MATHIS
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2025

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MATHIS INDEPENDENT SCHOOL DISTRICT

DIRECTORY OF OFFICIALS

AUGUST 31, 2025

BOARD OF TRUSTEES

MELINDA BARAJAS	PRESIDENT
JUSTINE SABLATURA	VICE-PRESIDENT
RICK CORTEZ, JR.	SECRETARY
ANGIE TREJO	MEMBER
RAMON ACOSTA, JR.	MEMBER
THOMAS DELEON	MEMBER

OTHER OFFICIALS

DR. THOMAS TODD WHITE	SUPERINTENDENT
LEO GONZALEZ	DIRECTOR OF FINANCE
DR. ALFREDO LOPEZ	DIRECTOR OF SPECIAL EDUCATION
VERONICA GUTIERREZ	ASSISTANT SUPERINTENDENT
CHRISTINA ALVARADO	FEDERAL PROGRAMS AND ASSESSMENTS DIRECTOR
SONIA GAMEZ	READING CURRICULUM INSTRUCTIONAL COACH
PATRICIO FLORES JR.	INTERIM ATHLETIC DIRECTOR

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Mathis Independent School District
Annual Financial Report
For The Year Ended August 31, 2025

TABLE OF CONTENTS

	Page	Exhibit
INTRODUCTORY SECTION		
Certificate of Board	1	
FINANCIAL SECTION		
Independent Auditor's Report	2	
Management's Discussion and Analysis (Required Supplementary Information)	5	
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	10	A-1
Statement of Activities	11	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds	12	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15	C-3
Statement of Net Position - Internal Service Fund	16	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Fund	17	D-2
Statement of Cash Flows - Proprietary Funds	18	D-3
Statement of Fiduciary Net Position - Fiduciary Funds	19	E-1
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	20	E-2
Notes to the Financial Statements	21	
Required Supplementary Information		
Budgetary Comparison Schedules:		
General Fund	47	G-1
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher Retirement System	49	G-2
Schedule of District's Contributions - Teacher Retirement System	50	G-3
Schedule of the District's Proportionate Share of the Net OPEB Liability - TRS Care - OPEB Plan	51	G-4
Schedule of District's Contributions - TRS Care - OPEB Plan	52	G-5
Notes to Required Supplementary Information	53	
OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable	54	J-1
Use of Funds Report - Select State Allotment Program	55	J-2

Mathis Independent School District
Annual Financial Report
For The Year Ended August 31, 2025

TABLE OF CONTENTS

	Page	Exhibit
Budgetary Comparison Schedules Required by the Texas Education Agency.....		
Debt Service Fund.....	56	J-3
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*.....	58	
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	60	
Schedule of Findings and Questioned Costs	63	
Summary Schedule of Prior Audit Findings.....	65	
Corrective Action Plan.....	66	
Schedule of Expenditures of Federal Awards	67	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	69	

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, 2025, 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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Green Growth CPAs

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, 2025, 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 referred to above 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, 2025, 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* (GAS), 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 issuance 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 Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information as identified in the table of contents comprises the information included in the annual report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026 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,

GreenGrowthCPAs

GreenGrowth CPAs

Sinton, Texas
February 12, 2026

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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, 2025
UNAUDITED

This section of Mathis Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2025. 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 $30,064,310 at August 31, 2025.
- During the year, the District's expenses were $3,476,587 less than the $30,199,685 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of $13,106,713.

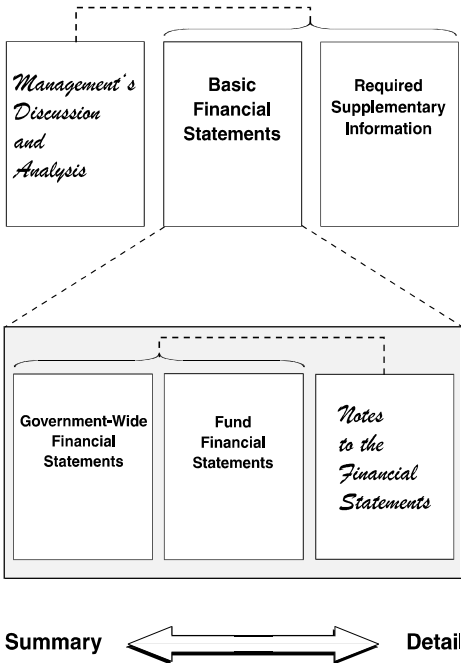
OVERVIEW OF THE FINANCIAL STATEMENTS

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.

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.

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



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.

- We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities.

- *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.

The District's combined net position was $30,064,310 at August 31, 2025. (See Table A-1.)

Table A-1
Mathis Independent School District's Net Position
(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2025	2024	2025-2024
Current Assets:			
Cash, cash equivalents and investments	2,737,886	3,305,657	-17.2%
Investments	11,356,570	10,846,850	4.7%
Property taxes receivable (Net)	2,374,164	2,129,604	11.5%
Due from other governments	4,849,405	4,718,500	2.8%
Other receivables (Net)	9,801	9,801	0.0%
Total Current Assets:	21,327,826	21,010,412	1.5%
Noncurrent Assets:			
Capital assets (net)			
Land	715,385	715,385	0.0%
Buildings and improvements, net	37,394,677	36,828,939	1.5%
Furniture and equipment, net	1,481,962	1,430,836	3.6%
Vehicles	790,314	893,140	-11.5%
Construction in progress	-	-	0.0%
Total Capital Assets (net)	40,382,338	39,868,300	1.3%
Total Assets	61,710,164	60,878,712	1.4%
Deferred Outflows of Resources:			
Deferred charge for refunding	213,644	230,276	-7.2%
Deferred outflow related to pensions	1,756,465	3,442,279	-49.0%
Deferred outflow related to OPEB	2,539,683	1,939,481	30.9%
Total Deferred Outflows of Resources	4,509,792	5,612,036	-19.6%
Current Liabilities:			
Accounts payable and accrued liabilities	1,429,995	1,529,312	-6.5%
Due to other governments	-	-	0.0%
Unearned revenue	2,584	2,584	0.0%
Total Current Liabilities	1,432,579	1,531,896	-6.5%
Noncurrent Liabilities:			
Due within one year	1,009,786	745,111	35.5%
Due in more than one year	17,403,806	19,487,251	-10.7%
Net Pension Liability	6,708,499	7,727,304	-13.2%
Net OPEB Liability	4,557,937	3,444,846	32.3%
Total Liabilities	31,112,607	32,936,408	-5.5%
Deferred Inflows of Resources:			
Deferred inflow related to pension	524,625	717,649	-26.9%
Deferred inflow related to OPEB	4,518,414	5,576,124	-19.0%
Total Deferred Inflows of Resources	5,043,039	6,293,773	-19.9%
Net Position:			
Invested in capital assets	22,863,735	19,869,535	15.1%
Restricted for:			
State & Federal Programs	2,235,188	2,114,219	5.7%
Debt Service	4,935,254	4,307,585	14.6%
Unrestricted	30,133	969,228	-96.9%
Total Net Position	30,064,310	27,260,567	10.3%

Changes in net position.

The District's total revenues were $30,199,685. A portion, 29.1%, of the District's revenue comes from local taxes, and approximately 56.3% from state aid–formula grants. Other revenue sources include 11.1% comes from operating grants and contributions, 1.8% related to investment earnings, 0.2% from charges for services, and 1.5% from other services.

The total cost of all programs and services was $26,723,098; 75% of these costs are for instructional and student services.

Governmental Activities

Table A-2
Changes in Mathis Independent School District's Net Position
(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2025	2024	2025-2024
Program Revenues:			
Charges for Services	65,849	212,716	-69.0%
Operating Grants and Contributions	3,362,633	6,387,151	-47.4%
General Revenues:			
Property Taxes	8,776,604	8,662,254	1.3%
State Aid – Formula	17,016,181	15,793,536	7.7%
Investment Earnings	534,565	-	100.0%
Other	443,853	677,960	-34.5%
Total Revenues	30,199,685	31,733,617	-4.8%
Expenses:			
Instruction	13,396,793	14,335,389	-6.5%
Instructional Resources and Media Services	367,633	436,339	-15.7%
Curriculum Dev. and Instructional Staff Dev.	287,137	179,564	59.9%
Instructional Leadership	245	6,827	-96.4%
School Leadership	1,456,577	1,593,564	-8.6%
Guidance, Counseling and Evaluation Services	481,164	543,928	-11.5%
Health Services	235,780	237,778	-0.8%
Student (Pupil) Transportation	711,246	760,883	-6.5%
Food Services	2,102,277	1,933,150	8.7%
Curricular/Extracurricular Activities	989,279	943,729	4.8%
General Administration	1,244,047	1,326,039	-6.2%
Plant Maintenance & Oper.	3,660,713	4,273,577	-14.3%
Securities Monitoring Services	408,484	626,692	-34.8%
Data Processing Services	331,143	356,835	-7.2%
Community Services	147,805	143,778	2.8%
Interest in long term debt	789,686	705,394	11.9%
Bond issuance costs and fees	7,271	97,032	-92.5%
Capital Outlay	9,180	160,349	-94.3%
Other Intergovernmental Charges	96,638	96,287	0.4%
Total Expenses	26,723,098	28,757,134	-7.1%
Increase (Decrease) in Net Position	3,476,587	2,976,483	16.8%

- The cost of all *governmental* activities this year was $26.7 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only $8.8 million.
- Some of the cost was paid by those who directly benefited from the programs $0.1 million, or
- By grants and contributions $3.3 million.

Table A-3 presents 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 was funded by state revenues as well as local tax dollars.

Table A-3
Net Cost of Selected Mathis Independent School District Functions
(in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2025	2024	% Change	2025	2024	% Change
Instruction	13,396,793	14,335,389	-6.5%	10,928,988	11,991,367	-8.9%
School Administration	1,456,577	1,593,564	-8.6%	1,446,207	1,270,682	13.8%
Plant Maintenance & Operations	3,660,713	4,273,577	-14.3%	3,586,060	3,185,894	12.6%
Food Services	2,102,277	1,933,150	8.7%	1,434,277	(247,475)	-679.6%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled $30,774,562 million, a decrease of $1.2 million from the preceding year. The decrease was a result of lower local program revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget as necessary to cover unforeseen expenses. Even with these adjustments, actual expenditures were $4.849,186 below final budget amounts. The most significant positive variance was from student support services.

In addition, resources available were $305,243 more than final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the District had invested $71.074,323 million in a broad range of capital assets, including land, 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
	2025	2024	2025-2024
Land	0.7	0.7	0.0%
Construction in progress	-	-	0.0%
Buildings and improvements	64.4	62.3	3.4%
Vehicles	2.7	2.7	0.0%
Equipment	3.3	3.0	9.3%
Infrastructure	-	-	0.0%
Totals at historical cost	71.1	68.8	3.4%
Total accumulated depreciation	30.7	28.9	6.2%
Net capital assets	40.4	39.9	1.4%

Long-Term Obligations

At year-end the District had $15,627,674 in bonds and loans outstanding 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, 2025:

Bond Ratings

The District's bonds presently carry "AAA" ratings with Standard & Poors "A".

Table A-5
Mathis Independent School District's Long-Term Obligations
(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2025	2024	2025-2024
Bonds and loans payable	15,627,674	17,992,653	-13.1%
Bonds premiums	2,104,578	2,239,710	-6.0%
Compensated absences payable	681,340	-	100.0%
Net Pension Liability	6,708,499	7,727,304	-13.2%
Net OPEB Liability	4,557,937	3,444,846	32.3
Total Long-Term Obligations	29,680,028	31,404,513	-5.5%

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- The District's 2025-2026 total enrollment is 1,366 and the District's refined daily attendance (ADA) is approximately 1254.76. The District receives state funding based on the refined average daily attendance which is calculated based on attendance rates. The decline in enrollment and refined ADA results is a reduction of state funding afforded to the District.

- The Appraisal values used for the 2024-25 budget have increased 3.61% year over year and the District's tax rate for M&O has remained static at $.7552000

- Grant opportunities remain robust with current year awards and multi-year carryovers affording the district in excess of $3.6 million in additional program funds. In 2025-26 MISD was awarded the 21st Century Grant Yr 3, LASO Strong Foundation Implementation, LASO Strong Foundation Planning, IDEA-B Formula and Preschool, Title I, II, IV and V Grants

- District will be receiving approximately $308 ,700 in supplemental revenue from Chapter 313 agreements with Pacific Windmill Development and the El Algodon Alto Wind Farm, LLC.

- The District has filed a Chapter 313 agreement with Charter Oak Solar; payments will begin in 2026.

- The District is committed to continue augmenting district safety features with the continued support of two ongoing, muti-year grants and the safety allotment afforded by Foundation School Program for 2025-26.

- Mathis ISD is in the process of conducting facility reviews to establish a working list of infrastructure repairs needed and bond proposal possibilities.

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 Services Department.

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Basic Financial Statements

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MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
AUGUST 31, 2025

Data Control Codes		1 Governmental Activities
	ASSETS:	
1110	*Cash and Cash Equivalents*	$ 2,737,886
1120	*Investments - Current*	11,356,570
1225	*Property Taxes Receivable (Net)*	2,374,164
1240	*Due from Other Governments*	4,849,405
1290	*Other Receivables (Net)*	9,801
	Capital Assets:	
1510	*Land*	715,385
1520	*Buildings and Improvements, Net*	37,394,677
1530	*Furniture and Equipment, Net*	2,272,276
1000	Total Assets	61,710,164
	DEFERRED OUTFLOWS OF RESOURCES:	
1701	*Deferred Charge for Refunding*	213,644
1705	*Deferred Outflow Related to Pensions*	1,756,465
1706	*Deferred Outflow Related to OPEB*	2,539,683
1700	Total Deferred Outflows of Resources	4,509,792
	LIABILITIES:	
2110	*Accounts Payable*	304,936
2140	*Interest Payable*	29,780
2165	*Accrued Liabilities*	1,095,279
2300	*Unearned Revenue*	2,584
	Long-Term Liabilities:	
2501	*Due Within One Year*	1,009,786
2502	*Due in More Than One Year*	17,403,806
2540	*Net Pension Liabilities*	6,708,499
2545	*Net Other Post-Employment Benefits Liability*	4,557,937
2000	Total Liabilities	31,112,607
	DEFERRED INFLOWS OF RESOURCES:	
2605	*Deferred Inflow Related to Pensions*	524,625
2606	*Deferred Inflow Related to OPEB*	4,518,414
2600	Total Deferred Inflows of Resources	5,043,039
	NET POSITION:	
3200	Net Investment in Capital Assets	22,863,735
	Restricted For:	
3820	Federal and State Programs	2,235,188
3850	Debt Service	4,935,254
3900	Unrestricted	30,133
3000	Total Net Position	$ 30,064,310

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2025

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*	$ 13,396,793	$ 52,799	$ 2,415,006	$ (10,928,988)
12	*Instructional Resources and Media Services*	367,633	--	2,501	(365,132)
13	*Curriculum and Staff Development*	287,137	--	1,964	(285,173)
21	*Instruction Leadership*	245	--	--	(245)
23	*School Leadership*	1,456,577	--	10,370	(1,446,207)
31	*Guidance, Counseling, and Evaluation Services*	481,164	--	3,430	(477,734)
33	*Health Services*	235,780	--	1,676	(234,104)
34	*Student Transportation*	711,246	--	4,426	(706,820)
35	*Food Service*	2,102,277	--	668,000	(1,434,277)
36	*Extracurricular Activities*	989,279	13,050	694	(975,535)
41	*General Administration*	1,244,047	--	8,786	(1,235,261)
51	*Plant Maintenance and Operations*	3,660,713	--	74,653	(3,586,060)
52	*Security and Monitoring Services*	408,484	--	2,082	(406,402)
53	*Data Processing Services*	331,143	--	2,318	(328,825)
61	*Community Services*	147,805	--	65,129	(82,676)
72	*Interest on Long-term Debt*	789,686	--	101,533	(688,153)
73	*Bond Issuance Costs and Fees*	7,271	--	--	(7,271)
81	*Capital Outlay*	9,180	--	65	(9,115)
99	*Other Intergovernmental Charges*	96,638	--	--	(96,638)
TG	Total Governmental Activities	26,723,098	65,849	3,362,633	(23,294,616)
TP	Total Primary Government	$ 26,723,098	$ 65,849	$ 3,362,633	(23,294,616)

	General Revenues:	
MT	*Property Taxes, Levied for General Purposes*	5,364,648
DT	*Property Taxes, Levied for Debt Service*	3,411,956
IE	*Investment Earnings*	534,565
SF	*State Aid-Formula Grants*	13,465,156
GC	*Grants and Contributions Not Restricted to Specific Programs*	3,551,025
MI	*Miscellaneous*	443,853
TR	Total General Revenues	26,771,203
CN	Change in Net Position	3,476,587
NB	Net Position - Beginning	26,587,723
NE	Net Position - Ending	$ 30,064,310

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		10 General Fund	50 Debt Service	onmf Other Governmental Funds	98 Total Governmental Funds
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ 1,642,016	$ 869,781	$ 71,130	$ 2,582,927
1120	*Current Investments*	7,917,473	3,436,899	2,198	11,356,570
1225	*Property Taxes Receivable, Net*	1,715,810	658,354	--	2,374,164
1240	*Due from Other Governments*	4,043,349	--	806,056	4,849,405
1260	*Due from Other Funds*	686,811	--	--	686,811
1290	*Other Receivables*	9,801	--	--	9,801
1000	Total Assets	16,015,260	4,965,034	879,384	21,859,678
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ 196,632	$ --	$ 51,018	$ 247,650
2150	*Payroll Deductions and Withholdings*	95,777	--	--	95,777
2160	*Accrued Wages Payable*	897,744	--	101,758	999,502
2170	*Due to Other Funds*	--	--	686,811	686,811
2300	*Unearned Revenue*	2,584	--	--	2,584
2000	Total Liabilities	1,192,737	--	839,587	2,032,324
	DEFERRED INFLOWS OF RESOURCES:				
2601	*Unavailable Revenue - Property Taxes*	1,715,810	658,354	--	2,374,164
2600	Total Deferred Inflows of Resources	1,715,810	658,354	--	2,374,164
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	2,206,846	--	28,342	2,235,188
3470	*Capital Acquisitions and Contractual Obligations*	--	--	3,425	3,425
3480	*Debt Service*	--	4,306,680	--	4,306,680
	Committed Fund Balances:				
3510	*Construction*	550,000	--	--	550,000
3545	*Other Committed Fund Balance*	650,000	--	8,030	658,030
3600	Unassigned	9,699,867	--	--	9,699,867
3000	Total Fund Balances	13,106,713	4,306,680	39,797	17,453,190
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 16,015,260	$ 4,965,034	$ 879,384	$ 21,859,678

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, 2025

Total fund balances - governmental funds balance sheet	$	17,453,190
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not reported in the funds.		40,382,339
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		2,374,164
The assets and liabilities of internal service funds are included in governmental activities in the SNP.		97,672
Payables for bond principal which are not due in the current period are not reported in the funds.		(14,175,000)
Payables for debt interest which are not due in the current period are not reported in the funds.		(29,780)
Payables for notes which are not due in the current period are not reported in the funds.		(1,452,674)
Premiums on issuance of bonds to be amortized over life of debt.		(2,104,578)
Deferred charge for refunding is not expended in the funds, but is amortized in the statement of net position.		213,644
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.		(6,708,499)
Deferred Resource Inflows related to the pension plan are not reported in the funds.		(524,625)
Deferred Resource Outflows related to the pension plan are not reported in the funds.		1,756,465
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.		(4,557,937)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.		(4,518,414)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.		2,539,683
GASB 101compensated absences payable.		(242,751)
L/T GASB 101compensated absences payable.		(438,589)
Net position of governmental activities - Statement of Net Position	$	30,064,310

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, 2025

Data Control Codes		10 General Fund	50 Debt Service	onmf Other Governmental Funds	98 Total Governmental Funds
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 5,984,497	$ 3,475,350	$ 116,464	$ 9,576,311
5800	*State Program Revenues*	14,508,449	101,533	813,081	15,423,063
5900	*Federal Program Revenues*	2,382,789	--	3,392,399	5,775,188
5020	Total Revenues	22,875,735	3,576,883	4,321,944	30,774,562
	EXPENDITURES:				
	Current:				
11	*Instruction*	9,438,461	--	3,941,324	13,379,785
12	*Instructional Resources and Media Services*	348,184	--	--	348,184
13	*Curriculum and Instructional Staff Development*	273,365	--	9,440	282,805
23	*School Leadership*	1,447,325	--	--	1,447,325
31	*Guidance, Counseling, and Evaluation Services*	479,081	--	--	479,081
33	*Health Services*	233,596	--	--	233,596
34	*Student Transportation*	618,623	--	--	618,623
35	*Food Services*	1,977,630	--	26,728	2,004,358
36	*Extracurricular Activities*	817,917	--	116,361	934,278
41	*General Administration*	1,225,523	--	--	1,225,523
51	*Facilities Maintenance and Operations*	3,523,003	--	--	3,523,003
52	*Security and Monitoring Services*	289,954	--	99,174	389,128
53	*Data Processing Services*	323,715	--	--	323,715
61	*Community Services*	1,658	--	137,736	139,394
71	*Principal on Long-term Debt*	184,979	2,352,681	--	2,537,660
72	*Interest on Long-term Debt*	46,716	693,647	--	740,363
73	*Bond Issuance Costs and Fees*	400	6,871	--	7,271
81	*Capital Outlay: Facilities Acquisition and Constructio*	1,882,799	--	--	1,882,799
99	*Other Intergovernmental Charges*	96,638	--	--	96,638
6030	Total Expenditures	23,209,567	3,053,199	4,330,763	30,593,529
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(333,832)	523,684	(8,819)	181,033
1200	Net Change in Fund Balances	(333,832)	523,684	(8,819)	181,033
0100	Fund Balances - Beginning	13,440,545	3,782,996	48,616	17,272,157
3000	Fund Balances - Ending	$ 13,106,713	$ 4,306,680	$ 39,797	$ 17,453,190

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, 2025

Net change in fund balances - total governmental funds	$	181,033
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		2,295,092
The depreciation of capital assets used in governmental activities is not reported in the funds.		(1,781,055)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		244,560
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		2,180,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.		184,979
(Increase) decrease in accrued interest from beginning of period to end of period.		4,859
The net revenue (expense) of internal service funds is reported with governmental activities.		(13,721)
Amortization of bond premium and deferred amount is an expense in the SOA, but not in the funds.		118,500
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.		(473,985)
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.		544,822
GASB 101 Compensated absences		(8,496)
Change in net position of governmental activities - Statement of Activities	$	3,476,588

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AUGUST 31, 2025

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	ASSETS:	
	Current Assets:	
1110	*Cash and Cash Equivalents*	$ 154,958
	Total Current Assets	154,958
1000	Total Assets	154,958
	LIABILITIES:	
	Current Liabilities:	
2110	*Accounts Payable*	$ 57,286
	Total Current Liabilities	57,286
2000	Total Liabilities	57,286
	NET POSITION:	
3900	*Unrestricted*	97,672
3000	Total Net Position	$ 97,672

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, 2025

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	OPERATING REVENUES:	
5700	*Local and Intermediate Sources*	$ 60,319
5020	Total Revenues	60,319
	OPERATING EXPENSES:	
6400	*Other Operating Costs*	74,040
6030	Total Expenses	74,040
1300	Change in Net Position	(13,721)
100	Total Net Position - Beginning	111,393
3300	Total Net Position - Ending	$ 97,672

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, 2025

	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	60,318
Cash Payments to Employees for Services	--
Cash Payments to Other Suppliers for Goods and Services	(74,040)
Cash Payments for Grants to Other Organizations	--
Other Operating Cash Receipts (Payments)	--
Net Cash Provided (Used) by Operating Activities	(13,722)
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	(13,722)
Cash and Cash Equivalents at Beginning of Year	168,680
Cash and Cash Equivalents at End of Year	$ 154,958
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	$ 13,722
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	--
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	--
Decrease (Increase) in Prepaid Expenses	--
Increase (Decrease) in Accounts Payable	--
Increase (Decrease) in Interfund Payables	--
Increase (Decrease) in Accrued Expenses	--
Total Adjustments	--
Net Cash Provided (Used) by Operating Activities	$ 13,722

The accompanying notes are an integral part of this statement.

MATHIS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2025

Data Control Codes		Private-purpose Trust Fund 829 Student Scholarships	Custodial Fund 865 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 Activity*	--	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, 2025

	Private Purpose Trust Fund	Custodial Funds
	Student Scholarships	Student Activity
ADDITIONS:		
Investment Income	$ --	$ --
Student Group Fundraising Activities	--	128,130
Total Additions	--	128,130
DEDUCTIONS:		
Student Activities	--	128,130
Student Scholarships	--	--
Total Deductions	--	128,130
Change in Fiduciary Net Position	--	--
Net Position-Beginning of the Year	17,240	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, 2025, the District reported the following:

Net Pension Asset	$	--
Net Pension Liability	$	6,708,499

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. 101, *Compensated Absences*

In the currect fiscal year, the District has adopted the provisions of GASB Statement No. 101, Compensated Absences, which became effective for reporting periods beginning after December 15, 2023. This Statement establishes a unified model for the recognition, measurement, and disclosure of compensated absences, replacing the previous guidance under GASB Statements No. 16 and related interpretations.

GASB 101 requires governments to recognize a liability for certain types of compensated absences when the leave is accrued and attributable to services already rendered, and when it is more likely than not that the leave will be used for time off, or otherwise paid or settled. The Statement applies to vacation leave, sick leave, paid time off (PTO), and other forms of compensated leave that meet the defined criteria.

Impact on the District

Upon adopting GASB 101, the District evaluated all categories of leave provided to employees, including state and and local leave, vacation leave (where applicable), and other compensated absences. The District reviewed historical usage patterns, payout terms, and the likelihood of settlement in accordance with the measurement criteria established by the Statement.

As a result of this review, the District made an adjustment to align the beginning compensated absences liability with the new recognition and measurement requirements. The cumulative effect of adopting GASB 101 resulted in the following restatement:

- Governmental Activities – the beginning net position was adjusted by $306,948 representing the net increase (or decrease) in the previously reported compensated absences liability.

The adoption of GASB 101 did not have a material impact on fund-level financial statements, as compensated absences continue to be recognized only to the extent that they are normally expected to be liquidated with available expendable financial resources.

Measurement and Disclosure Going Forward

Under GASB 101, the District will: - Measure compensated absences based on the pay rate in effect at the financial statement date, - Apply the “more likely than not” threshold for expected usage or cash settlement, - Recognize liabilities for both compensated time-off and non-vesting leave when the criteria are met, - Continue to provide note disclosures describing the types of leave offered, significant assumptions, and changes in the liability.

This adoption ensures consistency with current governmental accounting standards and enhances the comparability and transparency of the District’s reporting on employee leave obligations.

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, 2025, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was 2,798,758 and the bank balance was 3,741,871. The District's cash deposits at August 31, 2025 and during the year ended August 31, 2025 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, 2025 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	$ 9,957,893	$ 9,957,893	$ --	$ --
Investment in Lone Star Pool	1,398,677	1,398,677	--	--
Total Fair Value	$ 11,356,570	$ 11,356,570	$ --	$ --

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, 2025, 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	62,306,779	2,060,982	--	64,367,761
Equipment	3,025,838	234,110	--	3,259,948
Vehicles	2,731,229	--	--	2,731,229
Total capital assets being depreciated	68,063,846	2,295,092	--	70,358,938
Less accumulated depreciation for:				
Buildings and improvements	(25,477,839)	(1,495,245)	--	(26,973,084)
Equipment	(1,594,999)	(182,987)	--	(1,777,986)
Vehicles	(1,838,089)	(102,823)	--	(1,940,912)
Total accumulated depreciation	(28,910,927)	(1,781,055)	--	(30,691,982)
Total capital assets being depreciated, net	39,152,919	514,037	--	39,666,956
Governmental activities capital assets, net	$ 39,868,304	$ 514,037	$ --	$ 40,382,341

Depreciation was charged to functions as follows:

Instruction	$	906,449
Instructional Resources and Media Services		23,421
Curriculum and Staff Development		19,515
Instructional Leadership		245
School Leadership		97,688
Guidance, Counseling, & Evaluation Services		32,504
Health Services		15,799
Student Transportation		102,822
Food Services		139,347
Extracurricular Activities		61,771
General Administration		83,297
Plant Maintenance and Operations		240,447
Security and Monitoring Services		26,139
Data Processing Services		21,995
Community Services		9,616
	$	1,781,055

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2025, consisted of the following:

Due To Fund	Due From Fund		Amount	Purpose
General Fund	Other Governmental Funds	$	686,811	Short-term loans
	Total	$	686,811	

2. Transfers To and From Other Funds

There were no transfers to and from other funds at August 31, 2025.

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended 2025, Mathis Independent School District, are as follows:

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 8/31/24	Issued	Retired	Amounts Outstanding 8/31/25	Amounts Due Within One Year
Unlimted Tax Refunding Bonds Series 2016	2.00% to 4.00%	5,185,000	2,685,000	--	160,000	2,525,000	170,000
Unlimted Tax Refunding Bonds Series 2017	2.00% to 4.00%	4,180,000	3,000,000	--	265,000	2,735,000	270,000

Unlimited Tax School Building Bonds, Series 2019	2.00% to 5.00%	12,200,000	8,560,000	--	1,755,000	6,805,000	--
Unlimted Tax Refunding Bonds Series 2020	3.00% to 4.00%	2,575,000	2,110,000	--	--	2,110,000	--
Sub-Total - Bonds			16,355,000	--	2,180,000	14,175,000	440,000
Maintenance Tax Notes Series 2012	3.50%	1,030,000	497,653	--	54,979	442,674	56,903
Maintenance Tax Notes Series 2017	2.57%	1,900,000	1,140,000	--	130,000	1,010,000	135,000
Sub-Total - Bonds & Notes			17,992,653	--	2,364,979	15,627,674	631,903
Bond Premiums on Refunding			2,239,710	--	135,132	2,104,578	135,132
Total Bonds & Notes			20,232,363	--	2,500,111	17,732,252	767,035
Other Liabilities:							
Compensated Absences			672,844	8,496	--	681,340	242,751
Net Pension Liability			7,727,304	--	1,018,805	6,708,499	--
Net OPEB Liability			3,444,846	1,113,091	--	4,557,937	--
Total Governmental Activities			$ 32,077,357	$ 1,121,587	$ 3,518,916	$ 29,680,028	$ 1,009,786

2. Debt Service Requirements

Governmental Activiy Debt service requirements on long-term debt at August 31, 2025, are as follows:

Year Ending	General Obligation Bonds			Maintenance Tax Notes and Revolving Loan		
August 31,	Principal	Interest	Total	Principal	Interest	Total
2026	440,000	599,900	1,039,900	191,903	41,451	233,354
2027	460,000	582,300	1,042,300	193,895	35,989	229,884
2028	450,000	563,900	1,013,900	200,956	30,459	231,415
2029	465,000	545,900	1,010,900	208,090	24,727	232,817
2030	490,000	527,300	1,017,300	215,298	18,793	234,091
2031-2035	3,445,000	2,316,950	5,761,950	442,532	19,084	461,616
2036-2040	5,355,000	1,351,750	6,706,750	--	--	--
2041-2045	3,070,000	393,250	3,463,250	--	--	--
Totals	$ 14,175,000	$ 6,881,250	$ 21,056,250	$ 1,452,674	$ 170,503	$ 1,623,177

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 $2,352,681 of defeased bonds outstanding as of August 31, 2025.

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

restrictions

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

G. Leases

At August 31, 2025, 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 2025, 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, 2025, 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, 2024, 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, 2024 and ended September 1, 2025. The District's maximum financial exposure for the plan year is $131,113. Any costs above $131,113 for the 2024-2025 plan year are the shared responsibility of the remaining School Comp members. TheDistrict'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 $11,947,411. 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 $55,636 reported in the fund at 8/31/25, 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 08/31/25	Year Ended 08/31/24
Unpaid claims, beginning of year	57,286	$ 48,368
Current year claims and changes in estimate	(1,650)	83,256
Claim payments	--	(74,338)
Unpaid claims, end of year	55,636	$ 57,286

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		
	2024	2025
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

District's 2025 Employer Contributions	$	564,392
District's 2025 Member Contributions	$	1,129,464
2024 NECE On-Behalf Contributions (State)	$	669,773

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, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024.

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
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 2024	3.87% *
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, 2024 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:	$ 10,715,172	$ 6,708,499	$ 3,388,685

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

At August 31, 2025, the District reported a liability of $6,708,499 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	$ 6,708,499
State's proportionate share that is associated with District	7,259,981
Total	$ 13,968,480

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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, 2023 thru August 31, 2024.

At the measurement date of August 31, 2024 the employer's proportion of the collective net pension liability was 0.0109823841% which was an increase (decrease) of -0.0002670905% from its proportion measured as of August 31, 2023.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2025, the District recognized pension expense of $1,906,066 and revenue of $867,689 for support provided by the State.

At August 31, 2025, 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	$ 369,763	$ 52,377
Changes in Actuarial Assumptions	346,374	46,437
Difference Between Projected and Actual Investment Earnings	40,778	--
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	435,158	425,811
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	564,392	--
Total	$ 1,756,465	$ 524,625

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
2026	$ 77,026
2027	$ 756,774
2028	$ 69,656
2029	$ (242,683)
2030	$ 6,676
Thereafter	$ (1)

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	
	2025
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 2025 are as follows:

District's 2025 Employer Contributions	$	128,823
District's 2025 Member Contributions	$	88,988
2024 NECE On-Behalf Contributions (state)	$	170,917

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 2024 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, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024.

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, 2024:

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, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
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 3.87 percent was used to measure the Total OPEB Liability. This was an increase of 0.26 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, 2024.

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 (2.87%)	Current Single Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the Net OPEB Liability:	$ 5,415,042	$ 4,557,937	$ 3,865,383

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

At August 31, 2025, the District reported a liability of $4,557,937 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$ 4,557,937
State's proportionate share that is associated with the District	$ 5,711,033
Total	$ 10,268,970

The Net OPEB liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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, 2023 thru August 31, 2024.

At August 31, 2023 the District's proportion of the collective net OPEB liability was 0.0150171567%
which was an increase (decrease) of -0.0005434116% from its proportion measured as of August 31, 2023.

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	$ 3,711,763	$ 4,557,937	$ 5,660,586

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 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024. 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, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 873,604	$ 2,274,658
Changes in actuarial assumptions	583,362	1,487,202
Difference between projected and actual investment earnings	--	12,763
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	953,894	743,791
Contributions paid to TRS subsequent to the measurement date	128,823	--
Total	$ 2,539,683	$ 4,518,414

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
2026	$ (534,636)
2027	$ (328,201)
2028	$ (406,962)
2029	$ (417,992)
2030	$ (240,469)
Thereafter	$ (179,294)

For the year ended August 31, 2025, the District recognized OPEB expense of $(1,158,328) and revenue of $(742,329) 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, 2025, the subsidy payment received by TRS-Care on behalf of the District was $92,137.

K. Employee Health Care Coverage

During the year ended August 31, 2025, 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, 2025, 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, 2025, are reported on the combined financial statements as Due from Other Governments and are summarized below:

Fund	State Entitlements	Federal Grants	Total
General	$ 3,809,218	$ 234,131	$ 4,043,349
Other Governmental Funds	404,280	401,776	806,056
Total	$ 4,213,498	$ 635,907	$ 4,849,405

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, 2025:

General Fund	
Restricted:	
Child Nutrition Program	$ 2,206,846
Committed:	
Construction and renovation	550,000
Capital expenditures for equipment	150,000
Technology	250,000
Storm replacement	250,000
	1,200,000
Unassigned:	9,699,867
Total General Fund fund balance	13,106,713
Debt Service Fund:	
Restricted:	
Retirement of Long-Term Debt	4,306,680
Other Governmental Funds	
Restricted:	
Special Education	545
Summer feeding	8,074
State Funded	(8,740)

State Textbook	28,463
Construction of facilities	3,425
	31,767
Committed:	
Campus Activity Funds	8,030
Total Other Governmental Fund fund balance	39,797
Total Governmental fund balance	$ 17,453,190

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 2024-2025. 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	$ 115,346	$ 115,346	$ 107,890	$ (7,456)
5800	State Program	5,143	5,143	7,708	2,565
5900	Federal Program	2,441,295	2,441,295	2,141,970	(299,325)
5020	Total Revenue	2,561,784	2,561,784	2,257,568	(304,216)
	Expenditures:				
0035	Food Services	3,623,153	3,623,153	1,977,632	1,645,521
0051	Plant Maintenance and Operations	177,500	177,500	150,045	27,455
6030	Total Expenditures	3,800,653	3,800,653	2,127,677	1,672,976
7915	Operating Transfer In	--	--	--	--
1200	Net Change in Fund Balance	(1,238,869)	(1,238,869)	129,891	1,368,760
0100	Fund Balance - Beginning	2,076,957	2,076,957	2,076,957	--
3000	Fund Balance - Ending	$ 838,088	$ 838,088	$ 2,206,848	$ 1,368,760

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 2024	< B > Project's Value Limitation Amount 2024	< C > Amount of Applicant's M&O Taxes Paid 2024	< D < Amount of Applicant's M&O Taxes Reduced 2024	< E > Company Revenue Loss Payment to School District 2024	< F > Company Supplemental Payment to School District 2024	< G > Net Benefit (Loss) to the School District 2023 (E+F)
1.	$159,543,400	$20,000,000	$151,040	$1,053,832	--	$186,488	$186,488
2.	$65,255,000	$20,000,000	$151,040	$341,766	--	$170,883	$170,883
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

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, 2025

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*	$ 6,049,789	$ 6,049,789	$ 5,984,497	$ (65,292)
5800	*State Program Revenues*	13,634,507	13,634,507	14,508,449	873,942
5900	*Federal Program Revenues*	2,886,196	2,886,196	2,382,789	(503,407)
5020	Total Revenues	22,570,492	22,570,492	22,875,735	305,243
	EXPENDITURES:				
	Current:				
	Instruction and Instructional Related Services:				
11	*Instruction*	11,156,687	11,161,187	9,438,461	1,722,726
12	*Instructional Resources and Media Services*	423,243	423,243	348,184	75,059
13	*Curriculum and Instructional Staff Development*	294,900	294,900	273,365	21,535
	Total Instruction and Instr. Related Services	11,874,830	11,879,330	10,060,010	1,819,320
	Instructional and School Leadership:				
21	*Instructional Leadership*	10,000	10,000	--	10,000
23	*School Leadership*	1,566,635	1,566,635	1,447,325	119,310
	Total Instructional and School Leadership	1,576,635	1,576,635	1,447,325	129,310
	Student Support Services:				
31	*Guidance, Counseling and Evaluation Services*	621,475	621,225	479,081	142,144
32	*Social Work Services*	1,000	1,000	--	1,000
33	*Health Services*	242,603	242,513	233,596	8,917
34	*Student Transportation*	756,261	759,761	618,623	141,138
35	*Food Services*	2,384,284	3,623,153	1,977,630	1,645,523
36	*Extracurricular Activities*	958,148	958,148	817,917	140,231
	Total Student Support Services	4,963,771	6,205,800	4,126,847	2,078,953
	Administrative Support Services:				
41	*General Administration*	1,344,670	1,368,677	1,225,523	143,154
	Total Administrative Support Services	1,344,670	1,368,677	1,225,523	143,154
	Support Services:				
51	*Facilities Maintenance and Operations*	3,962,637	3,930,525	3,523,003	407,522
52	*Security and Monitoring Services*	355,997	355,997	289,954	66,043
53	*Data Processing Services*	354,784	352,030	323,715	28,315
	Total Support Services	4,673,418	4,638,552	4,136,672	501,880
	Ancillary Services:				
61	*Community Services*	9,500	9,500	1,658	7,842
	Total Ancillary Services	9,500	9,500	1,658	7,842
	Debt Service:				
71	*Principal on Long-Term Debt*	185,000	185,000	184,979	21
72	*Interest on Long-Term Debt*	48,000	48,000	46,716	1,284
73	*Bond Issuance Costs and Fees*	500	500	400	100
	Total Debt Service	233,500	233,500	232,095	1,405
	Capital Outlay:				
81	*Facilities Acquisition and Construction*	2	2,046,759	1,882,799	163,960
	Total Capital Outlay	2	2,046,759	1,882,799	163,960
99	*Other Intergovernmental Charges*	100,000	100,000	96,638	3,362

MATHIS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	Total Intergovernmental Charges	100,000	100,000	96,638	3,362
6030	Total Expenditures	24,776,326	28,058,753	23,209,567	4,849,186
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(2,205,834)	(5,488,261)	(333,832)	5,154,429
1200	Net Change in Fund Balance	(2,205,834)	(5,488,261)	(333,832)	5,154,429
0100	Fund Balance - Beginning	13,440,545	13,440,545	13,440,545	--
3000	Fund Balance - Ending	$ 11,234,711	$ 7,952,284	$ 13,106,713	$ 5,154,429

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, 2025

	Measurement Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.0109823841%	0.0112494746%	0.0120996104%	0.0105707738%	0.0100971217%	0.0107674007%	0.0089921564%	0.0095477644%	0.0097162229%	0.0102482000%
District's Proportionate Share of Net Pension Liability (Asset)	$ 6,708,499	$ 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
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	7,259,981	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
Total	$ 13,968,480	$ 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
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	$ 10,350,557	$ 22,327,598
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	50.52%	59.85%	56.72%	22.64%	46.98%	49.85%	46.44%	30.20%	35.47%	16.22%
Plan Fiduciary Net Position as a % of Total Pension Liability	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	Fiscal Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 564,392	$ 618,896	$ 577,564	$ 564,604	$ 451,105	$ 416,256	$ 376,872	$ 303,312	$ 302,848	$ 653,258
Contribution in Relation to Contractually Required Contribution	(564,392)	(618,896)	(577,564)	(564,604)	(451,105)	(416,256)	(376,872)	(303,312)	(302,848)	(653,258)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 13,690,466	$ 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
Contributions as a % of Covered Payroll	4.12%	4.66%	4.47%	4.46%	3.79%	3.62%	3.36%	2.85%	3.00%	2.79%

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, 2025

	Measurement Year Ended August 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.01501715 67%	0.0155605683%	0.0167098719%	0.0154669491%	0.0151816306%	0.0151722533%	0.0136261560%	0.0134021639%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ 4,557,937	$ 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	5,711,033	4,156,736	4,880,607	7,993,504	7,755,141	9,534,162	8,639,806	7,238,740
Total	$ 10,268,970	$ 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	$ 13,279,024	$ 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	34.32%	26.68%	31.59%	50.17%	50.13%	63.91%	63.84%	57.65%
Plan Fiduciary Net Position as a % of Total OPEB Liability	13.70%	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note: Only eight 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."

EXHIBIT G-5

MATHIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	Fiscal Year Ended August 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 128,823	CK TexNet INPUT	CK RSI data inputs	CK RSI data inputs	CK RSI data inputs	CK RSI data inputs	CK RSI data inputs	CK RSI data input
Contribution in Relation to Contractually Required Contribution	(128,823)	CK TexNet INPUT	CK RSI data input	CK RSI data input	CK RSI data input	CK RSI data input	CK RSI data input	CK RSI data input
Contribution Deficiency (Excess)	$ -	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
District's Covered Payroll	$ 13,690,466	$ 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	0.94%	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

Note: Only eight 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, 2025

Year Ended August 31	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/24
2016 and Prior Years	$ Various	$ Various	$ Various	$ 585,385
2017	1.17	.2647	343,341,495	102,104
2018	1.17	.2647	342,647,104	162,176
2019	1.17	.2596	342,930,039	133,676
2020	1.0684	.4042	367,131,507	149,703
2021	.9631	.4042	513,996,489	176,933
2022	.9604	.4042	570,657,652	274,747
2023	.943	.4042	621,962,736	440,736
2024	.7576	.4042	647,858,058	636,545
2025 (School Year Under Audit)	.7552	.4042	694,825,991	--
1000 Totals				$ 2,662,005

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 8/31/25	99 Total Taxes Refunded Under Sect. 26.1115(c)
$ --	$ 16,674	$ 3,321	$ --	$ 565,390	
--	3,840	869	--	97,395	
--	4,912	1,111	--	156,153	
--	5,851	1,298	--	126,527	
--	11,076	4,190	--	134,437	
--	13,610	5,712	814	158,425	
--	27,978	11,775	3,917	238,911	
--	50,471	21,634	(7,629)	361,002	
--	117,585	62,739	(27,302)	428,919	
8,228,796	4,447,777	3,127,523	47,050	700,546	
$ 8,228,796	$ 4,699,774	$ 3,240,172	$ 16,850	$ 2,967,705	
					$ 9,474
	$ --				

MATHIS INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2025

Data Control Codes			Responses
	Section A: Compensatory Education Programs		
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?		Yes
AP2	Does the district 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.	$	2,263,647
AP4	List the actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28 29, 30)	$	1,886,107
	Section B: Bilingual Education Programs		
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?		Yes
AP6	Does the district have written policies and procedures for its bilingual education allotment program?		Yes
AP7	List the total state allotment funds received for bilingual education allotment programs during the district's fiscal year.	$	9,988
AP8	List the actual direct program expenditures for bilingual education allotment programs during the district's fiscal year. (PICs 25)	$	11,268

MATHIS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2025

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*	$ 3,203,915	$ 3,203,915	$ 3,475,350	$ 271,435
5800	*State Program Revenues*	5,000	5,000	101,533	96,533
5020	Total Revenues	3,208,915	3,208,915	3,576,883	367,968
	EXPENDITURES:				
	Debt Service:				
71	*Principal on Long-Term Debt*	2,383,221	2,383,221	2,352,681	30,540
72	*Interest on Long-Term Debt*	750,950	750,950	693,647	57,303
73	*Bond Issuance Costs and Fees*	74,744	74,744	6,871	67,873
	Total Debt Service	3,208,915	3,208,915	3,053,199	155,716
6030	Total Expenditures	3,208,915	3,208,915	3,053,199	155,716
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	523,684	523,684
1200	Net Change in Fund Balance	--	--	523,684	523,684
0100	Fund Balance - Beginning	3,782,996	3,782,996	3,782,996	--
3000	Fund Balance - Ending	$ 3,782,996	$ 3,762,996	$ 4,306,680	$ 523,684

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Green Growth CPAs

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 (*Government Auditing Standards*), 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, 2025, 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 February 12, 2026.

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 audit 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,

GreenGrowthCPAs

GreenGrowth CPAs

Sinton, Texas
February 12, 2026

Green Growth CPAs

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, 2025. 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, 2025.

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,

GreenGrowth CPAs

GreenGrowth CPAs

Sinton, Texas
February 12, 2026

MATHIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025

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?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to the financial statements noted?	No

2. Federal Awards

Internal control over major programs:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Version of compliance supplement used in audit.	November 2025
Are there any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Federal Regulations (2 CFR 200.516(a))?	No
Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Identification of Major Programs Categories:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.287C	Title IV, Part B - 21st Century Community Learning Centers

MATHIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025

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, 2025

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

MATHIS INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2025

Program	Corrective Action Plan
N/A	N/A

MATHIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025

(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
CHILD NUTRITION CLUSTER:				
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
School Breakfast Program	10.553	806780706	--	479,104
National School Lunch Program - Cash	10.555	806780706	--	862,973
National School Lunch Program - Non-Cash	10.555	806780706	--	81,228
Summer Food Service Program	10.559	806780706	--	26,546
Total Passed Through Texas Department of Agriculture			--	1,449,851
Child and Adult Care Food Program	10.558	806780706	--	718,666
Total U. S. Department of Agriculture			--	2,168,517
Total Child Nutrition Cluster			--	2,168,517
MEDICAID CLUSTER:				
U. S. Department of Health and Human Services				
Passed Through Texas Health and Human Services Commission:				
Medicaid Administrative Claiming	93.778	529-15-0048-0002	--	3,088
Total U. S. Department of Health and Human Services			--	3,088
Total Medicaid Cluster			--	3,088
SPECIAL EDUCATION (IDEA) CLUSTER:				
U. S. Department of Education				
Passed Through State Department of Education:				
IDEA-B Formula	84.027A	2066000120590466	--	385,962
IDEA-Part B, Preschool	84.173A	2066100120590466	--	7,701
Total U. S. Department of Education			--	393,663
Total Special Education (IDEA) Cluster			--	393,663
OTHER SPECIAL EDUCATION PROGRAMS:				
Passed Through State Department of Education:				
Title I Part A - Improving Basic Programs	84.010A	24610101205904	--	946,078
Career and Technical Education - Basic Grant	84.048A	24420006205904	--	31,391
Title IV, Part B-21st Century Community Learning Centers	84.287C	256950337110032	--	1,484,141
Total ALN Number 84.287C			--	1,484,141
GEAR UP	84.334S	195111017110003	--	226,645
Total ALN Number 84.334S			--	$ 226,645
ESEA, Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	20696001205904	--	68,853
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	20694501205904	--	114,008
Title IV, Part A, Subpart 1	84.424A	20680101205904	--	97,368
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	21528001205904	--	109,883

(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
American Rescue Plan (ARP) Act - Homeless II - Education for H	84.425W	21533002205904	--	1,784
American Rescue Plan (ARP) Act - Homeless II - Education for H	84.425W	21533002205904	--	1,922
Total ALN Number 84.425W			--	3,706
Total Passed Through State Department of Education			--	3,082,073
Total U. S. Department of Education			--	3,082,073
TOTAL EXPENDITURES OF FEDERAL AWARDS			--	$ 5,647,341

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, 2025

Federal Assistance Reconciliation

Federal Grants and Contracts Revenues per Exhibit C-2	5,775,188
Less: School Health & Related Services (SHARS) reported in General Fund	(127,847)
Total Federal Revenues per Schedule of Expenditures of Federal Awasrds	5,647,341

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.