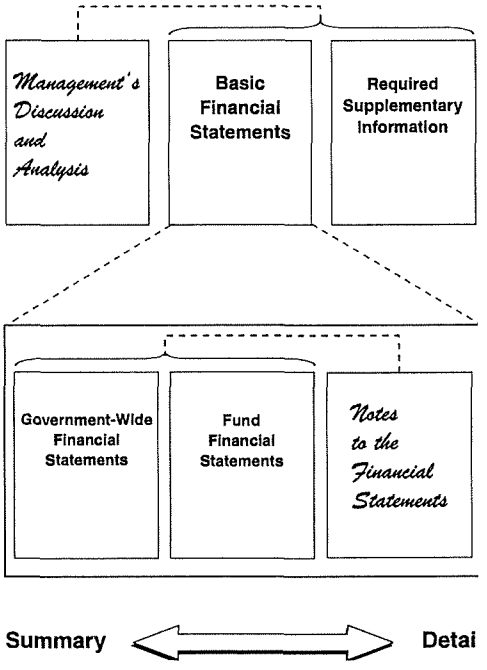
- The District's total combined net position was $27,260,567 as of August 31, 2024.
- During the year, the District's expenses were $2,976,483 less than the $31,733,617 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of $13,440,545.

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 $27,260,567 as of August 31, 2024. (See Table A-1.)

Table A-1

Mathis Independent School District's Net Position

	Governmental Activities		Total Percentage Change
	2024	2023	2024-2023
Assets:			
Cash and Cash Equivalents	3,305,657	6,460,772	-48.8%
Investments	10,846,850	7,188,736	50.9%
Property Taxes Receivable (Net)	2,129,604	2,001,654	6.4%
Due from Other Governments	4,718,500	3,194,063	47.7%
Other Receivables (Net)	9,801	9,802	0.0%
Capital Assets:			
Land	715,385	715,385	0.0%
Construction in Progress	-	-	0.0%
Buildings, Furniture, and Equipment, (Net)	39,152,915	40,348,782	-3.0%
Total Assets	60,878,712	59,919,194	1.6%
Deferred Outflows of Resources:			
Deferred Charge for Refunding	230,276	247,520	-7.0%
Deferred Outflow Related to Pensions	3,442,279	3,680,101	-6.5%
Deferred Outflow Related to OPEB	1,939,481	2,375,956	-18.4%
Total Deferred Outflows of Resources	5,612,036	6,303,577	-11.0%
Liabilities:			
Accounts Payable	240,745	112,356	114.3%
Interest Payable	34,639	36,858	-6.0%
Accrued Expenses	1,253,928	1,218,626	2.9%
Due to Other Governments	-	-	0.0%
Unearned Revenue	2,584	8,374	-69.1%
Non-current Liabilities:			
Due Within One Year	745,111	1,134,523	-34.3%
Due in More than One Year	19,487,251	21,432,363	-9.1%
Net Pension Liability	7,727,304	7,183,228	7.6%
Net OPEB Liability	3,444,846	4,001,013	-13.9%
Total Liabilities	32,936,408	35,127,341	-6.2%
Deferred Inflows of Resources:			
Deferred Inflow Related to Pensions	717,649	698,483	2.7%
Deferred Inflow Related to OPEB	5,576,124	6,112,869	-8.8%
Total Deferred Inflows of Resources	6,293,773	6,811,352	-7.6%
Net Position:			
Net Investment in Capital Assets	19,869,535	18,748,006	6.0%
Restricted for:			
State & Federal Programs	2,114,219	1,700,637	24.3%
Debt Service	4,307,585	3,721,132	15.8%
Unrestricted	969,228	114,310	747.9%
Total Net Position	27,260,567	24,284,085	12.3%

The District continues to be fiscally conservative and has unrestricted net position of $969,228. The unrestricted net position of the District has increased by $854,918 during the current fiscal year.

Changes in Net Position

The District's total revenues were $31,733,617. A portion, 27.30%, of the District's revenue comes from local taxes, approximately 49.77% comes from state aid, 20.13% from operating grants, 0.7% from charges for services, and 2.10% other.

The total cost of all programs and services was $28,757,134.

Governmental Activities

Property tax rates were $1.1618: M&O $0.7576 and I&S $0.4042.

- The cost of all governmental activities this year was $28,757,134. (See Table A-2.)
- However, the amount that our taxpayers paid for these activities through property taxes was $8,662,254 .
- Grants and contributions $6,387,151.

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

	Governmental Activities		Total Percentage Change
	2024	2023	2024-2023
Program Revenues:			
Charges for Services	212,716	239,716	-11.3%
Operating Grants and Contributions	6,387,151	9,435,301	-32.3%
General Revenues:			
Property Taxes	8,662,254	9,031,282	-4.1%
State Aid	15,793,536	11,460,447	37.8%
Other Local Revenues	677,960	988,300	-31.4%
Total Revenues	31,733,617	31,155,046	1.9%
Expenses:			
Instruction	14,335,389	14,008,095	2.3%
Instructional Resources and Media Services	436,339	379,688	14.9%
Curriculum and Staff Development	179,564	263,277	-31.8%
Instructional Leadership	6,827	6,816	0.2%
School Leadership	1,593,564	1,521,255	4.8%
Guidance, Counseling and Evaluation Services	543,928	527,803	3.1%
Social Work Services	-	4,027	-100.0%
Health Services	237,778	224,748	5.8%
Student Transportation	760,883	1,232,375	-38.3%
Food Services	1,933,150	1,964,933	-1.6%
Extracurricular Activities	943,729	937,958	0.6%
General Administration	1,326,039	1,282,938	3.4%
Plant Maintenance & Operations	4,273,577	4,333,509	-1.4%
Security & Monitoring Services	626,692	155,703	302.5%
Data Processing Services	356,835	326,166	9.4%
Community Services	143,778	133,858	7.4%
Interest on Long-term Debt	705,394	689,834	2.3%
Bond Issuance Costs and Fees	97,032	16,719	480.4%
Capital Outlay	160,349	805,800	-80.1%
Other Intergovernmental Charges	96,287	106,439	-9.5%
Total Expenses	28,757,134	28,921,941	-0.6%
Change in Net Position	2,976,483	2,233,105	33.3%

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		
	2024	2023	% Change	2024	2023	% Change
Instruction	14,335,389	14,008,095	2.3%	11,991,367	9,464,299	26.7%
General Administration	1,326,039	1,282,938	3.4%	1,270,682	1,234,975	2.9%
Plant Maintenance & Operations	4,273,577	4,333,509	-1.4%	3,185,894	2,952,568	7.9%
Food Services	1,933,150	1,964,933	-1.6%	(247,475)	(393,269)	-37.1%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled $32,030,300.

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 2024, the District had assets of $68,779,231 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
	2024	2023	2024-2023
Land	0.72	0.72	0.0%
Construction in Progress	-	-	0.0%
Buildings and Improvements	62.31	62.05	0.4%
Vehicles	2.73	2.73	0.0%
Equipment	3.02	2.61	15.7%
Total Assets at Historical Cost	68.78	68.11	1.0%
Total Accumulated Depreciation	28.91	27.05	6.9%
Net Capital Assets	39.87	41.06	-2.9%

Long-Term Obligations

At year-end the District had $31,404,513 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, 2024:

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
	2024	2023	2024-2023
Bonds and Notes Payable	20,232,363	22,566,886	-10.3%
Net Pension Liability	7,727,304	7,183,228	7.6%
Net OPEB Liability	3,444,846	4,001,013	-13.9%
Total Long-Term Obligations	31,404,513	33,751,127	-7.0%

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

- The District's 2024-2025 total enrollment is 1,418, and the District's refined average daily attendance (ADA) is approximately 1,294.92. The District receives state funding based on refined average daily attendance which is calculated based on attendance rates. This decline in enrollment and refined ADA results in a reduction of state funding for the District.
- The Appraisal values used for the 2024-2025 budget have increased and the District tax rate for M & O will be $0.755200.
- Grant opportunities and the increase in property value will help the District close the financial gap in budgeting to allow for continual reductions in state funding. In 2024-2025 MISD was awarded the 21st Century, Year 2 Grant, GEAR-UP Year 7 Grant, and LASO Strong Foundations Planning Grant.
- ESSER II & III grant funds, which were utilized in prior years for instructional needs, technology investments, and adding additional positions to instructional and counseling staff, were fully expended by August 31, 2024. The District plans to continue supporting student learning and growth amidst the loss of ESSER grant funding by preparing a conservative budget utilizing local funds.
- The District will be receiving approximately $332,000 in supplemental revenue from Chapter 313 agreements with the Pacific Windmill Project & the El Algodon Alto Windmill project.
- The District has filed a Chapter 313 agreement with Charter Oak Solar; payments will begin in 2026.
- The District is increasing school safety daily with two awarded state safety grants and 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, 410 E. San Patricio, (PO Box 1179) Mathis, TX 78368.

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Basic Financial Statements

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MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
AUGUST 31, 2024

Data Control Codes		1 Governmental Activities
	ASSETS:	
1110	*Cash and Cash Equivalents*	$ 3,305,657
1120	*Current Investments*	10,846,850
1225	*Property Taxes Receivable (Net)*	2,129,604
1240	*Due from Other Governments*	4,718,500
1290	*Other Receivables (Net)*	9,801
	Capital Assets:	
1510	*Land*	715,385
1520	*Buildings and Improvements, Net*	36,828,939
1530	*Furniture and Equipment, Net*	2,323,976
1000	Total Assets	60,878,712
	DEFERRED OUTFLOWS OF RESOURCES:	
1701	*Deferred Charge for Refunding*	230,276
1705	*Deferred Outflow Related to Pensions*	3,442,279
1706	*Deferred Outflow Related to OPEB*	1,939,481
1700	Total Deferred Outflows of Resources	5,612,036
	LIABILITIES:	
2110	*Accounts Payable*	240,745
2140	*Interest Payable*	34,639
2165	*Accrued Liabilities*	1,253,928
2300	*Unearned Revenue*	2,584
	Noncurrent Liabilities:	
2501	*Due Within One Year*	745,111
2502	*Due in More Than One Year*	19,487,251
2540	*Net Pension Liability*	7,727,304
2545	*Net OPEB Liability*	3,444,846
2000	Total Liabilities	32,936,408
	DEFERRED INFLOWS OF RESOURCES:	
2605	*Deferred Inflow Related to Pensions*	717,649
2606	*Deferred Inflow Related to OPEB*	5,576,125
2600	Total Deferred Inflows of Resources	6,293,773
	NET POSITION:	
3200	Net Investment in Capital Assets	19,869,535
	Restricted For:	
3820	Federal and State Programs	2,114,219
3850	Debt Service	4,307,585
3900	Unrestricted	969,228
3000	Total Net Position	$ 27,260,567

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024

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*	$ 14,335,389	$ 51,526	$ 2,292,496	$ (11,991,367)
12	*Instructional Resources and Media Services*	436,339	--	68,115	(368,224)
13	*Curriculum and Staff Development*	179,564	--	102,278	(77,286)
21	*Instructional Leadership*	6,827	--	308	(6,519)
23	*School Leadership*	1,593,564	--	67,044	(1,526,520)
31	*Guidance, Counseling, and Evaluation Services*	543,928	--	275,878	(268,050)
33	*Health Services*	237,778	--	9,918	(227,860)
34	*Student Transportation*	760,883	--	306,869	(454,014)
35	*Food Service*	1,933,150	106,214	2,074,411	247,475
36	*Cocurricular/Extracurricular Activities*	943,729	54,976	3,690	(885,063)
41	*General Administration*	1,326,039	--	55,357	(1,270,682)
51	*Facilities Maintenance and Operations*	4,273,577	--	1,087,683	(3,185,894)
52	*Security and Monitoring Services*	626,692	--	16,915	(609,777)
53	*Data Processing Services*	356,835	--	14,839	(341,996)
61	*Community Services*	143,778	--	4,353	(139,425)
72	*Interest on Long-term Debt*	705,394	--	--	(705,394)
73	*Bond Issuance Costs and Fees*	97,032	--	--	(97,032)
81	*Capital Outlay*	160,349	--	6,997	(153,352)
99	*Other Intergovernmental Charges*	96,287	--	--	(96,287)
TG	Total Governmental Activities	28,757,134	212,716	6,387,151	(22,157,267)
TP	Total Primary Government	$ 28,757,134	$ 212,716	$ 6,387,151	(22,157,267)
	General Revenues:				
MT	*Property Taxes, Levied for General Purposes*				4,802,871
DT	*Property Taxes, Levied for Debt Service*				3,311,180
	Chapter 313 Payments				548,203
IE	*Investment Earnings*				536,178
SF	*State Aid-Formula Grants*				12,788,770
GC	*Grants and Contributions Not Restricted to Specific Programs*				3,004,766
MI	*Miscellaneous*				141,782
TR	Total General Revenues				25,133,750
CN	Change in Net Position				2,976,483
NB	Net Position - Beginning				24,284,084
NE	Net Position - Ending				$ 27,260,567

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2024

Data Control Codes		10 General Fund	50 Debt Service	onmf Other Governmental Funds	98 Total Governmental Funds
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ 2,608,465	$ 502,418	$ 26,095	$ 3,136,978
1120	*Current Investments*	7,562,672	3,282,078	2,100	10,846,850
1225	*Taxes Receivable, Net*	1,570,376	559,228	--	2,129,604
1240	*Due from Other Governments*	3,573,839	--	1,144,661	4,718,500
1260	*Due from Other Funds*	964,915	--	--	964,915
1290	*Other Receivables*	9,801	--	--	9,801
1000	Total Assets	16,290,068	4,343,724	1,172,856	21,806,648
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ 146,458	$ 1,500	$ 35,501	$ 183,459
2150	*Payroll Deductions and Withholdings*	98,636	--	--	98,636
2160	*Accrued Wages Payable*	1,031,469	--	123,823	1,155,292
2170	*Due to Other Funds*	--	--	964,915	964,915
2300	*Unearned Revenue*	2,584	--	--	2,584
2000	Total Liabilities	1,279,147	1,500	1,124,239	2,404,886
	DEFERRED INFLOWS OF RESOURCES:				
2601	*Unavailable Revenue - Property Taxes*	1,570,376	559,228	--	2,129,604
2600	Total Deferred Inflows of Resources	1,570,376	559,228	--	2,129,604
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	2,076,955	--	37,264	2,114,219
3470	*Capital Acquisitions and Contractual Obligations*	--	--	3,322	3,322
3480	*Retirement of Long-Term Debt*	--	3,782,996	--	3,782,996
	Committed Fund Balances:				
3510	*Construction*	550,000	--	--	550,000
3545	*Other Committed Fund Balance*	650,000	--	8,031	658,031
3600	Unassigned	10,163,590	--	--	10,163,590
3000	Total Fund Balances	13,440,545	3,782,996	48,617	17,272,158
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 16,290,068	$ 4,343,724	$ 1,172,856	$ 21,806,648

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2024

Total fund balances - governmental funds balance sheet	$	17,272,158
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.		39,868,300
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		2,129,605
The assets and liabilities of internal service funds are included in governmental activities in the SNP.		111,393
Payables for bond principal which are not due in the current period are not reported in the funds.		(16,355,000)
Payables for debt interest which are not due in the current period are not reported in the funds.		(34,639)
Payables for notes which are not due in the current period are not reported in the funds.		(1,637,652)
Bond premiums are amortized in the SNA but not in the funds.		(2,239,710)
Deferred charge for refunding is not expended in the funds, but is amortized in the statement of net position.		230,276
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.		(7,727,304)
Deferred Resource Inflows related to the pension plan are not reported in the funds.		(717,649)
Deferred Resource Outflows related to the pension plan are not reported in the funds.		3,442,279
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.		(3,444,846)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.		(5,576,125)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.		1,939,481
Net position of governmental activities - Statement of Net Position	$	27,260,567

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, 2024

Data Control Codes		10 General Fund	50 Debt Service	onmf Other Governmental Funds	98 Total Governmental Funds
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 6,006,538	$ 3,348,826	$ 69,615	$ 9,424,979
5800	*State Program Revenues*	13,591,621	--	521,991	14,113,612
5900	*Federal Program Revenues*	3,039,910	--	5,451,799	8,491,709
5020	Total Revenues	22,638,069	3,348,826	6,043,405	32,030,300
	EXPENDITURES:				
	Current:				
0011	*Instruction*	9,534,746	--	4,159,554	13,694,300
0012	*Instructional Resources and Media Services*	424,757	--	52,405	477,162
0013	*Curriculum and Staff Development*	66,674	--	99,452	166,126
0021	*Instructional Leadership*	6,389	--	--	6,389
0023	*School Leadership*	1,539,449	--	--	1,539,449
0031	*Guidance, Counseling, and Evaluation Services*	244,396	--	265,274	509,670
0033	*Health Services*	228,413	--	--	228,413
0034	*Student Transportation*	372,348	--	290,536	662,884
0035	*Food Service*	1,817,168	--	19,202	1,836,370
0036	*Cocurricular/Extracurricular Activities*	828,985	--	69,498	898,483
0041	*General Administration*	1,271,553	--	--	1,271,553
0051	*Facilities Maintenance and Operations*	3,517,204	--	753,516	4,270,720
0052	*Security and Monitoring Services*	389,086	--	200,000	589,086
0053	*Data Processing Services*	340,995	--	--	340,995
0061	*Community Services*	2,568	--	130,062	132,630
0071	*Principal on Long-term Debt*	229,392	1,970,000	--	2,199,392
0072	*Interest on Long-term Debt*	50,726	774,775	--	825,501
0073	*Bond Issuance Costs and Fees*	400	96,632	--	97,032
0081	*Capital Outlay*	314,864	--	--	314,864
0099	*Other Intergovernmental Charges*	96,287	--	--	96,287
6030	Total Expenditures	21,276,400	2,841,407	6,039,499	30,157,306
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	1,361,669	507,419	3,906	1,872,994
1200	Net Change in Fund Balances	1,361,669	507,419	3,906	1,872,994
0100	Fund Balances - Beginning	12,078,876	3,275,577	44,711	15,399,164
3000	Fund Balances - Ending	$ 13,440,545	$ 3,782,996	$ 48,617	$ 17,272,158

The accompanying notes are an integral part of this statement.

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, 2024

Net change in fund balances - total governmental funds	$	1,872,994
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		668,588
The depreciation of capital assets used in governmental activities is not reported in the funds.		(1,864,455)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		127,951
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		1,970,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.		229,392
(Increase) decrease in accrued interest from beginning of period to end of period.		2,219
The net revenue (expense) of internal service funds is reported with governmental activities.		(3,466)
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.		(801,064)
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.		656,436
Change in net position of governmental activities - Statement of Activities	$	2,976,483

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AUGUST 31, 2024

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	ASSETS:	
	Current Assets:	
1110	*Cash and Cash Equivalents*	$ 168,679
	Total Current Assets	168,679
1000	Total Assets	168,679
	LIABILITIES:	
	Current Liabilities:	
2110	*Accounts Payable*	$ 57,286
	Total Current Liabilities	57,286
2000	Total Liabilities	57,286
	NET POSITION:	
3900	*Unrestricted*	111,393
3000	Total Net Position	$ 111,393

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, 2024

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	OPERATING REVENUES:	
5700	*Local and Intermediate Sources*	$ 79,790
5020	Total Revenues	79,790
	OPERATING EXPENSES:	
6400	*Other Operating Costs*	83,256
6030	Total Expenses	83,256
1300	Change in Net Position	(3,466)
0100	Total Net Position - Beginning	114,859
3300	Total Net Position - Ending	$ 111,393

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, 2024

	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	79,790
Cash Payments to Employees for Services	--
Cash Payments to Other Suppliers for Goods and Services	(74,338)
Cash Payments for Grants to Other Organizations	--
Other Operating Cash Receipts (Payments)	--
Net Cash Provided (Used) by Operating Activities	5,452
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	5,452
Cash and Cash Equivalents at Beginning of Year	163,228
Cash and Cash Equivalents at End of Year	$ 168,680
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	$ (3,466)
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	8,918
Increase (Decrease) in Interfund Payables	--
Increase (Decrease) in Accrued Expenses	--
Total Adjustments	8,918
Net Cash Provided (Used) by Operating Activities	$ 5,452

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2024

Data Control Codes		Private-Purpose Trust Fund Student Scholarships	Custodial Fund Student Activity
	ASSETS:		
1110	*Cash and Cash Equivalents*	$ --	$ 84,889
1800	*Restricted Assets*	17,240	--
1000	Total Assets	17,240	84,889
	LIABILITIES:		
	Current Liabilities:		
2000	Total Liabilities	--	--
	NET POSITION:		
3800	*Restricted for Student Scholarships*	17,240	--
3800	*Restricted for Student Activities*	--	84,889
3000	Total Net Position	$ 17,240	$ 84,889

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

	Private Purpose Trust Fund Student Scholarships	Custodial Funds Student Activity
ADDITIONS:		
Investment Income	$ 25	$ --
Student Group Fundraising Activities	--	138,864
Total Additions	25	138,864
DEDUCTIONS:		
Student Activities	--	138,864
Student Scholarships	--	--
Total Deductions	--	138,864
Change in Fiduciary Net Position	25	--
Net Position-Beginning of the Year	17,215	84,889
Net Position-End of the Year	$ 17,240	$ 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 tax revenue and related debt service expenditures for bonded debt.

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 within one year of year end.

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, 2024, the District reported the following:

Net Pension Asset	$	
Net Pension Liability	$	7,727,304

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 the following new standards. The applicable provisions of the Standards Board (GASB).
new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 99, *Omnibus 2022*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments that do not meet the definition of either an investment or a hedge
- Guidance clarification for short-term leases when there is a modification of terms
- Considerations for public-private partnerships (PPP) terminology as well as recognizing installment payments and transferring underlying PPP assets
- Clarifications of subscription-based information technology arrangement (SBITA) terms, and liability measurement and recognition
- Disclosures related to nonmonetary transactions
- Certain provisions of GASB Statement No. 34
- Pledges of future revenues when resources are not received by the pledging government
- Terminology updates related to deferred inflows and outflows of resources and net position
- Resource flows statements terminology related to GASB Statement No. 53
- Accounting for SNAP distributions
- Requirements related to the extension of the use of LIBOR

The requirements of GASB Statement No. 99 that relate to the extension of the use of LIBOR , accounting for SNAP distributions, disclosures for nonmonetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement 34, and terminology updates took effect upon issuance.

The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District implemented this Statement during the current year.

GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is effected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District has implemented this Statement during the current year.

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, 2024, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was 3,352,876 and the bank balance was 4,563,734. The District's cash deposits at August 31, 2024 and during the year ended August 31, 2024, 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, 2024 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	$ 9,509,418	$ 9,509,418	$ --	$ --
Investment in Lone Star Pool	1,337,432	1,337,432	--	--
Total Fair Value	$ 10,846,850	$ 10,846,850	$ --	$ --

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, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 715,385	$ --	$ --	$ 715,385
Construction in progress	--	--	--	--
Total capital assets not being depreciated	715,385	--	--	715,385
Capital assets being depreciated:				
Buildings and improvements	62,049,051	257,728	--	62,306,779
Equipment	2,614,978	410,860	--	3,025,838

Vehicles	2,731,229	--	--	2,731,229
Total capital assets being depreciated	67,395,258	668,588	--	68,063,846
Less accumulated depreciation for:				
Buildings and improvements	(23,857,285)	(1,620,554)	--	(25,477,839)
Equipment	(1,453,920)	(141,079)	--	(1,594,999)
Vehicles	(1,735,267)	(102,822)	--	(1,838,089)
Total accumulated depreciation	(27,046,472)	(1,864,455)	--	(28,910,927)
Total capital assets being depreciated, net	40,348,786	(1,195,867)	--	39,152,919
Governmental activities capital assets, net	$ 41,064,171	$ (1,195,867)	$ --	$ 39,868,304

Depreciation was charged to functions as follows:

Instruction	$ 928,177
Instructional Resources and Media Services	32,130
Curriculum and Staff Development	11,523
Instructional Leadership	438
School Leadership	102,264
Guidance, Counseling, & Evaluation Services	34,906
Health Services	15,259
Student Transportation	102,822
Food Services	125,769
Extracurricular Activities	61,040
General Administration	85,096
Plant Maintenance and Operations	292,688
Security and Monitoring Services	40,217
Data Processing Services	22,899
Community Services	9,227
	$ 1,864,455

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2024, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	$ 964,915	Short-term loans
	Total	$ 964,915	

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

2. Transfers To and From Other Funds

There were no transfers to and from other funds at August 31, 2024.

F. Long-Term Obligations

1. Long-Term Obligation Activity

On July 15, 2024, the District used $1,300,000 of its own resources from the Debt Service Fund to advance refund $1,200,000 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 2024, Mathis Independent School District, are as follows:

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 9/1/23	Issued	Retired	Amounts Outstanding 8/31/24	Amounts Due Within One Year
Unlimted Tax Refunding Bonds Series 2016	2.00% to 4.00%	5,185,000	2,850,000	--	165,000	2,685,000	160,000
Unlimted Tax Refunding Bonds Series 2017	2.00% to 4.00%	4,180,000	3,250,000	--	250,000	3,000,000	265,000
Unlimited Tax School Building Bonds, Series 2019	2.00% to 5.00%	12,200,000	10,115,000	--	1,555,000	8,560,000	--
Unlimted Tax Refunding Bonds Series 2020	3.00% to 4.00%	2,575,000	2,110,000	--	--	2,110,000	--
Sub-Total - Bonds			18,325,000	--	1,970,000	16,355,000	425,000
Maintenance Tax Notes Series 2012	3.50%	1,030,000	550,773	--	53,120	497,653	54,979
Loan STAR Revolving Loan Series 2016	0.25%	405,592	51,271	--	51,271	--	--
Maintenance Tax Notes Series 2017	2.57%	1,900,000	1,265,000	--	125,000	1,140,000	130,000
Sub-Total - Bonds & Notes			20,192,044	--	2,199,391	17,992,653	609,979
Bond Premiums on Refunding			2,374,842	--	135,132	2,239,710	135,132
Total Bonds & Notes			22,566,886	--	2,334,523	20,232,363	745,111
Other Liabilities:							
Net Pension Liability			7,183,228	544,076	--	7,727,304	--
Net OPEB Liability			4,001,013	--	556,167	3,444,846	--
Total Governmental Activities			$ 33,751,127	$ 544,076	$ 2,890,690	$ 31,404,513	$ 745,111

2. Debt Service Requirements

Governmental Activiy Debt service requirements on long-term debt at August 31, 2024, are as follows:

Year Ending	General Obligation Bonds	Maintenance Tax Notes and Revolving Loan

August 31,	Principal	Interest	Total	Principal	Interest	Total
2025	425,000	703,050	1,128,050	184,979	46,716	231,695
2026	440,000	687,650	1,127,650	191,903	41,451	233,354
2027	460,000	670,050	1,130,050	193,895	35,989	229,884
2028	450,000	651,650	1,101,650	200,956	30,459	231,415
2029	465,000	633,650	1,098,650	208,090	24,727	232,817
2030-2034	4,515,000	2,753,250	7,268,250	657,830	37,876	695,706
2035-2039	5,530,000	1,578,150	7,108,150	--	--	--
2040-2044	4,070,000	583,600	4,653,600	--	--	--
Totals	$ 16,355,000	$ 8,261,050	$ 24,616,050	$ 1,637,653	$ 217,218	$ 1,854,871

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 $2,585,000 of defeased bonds outstanding as of August 31, 2024.

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 Independent School District.

G. Leases

At August 31, 2024, the District had no contracts that qualify as leases under GASB 87 or as Subscription Based Technology Agreements under GASB 96.

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 2024, 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, 2024, 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, 2023, 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, 2023 and ended September 1, 2024. The District's maximum financial exposure for the plan year is $129,756. Any costs above $129,756 for the 2023-2024 plan year are the shared responsibility of the remaining School Comp members. The District's self-insured retention per occurrence is $39,334. 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 $11,455,688. 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 $111,393 at 8/31/24, and is reported as reserved Net Assets of the Worker's Compensation Internal Service Fund. The claims liability of $57,286 reported in the fund at 8/31/24, 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 08/31/24	Year Ended 08/31/23
Unpaid claims, beginning of year	48,368	$ 48,368
Current year claims and changes in estimate	83,256	51,122
Claim payments	(74,338)	(51,122)
Unpaid claims, end of year	57,286	$ 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

Detailed 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_archive_cafr.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 where 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 cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously 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	2023	2024
Member	8.0%	8.25%
Non-Employer Contributing Entity (State)	8.0%	8.25%
Employers	8.0%	8.25%

District's 2024 Employer Contributions	$	618,896
District's 2024 Member Contributions	$	1,095,520
2023 NECE On-Behalf Contributions (State)	$	636,636

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 a 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, private, local or non-educational and general 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.

Employers are also required to pay surcharges in the following cases:

- All public schools, charter schools and regional educational service centers must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023.

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
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	4.13% *
Last year ending August 31 in Projection Period	2022
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 assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions, please see the actuarial valuation report dated November 22, 2022.

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 legislative session. It is assumed that future employer and state contributions will be 9.50 percent of payroll in fiscal year 2024 increasing to 9.56 percent in fiscal year 2025 and thereafter. 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 projected 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, 2023 are summarized below:

Asset Class	Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.0%	1.0%
Non-U.S. Developed	13.0%	4.5%	0.9%
Emerging Markets	9.0%	4.8%	0.7%
Private Equity *	14.0%	7.0%	1.5%
Stable Value			
Government Bonds	16.0%	2.5%	0.5%
Absolute Return *	0.0%	3.6%	0.0%
Stable Value Hedge Funds	5.0%	4.1%	0.2%
Real Return			
Real Estate	15.0%	4.9%	1.1%
Energy, Natural Resources and Infrastructure	6.0%	4.8%	0.4%
Commodities	0.0%	4.4%	0.0%
Risk Parity	8.0%	4.5%	0.4%
Asset Allocation Leverage			
Cash	2.0%	3.7%	0.0%
Asset Allocation Leverage	(6.0%)	4.4%	(0.1)%
Inflation Expectation			2.3%
Volatility Drag ****			(0.9)%
Expected Return	**100.0%**		**8.0%**

* Absolute Return includes Credit Sensitive Investments.
** Target allocations are based on the FY2023 policy model.
*** Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023)
**** 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:	$ 11,552,747	$ 7,727,304	$ 4,546,445

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

At August 31, 2024, the District reported a liability of $7,727,304 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 are as follows:

District's proportionate share of the collective net pension liability	$ 7,727,304
State's proportionate share that is associated with District	8,507,528
Total	$ 16,234,832

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 thru August 31, 2023.

At the measurement date of August 31, 2023 the employer's proportion of the collective net pension liability was 0.0112494746% which was an increase (decrease) of -0.0008501358% from its proportion measured as of August 31, 2022.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2024, the District recognized pension expense of $2,704,523 and revenue of $1,284,563 for support provided by the State.

At August 31, 2024, 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	$ 275,326	$ 93,569
Changes in Actuarial Assumptions	730,852	178,856
Difference Between Projected and Actual Investment Earnings	1,124,510	--

Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	692,695	445,224
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	618,896	--
Total	$ 3,442,279	$ 717,649

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
2025	$ 511,150
2026	$ 307,254
2027	$ 1,003,673
2028	$ 300,937
2029	$ (17,280)
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_archive_cafr.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, which is 0.75 percent of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	
	2024
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding remitted by Employers	1.25%

The contribution amounts for the District's fiscal year 2024 are as follows:

District's 2024 Employer Contributions	$	136,408
District's 2024 Member Contributions	$	86,313
2023 NECE On-Behalf Contributions (state)	$	162,879

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. The TRS-Care surcharges for fiscal year 2023 totaled $14,548,344.

A supplemental appropriation was received in 2023 for $21.3 million provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021.

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. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Demographic Assumptions	Economic Assumptions
Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	
Rates of Disability	

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 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-2021.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
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.
Salary Increases	2.95% to 8.95%, 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 7.75 percent for Medicare retirees and 7.00 percent for non-Medicare retirees. The initial prescription drug trend rate was 7.75 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

6. Discount Rate

A single discount rate of 4.13 percent was used to measure the Total OPEB Liability. This was an increase of 0.22 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 for the municipal bond rate is the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Fidelity "20-Year Municipal GO AA Index", as of August 31, 2023.

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 (4.13%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (3.13%)	Current Single Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's proportionate share of the Net OPEB Liability:	$ 4,057,311	$ 3,444,846	$ 2,945,060

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

At August 31, 2024, the District reported a liability of $3,444,846 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	$ 3,444,846
State's proportionate share that is associated with the District	$ 4,156,736
Total	$ 7,601,582

The Net OPEB liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 thru August 31, 2023.

At August 31, 2023 the District's proportion of the collective net OPEB liability was 0.0155605683%
which was an increase (decrease) of -0.0011493036% from its proportion measured as of August 31, 2022.

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:	$ 2,836,658	$ 3,444,846	$ 4,227,282

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 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. 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.

At August 31, 2024, 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	Deferred

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	$ 155,853	$ 2,898,185
Changes in actuarial assumptions	470,196	2,109,371
Difference between projected and actual investment earnings	1,488	
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,175,536	568,569
Contributions paid to TRS subsequent to the measurement date	136,408	
Total	$ 1,939,481	$ 5,576,125

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
2025	$ (806,757)
2026	$ (648,758)
2027	$ (434,853)
2028	$ (515,933)
2029	$ (523,620)
Thereafter	$ (843,131)

For the year ended August 31, 2024, the District recognized OPEB expense of $(1,408,650) and revenue of $(888,622) 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, 2024, the subsidy payment received by TRS-Care on behalf of the District was $74,189.

K. Employee Health Care Coverage

During the year ended August 31, 2024, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of $430 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, 2024, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Blue Cross Blue Shield are available and 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

At August 31, 2024, the District was not involved in any lawsuits or other legal actions which, in Administration's opinion (based on discussions with legal counsel) would result in any direct loss to the District which would be material to its financial position.

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, 2024, are reported on the combined financial statements as Due from Other Governments and are summarized below:

Fund	State Entitlements	Federal Grants	Total
General	$ 3,317,720	$ 256,119	$ 3,573,839
Other Governmental Funds	211,146	933,515	1,144,661
Total	$ 3,528,866	$ 1,189,634	$ 4,718,500

N. Unearned Revenue

Unearned revenue at year end consisted of the following:

Revenue Description	General Fund	Other Governmental Funds	Total Unearned Revenue
Other	$ 2,584	$ --	$ 2,584
Grant Programs	--	--	--
Total Unearned Revenue	$ 2,584	$ --	$ 2,584

O. Fund Balances

The following is a summary of Governmental Fund fund balances of the District at the year ended August 31, 2024:

General Fund	
Restricted:	
Child Nutrition Program	$ 2,076,955
Committed:	
Construction and renovation	550,000
Capital expenditures for equipment	150,000
Technology	250,000

Storm replacement	250,000
	1,200,000
Unassigned:	10,163,590
Total General Fund fund balance	13,440,545
Debt Service Fund:	
Restricted:	
Retirement of Long-Term Debt	3,782,996
Other Governmental Funds	
Restricted:	
Special Education	545
Summer feeding	8,256
State Textbook	28,463
Construction of facilities	3,322
	40,586
Committed:	
Campus Activity Funds	8,031
Total Other Governmental Fund fund balance	48,617
Total Governmental fund balance	$ 17,272,158

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 2023-2024. 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	$ 97,538	$ 97,538	$ 118,713	$ 21,175
5800	State Program	12,696	12,696	5,438	(7,258)
5900	Federal Program	2,176,330	2,176,330	2,271,062	94,732
5020	Total Revenue	2,286,564	2,286,564	2,395,213	108,649
	Expenditures:				
0035	Food Services	2,135,564	2,180,564	1,810,093	370,471
0051	Plant Maintenance and Operations	151,000	181,000	175,541	5,459
6030	Total Expenditures	2,286,564	2,361,564	1,985,634	375,930
7915	Operating Transfer In	--	--	--	--
1200	Net Change in Fund Balance	--	(75,000)	409,579	484,579
0100	Fund Balance - Beginning	1,667,378	1,667,378	1,667,378	--
3000	Fund Balance - Ending	$ 1,667,378	$ 1,592,378	$ 2,076,957	$ 484,579

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 2023	< B > Project's Value Limitation Amount 2023	< C > Amount of Applicant's M&O Taxes Paid 2023	< D < Amount of Applicant's M&O Taxes Reduced 2023	< E > Company Revenue Loss Payment to School District 2023	< F > Company Supplemental Payment to School District 2023	< G > Net Benefit (Loss) to the School District 2023 (E+F)
1.	$165,640,600	$20,000,000	$151,510	$1,103,300	--	$186,488	$186,488
2.	$68,572,290	$20,000,000	$151,510	$367,959	$355,495	$6,220	$361,715
3.	N/A	N/A					--

Project Description
1. Karankawa Wind LLC fka Pacific Wind development LLC (Application #1178)
First Year Value Limitation: 2020

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

3. Charter Oak Solar, LLC (Application #1992)
   First Year Value Limitation: 2028

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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, 2024

EXHIBIT G-1

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*	$ 5,695,379	$ 5,695,379	$ 6,006,538	$ 311,159
5800	*State Program Revenues*	12,879,346	13,376,846	13,591,621	214,775
5900	*Federal Program Revenues*	2,938,330	2,938,330	3,039,910	101,580
5020	Total Revenues	21,513,055	22,010,555	22,638,069	627,514
	EXPENDITURES:				
	Current:				
	Instruction and Instructional Related Services:				
0011	*Instruction*	10,049,523	10,367,823	9,534,746	833,077
0012	*Instructional Resources and Media Services*	363,623	442,972	424,757	18,215
0013	*Curriculum and Instructional Staff Development*	84,375	89,375	66,674	22,701
	Total Instruction and Instr. Related Services	10,497,521	10,900,170	10,026,177	873,993
	Instructional and School Leadership:				
0021	*Instructional Leadership*	7,500	7,500	6,389	1,111
0023	*School Leadership*	1,558,657	1,558,657	1,539,449	19,208
	Total Instructional and School Leadership	1,566,157	1,566,157	1,545,838	20,319
	Student Support Services:				
0031	*Guidance, Counseling and Evaluation Services*	252,808	264,808	244,396	20,412
0032	*Social Work Services*	3,500	3,500	--	3,500
0033	*Health Services*	235,989	235,989	228,413	7,576
0034	*Student Transportation*	420,975	430,725	372,348	58,377
0035	*Food Services*	2,135,564	2,195,564	1,817,168	378,396
0036	*Extracurricular Activities*	967,582	967,582	828,985	138,597
	Total Student Support Services	4,016,418	4,098,168	3,491,310	606,858
	Administrative Support Services:				
0041	*General Administration*	1,325,057	1,325,057	1,271,553	53,504
	Total Administrative Support Services	1,325,057	1,325,057	1,271,553	53,504
	Support Services:				
0051	*Facilities Maintenance and Operations*	2,853,651	3,623,547	3,517,204	106,343
0052	*Security and Monitoring Services*	494,879	544,879	389,086	155,793
0053	*Data Processing Services*	340,173	352,173	340,995	11,178
	Total Support Services	3,688,703	4,520,599	4,247,285	273,314
	Ancillary Services:				
0061	*Community Services*	5,000	5,000	2,568	2,432
	Total Ancillary Services	5,000	5,000	2,568	2,432
	Debt Service:				
0071	*Debt Service*	230,120	230,120	229,392	728
0072	*Interest on Long-Term Debt*	58,075	58,075	50,726	7,349
0073	*Bond Issuance Costs and Fees*	1,000	1,000	400	600
	Total Debt Service	289,195	289,195	280,518	8,677
	Capital Outlay:				
0081	*Facilities Acquisition and Construction*	4	1,860,494	314,864	1,545,630
	Total Capital Outlay	4	1,860,494	314,864	1,545,630
0099	*Other Intergovernmental Charges*	125,000	125,000	96,287	28,713

MATHIS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	Total Intergovernmental Charges	125,000	125,000	96,287	28,713
6030	Total Expenditures	21,513,055	24,689,840	21,276,400	3,413,440
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	(2,679,285)	1,361,669	4,040,954
1200	Net Change in Fund Balance	--	(2,679,285)	1,361,669	4,040,954
0100	Fund Balance - Beginning	12,078,876	12,078,876	12,078,876	--
3000	Fund Balance - Ending	$ 12,078,876	$ 9,399,591	$ 13,440,545	$ 4,040,954

EXHIBIT G-2

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, 2024

	Measurement Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0 0112494746%	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)	$ 7,727,304	$ 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	8,507,528	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	$ 16,234,832	$ 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	$ 12,911,695	$ 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	59 85%	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	73 15%	75 62%	88 79%	75 54%	75 24%	73 74%	82 17%	78 00%	78 43%	83 25%

EXHIBIT G-3

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024

	Fiscal Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 618,896	$ 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	(618,896)	(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	$ 13,279,024	$ 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 66%	4 47%	4 46%	3 79%	3 62%	3 36%	2 85%	3 00%	2 79%	2 90%

EXHIBIT G-4

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, 2024

	Measurement Year Ended August 31,						
	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0 0155605683%	0 0167098719%	0 0154669491%	0 0151816306%	0 0151722533%	0 0136261560%	0 0134021639%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ 3,444,846	$ 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	4,156,736	4,880,607	7,993,504	7,755,141	9,534,162	8,639,806	7,238,740
Total	$ 7,601,582	$ 8,881,620	$ 13,959,797	$ 13,526,364	$ 16,709,306	$ 15,443,470	$ 13,066,838
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
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	26 68%	31 59%	50 17%	50 13%	63 91%	63 84%	57 65%
Plan Fiduciary Net Position as a % of Total OPEB Liability	14 94%	11 52%	6 18%	4 99%	2 66%	1 57%	0 91%

Note Only seven 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, 2024

	Fiscal Year Ended August 31,						
	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 136,408	$ 134,984	$ 137,245	$ 120,832	$ 115,395	$ 107,681	$ 94,001
Contribution in Relation to Contractually Required Contribution	(136,408)	(134,984)	(137,245)	(120,832)	(115,395)	(107,681)	(94,001)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 13,279,024	$ 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 03%	1 05%	1 08%	1 02%	1 00%	0 96%	0 88%

Note Only seven 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, 2024

Year Ended August 31	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/23
2015 and Prior Years	$ Various	$ Various	$ Various	$ 518,967
2016	1.17	.233	365,256,166	88,049
2017	1.17	.2647	343,341,495	108,860
2018	1.17	.2647	342,647,104	178,074
2019	1.17	.2596	342,930,039	156,711
2020	1.0684	.4042	367,131,507	184,494
2021	.9631	.4042	513,996,489	214,706
2022	.9604	.4042	570,657,652	379,476
2023	.943	.4042	621,962,736	672,730
2024 (School Year Under Audit)	.7576	.4042	647,858,058	--
1000 Totals				$ 2,502,067

8000 - Total Taxes Refunded under Section 26.1115, Tax Code

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/24	99 Total Taxes Refunded Under Sect. 26.1115(c)
$ --	$ 13,128	$ 2,625	$ --	$ 503,214	
--	4,901	976	(1)	82,171	
--	5,476	1,238	(42)	102,104	
--	15,865	3,589	3,556	162,176	
--	21,504	4,772	3,241	133,676	
--	27,412	10,371	2,992	149,703	
--	28,351	11,899	2,477	176,933	
--	66,046	27,798	(10,885)	274,747	
--	131,168	56,226	(44,600)	440,736	
7,526,491	4,218,517	3,035,846	364,417	636,545	
$ 7,526,491	$ 4,532,368	$ 3,155,340	$ 321,155	$ 2,662,005	
					$ 34,060.00
	$ --				

MATHIS INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2024

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.	$ 2,005,989
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30)	$ 1,613,387
	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.	$ 6,137
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	$ 14,024

MATHIS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2024

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*	$ 3,218,707	$ 3,218,707	$ 3,348,826	$ 130,119
5800	*State Program Revenues*	28,500	28,500	--	(28,500)
5020	Total Revenues	3,247,207	3,247,207	3,348,826	101,619
	EXPENDITURES:				
	Debt Service:				
0071	*Debt Service*	2,170,000	2,170,000	1,970,000	200,000
0072	*Interest on Long-Term Debt*	745,000	774,775	774,775	--
0073	*Bond Issuance Costs and Fees*	332,207	302,432	96,632	205,800
	Total Debt Service	3,247,207	3,247,207	2,841,407	405,800
6030	Total Expenditures	3,247,207	3,247,207	2,841,407	405,800
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	507,419	507,419
1200	Net Change in Fund Balance	--	--	507,419	507,419
0100	Fund Balance - Beginning	3,275,577	3,275,577	3,275,577	--
3000	Fund Balance - Ending	$ 3,275,577	$ 3,275,577	$ 3,782,996	$ 507,419

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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 the 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, 2024, 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 January 13, 2025.

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 Mathis Independent School District'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 Mathis Independent School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mathis Independent School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Lovvorn & Kieschnick, LLP

Corpus Christi, TX
January 13, 2025

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 in Accordance with 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, 2024. 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, 2024.

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
January 13, 2025

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2024

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 2024

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
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program - Cash Assistance
10.555	National School Lunch Program - Non-Cash Assistance
10.559	Summer Feeding Program
10.558	Child and Adult Care Food Program
	Special Education Cluster (IDEA):
84.027A	IDEA-B Formula
84.173A	IDEA-B Preschool

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, 2024

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, 2024

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, 2024

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, 2024

EXHIBIT K-1

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	806780706	$ --	$ 511,070
National School Lunch Program (Cash)	10.555	806780706	--	889,774
National School Lunch Program (Non-cash)	10.555	806780706	--	98,601
Summer Food Service Program	10.559	806780706	--	23,205
Total Child Nutrition Cluster			--	1,522,650
Child and Adult Care Food Program	10.558	806780706	--	771,617
Total Passed Through Texas Department of Agriculture			--	2,294,267
Total U. S. Department of Agriculture			--	2,294,267
U. S. Department of Health and Human Services				
Passed Through Texas Department of Health & Human Services:				
Medicaid Administration Claiming	93.778	529-15-0048-00022	--	18,975
Total U. S. Department of Health and Human Services			--	18,975
U. S. Department of Education				
Passed Through State Department of Education:				
Special Education Cluster (IDEA):				
IDEA-Part B, Formula	84.027A	246600012059046600	--	382,418
IDEA-Part B, Preschool	84.173A	246610012059046610	--	6,350
Total Special Education (IDEA) Cluster			--	388,768
Title I Part A - Improving Basic Programs	84.010A	24610101205904	--	899,466
Career and Technical Education - Basic Grant	84.048A	24420006205904	--	30,891
Title IV, Part B-21st Century Community Learning Centers	84.287C	246950337110035	--	1,366,300
Title IV, Part B-21st Century Community Learning Centers	84.287C	256950337110032	--	46,832
Total ALN Number 84.287C			--	1,413,132
GEAR UP	84.334S	225111017110003	--	16,161
GEAR UP	84.334S	235111017110003	--	180,325
Total ALN Number 84.334S			--	196,486
ESEA, Title V, Part B, Subpart 2-Rural and Low Income School Grant Program	84.358B	24696001205904	--	13,262
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	24694501205904	--	94,464
Title IV, Part A, Subpart 1	84.424A	24680101205904	--	54,825
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	21528001205904	--	2,693,947
American Rescue Plan (ARP) Act - Homeless II - Education for Homeless Children and Youth Program	84.425W	21533002205904	--	8,164
Total Passed Through State Department of Education			--	5,793,405
Total U. S. Department of Education			--	5,793,405

MATHIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ --	$ 8,106,647

The accompanying notes are an integral part of this schedule.

MATHIS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

Federal Assistance Reconciliation

Federal Grants and Contracts Revenues per Exhibit C-2	8,491,709
Less: School Health & Related Services (SHARS) reported in General Fund	(385,062)
Total Federal Revenues per Schedule of Expenditures of Federal Awasrds	8,106,647

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.