

Mathis Independent School District
General Obligation
Annual Financial Operating Data
Fiscal Year Ended August 31, 2017

Submitted pursuant to SEC Rule 15 c 2-12

By:

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INVESTMENT BANKERS

Mathis Independent School District
General Obligation
Continuing Disclosure Statement
For the year ended August 31, 2017
(Pursuant to SEC Rule 15 c 2-12)

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The information contained in this report has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and should not be understood as a promise or guarantee. This report may contain estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions. The information contained here in is subject to change and the submission of this report will not imply that there has been no changes to the financial condition of the District.

Mathis Independent School District
Continuing Disclosure Statement
For the year Ended August 31, 2017
(Pursuant to SEC Rule 15c2-12)

Table 1 - Valuation, Exemption and Debt Obligation

2017 Market Valuation Established by Bee, Live Oak, and San Patricio County ⁽¹⁾		\$ 642,093,164
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	\$ 43,534,362	
Over 65	8,145,950	
Disabled Veterans	2,497,708	
Veterans Exemption	667,811	
Productivity Loss	203,628,766	
10% Residential Cap Loss	12,265,474	
Other	-	<u>\$ 270,740,071</u>
2017 Taxable Assessed Valuation		\$ 371,353,093
Deduct: Freeze loss		\$ 18,365,978
2017 Taxable Assessed Valuation after freeze		<u>\$ 352,987,115</u>
Debt Payable from Ad Valorem Taxes (as of August 31, 2017)		
Unlimited Tax School Building & Refunding Bonds, Series 2010	\$ 3,310,000	
Unlimited Tax School Refunding Bonds, Series 2016	5,090,000	
Unlimited Tax Refunding Bonds, Seeries 2017	<u>4,125,000</u>	
Debt Payable from Ad Valorem Taxes		\$ 12,525,000
Less: Instructional Facilities Allotment/Existing Debt Allotment		<u>258,429</u>
Net Debt Payable from Ad Valorem Taxes		<u>\$ 12,266,571</u> ⁽¹⁾
Debt Payable from Maintenance Tax (as of August 31, 2017)		
Maintenance Tax Notes, Series 2008	\$ 710,000	
Maintenance Tax Notes, Series 2012	<u>833,826</u>	
Debt Payable from Ad Valorem Taxes		\$ 1,543,826
Total Debt		\$ 14,068,826
Interest and Sinking Fund (as of August 31, 2017)		\$ 707,158
Ratio Funded Tax Debt to Taxable Assessed Valuation		3.48%
2018 Estimated Population - 7,908 Per Capita Taxable Assessed Valuation - 44,637 Per Capita Funded Tax Debt - \$1,551		

⁽¹⁾ Excludes approximately \$258,429 of the currently outstanding unlimited tax bonds (as shown in detail in footnote 3 of Table 3).
which are supported by the Texas Education Agency's Instructional Facilities Allotment and Existing Debt Allotment Programs, as provided
by Chapter 46, as amended, Texas Education Code.

Table 2 - Taxable Assessed Valuation by Category

Category	Taxable Appraised Value For Fiscal Year Ended August 31,					
	2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 234,657,076	36.55%	\$ 214,430,874	31.95%	\$ 210,094,253	29.82%
Real, Residential, Multi-Family	2,286,611	0.36%	2,048,914	0.31%	1,828,528	0.26%
Real, Vacant Lots/Tracts	13,573,153	2.11%	11,980,120	1.78%	11,760,184	1.67%
Real, Acreage (Land Only)	225,162,495	35.07%	263,024,591	39.18%	256,541,338	36.41%
Real, Farm and Ranch Improvements	40,976,182	6.38%	35,649,745	5.31%	33,055,363	4.69%
Real, Commercial	39,855,829	6.21%	41,753,531	6.22%	41,165,508	5.84%
Real, Industrial	3,073,248	0.48%	782,180	0.12%	775,713	0.11%
Real, Oil, Gas and Other Mineral Reserves	1,664,936	0.26%	1,531,350	0.23%	2,755,951	0.39%
Real and Tangible Personal, Utilities	40,449,142	6.30%	41,024,043	6.11%	40,980,317	5.82%
Tangible Personal, Commercial	-	0.00%	18,101,086	2.70%	20,837,402	2.96%
Tangible Personal, Industrial	30,998,858	4.83%	30,780,470	4.59%	52,187,180	7.41%
Tangible Personal, Mobile Homes	7,935,950	1.24%	7,937,597	1.18%	445,905	0.06%
Tangible Personal, Other	-	0.00%	-	0.00%	7,212,197	1.02%
Intangible, Personal	-	0.00%	-	0.00%	-	0.00%
Real Property, Inventory	407,319	0.06%	477,405	0.07%	42,000	0.01%
Special Property	1,052,365	0.16%	1,720,415	0.26%	1,720,415	0.24%
Exempt	-	0.00%	-	0.00%	23,097,620	3.28%
Unidentified Category	-	0.00%	-	0.00%	49,876	0.01%
Total Appraised Value Before Exemptions	\$ 642,093,164	100.00%	\$ 671,242,321	100.00%	\$ 704,549,750	100.00%
Less: Total Exemptions/Reductions	(270,740,071)		(302,396,858)		(324,314,763)	
Less: Loss of Value for Over 65 Freeze	(18,365,978)		(16,229,946)		-	
Taxable Assessed Valuation	\$ 352,987,115		\$ 352,615,517		\$ 380,234,987	

Category	Taxable Appraised Value For Fiscal Year Ended August 31,			
	2015		2014	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 195,700,516	32.68%	\$ 192,512,277	33.91%
Real, Residential, Multi-Family	1,827,940	0.31%	1,796,582	0.32%
Real, Vacant Lots/Tracts	10,543,078	1.76%	10,531,636	1.86%
Real, Acreage (Land Only)	179,755,667	30.02%	165,737,695	29.20%
Real, Farm and Ranch Improvements	31,088,543	5.19%	31,386,156	5.53%
Real, Commercial	29,131,255	4.86%	28,570,752	5.03%
Real, Industrial	740,612	0.12%	732,806	0.13%
Real, Oil, Gas and Other Mineral Reserves	4,154,963	0.69%	3,895,348	0.69%
Real and Tangible Personal, Utilities	39,252,602	6.55%	39,180,640	6.90%
Tangible Personal, Commercial	17,258,270	2.88%	18,494,893	3.26%
Tangible Personal, Industrial	64,669,680	10.80%	50,251,300	8.85%
Tangible Personal, Mobil Homes	161,202	0.03%	7,558,661	1.33%
Tangible Personal, Other	6,984,600	1.17%	-	0.00%
Intangible Personal	-	0.00%	-	0.00%
Real Property, Inventory	66,000	0.01%	161,202	0.03%
Special Property	1,082,987	0.18%	1,045,758	0.18%
Exempt	16,451,357	2.75%	15,807,527	2.78%
Unidentified Category	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 598,869,272	100.00%	\$ 567,663,233	100.00%
Less: Total Exemptions/Reductions	(215,974,379)		(213,949,966)	
Less: Loss of Value for Over 65 Freeze	(17,745,107)		(6,134,201)	
Taxable Assessed Valuation	\$ 365,149,786		\$ 347,579,066	

Table 3 - Valuation and Tax Supported Debt History

Fiscal Year Ended 8-31	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Funded Debt Outstanding at End of Year	Ratio Funded	
					Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2013	8,038	\$ 277,122,125	\$ 34,477	\$ 7,442,073	2.69%	\$ 926
2014	8,153	347,579,066	42,632	7,868,039	2.26%	965
2015	8,279	365,149,786	44,106	9,382,500	2.57%	1,133
2016	8,157	380,234,987	46,615	9,342,299	2.46%	1,145
2017	8,117	352,615,517	43,442	14,068,826 ⁽³⁾	3.99% ⁽³⁾	1,733 ⁽³⁾
2018	7,908	352,987,115	44,637	14,975,613 ^{(3) (4)}	4.24% ⁽³⁾	1,894 ⁽³⁾

⁽¹⁾ Source: The Municipal Advisory Council of Texas.

⁽²⁾ Source: District Comprehensive Annual Financial Reports for years ending 2013 through 2016, and the Bee, Live Oak and San Patricio County Appraisal Districts' Certified Totals for the Tax Year 2017, subject to change during the ensuing year.

⁽³⁾ Excludes approximately \$258,429 of the currently outstanding unlimited tax bonds (as shown below) which are supported by the Texas Education Agency's Instructional Facilities Allotment and Existing Debt Allotment Programs, as provided by Chapter 46, as amended, Texas Education Code.

Table 4 - Tax Rate, Levy, and Collection History

Fiscal Year Ending 8-31	Tax Rate	Local Maintenance ⁽³⁾	Debt Service	Tax Levy ⁽¹⁾	% Current Collections	% Total Collections
2013	\$ 1.3478	\$ 1.1314	\$ 0.2164	\$ 3,735,052	91.43%	97.38%
2014	1.375	1.1700	0.2048	4,778,517	96.10%	97.70%
2015	1.404	1.1700	0.2340	5,126,703	91.60%	96.94%
2016	1.403	1.1700	0.2330	5,334,697	91.20%	96.54%
2017	1.435	1.1700	0.2647	4,925,814	90.94%	97.08%
2018	1.435	1.1700	0.2647	5,062,471	In Process of Collection	

⁽¹⁾ Calculated.

Table 5 - Top Ten Taxpayers

Name of Taxpayer	Nature of Property	2017 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
AEP Texas Central Company	Electric Utility	\$ 9,778,440	2.77%
Keane Frac LP	Pipeline	7,641,730	2.17%
Union Pacific Railroad Co.	Railroad	7,166,490	2.03%
Arrowhead Eagle Ford Pipeline	Pipeline	5,999,250	1.70%
Road Ranger LLC	Retail	5,774,740	1.64%
GE Oil & Gas Pressure Control	Oil & Gas	2,132,520	0.60%
Ullah Investments Inc	Financial Services	2,119,249	0.60%
JPS Completion Fluids Inc.	Pipeline	2,016,145	0.57%
Glasscock Lonnie III	Misc	1,781,383	0.51%
Schmidt Prop 1 LLC	Misc	1,714,529	0.49%
Totals		\$ 36,346,036	10.31%

Includes Bee, Live Oak and San Patricio Counties.

Table 6 - Tax Adequacy

2017/2018 Principal and Interest Requirements	\$	1,558,637
Less: Existing Debt Allotment (EDA)		9,492
Less: Instructional Facilities Allotment (IFA)		258,429
Less: Transfer from Debt Service Fund		97,973
Net General Obligation Principal and Interest Requirements	\$	<u>1,192,743</u>
\$0.2647 Interest & Sinking Fund Tax Levy at 100% Collections Produces	\$	<u>934,357</u>

Table 7 - Estimated Overlapping Debt

Taxing Jurisdiction	FYE 2016-17 Net Taxable Assessed Valuation	FYE 2016-17 Tax Rate	Total Taxable Debt	Estimated % Applicable	District's Overlapping Funded Debt As Of 5/18/2017	Authorized But Unissued Debt As Of 5/18/2017
Bee County	\$ 1,668,439,200	\$ 0.51800	\$ 4,890,000	0.41%	\$ 20,049	\$ -
Coastal Bend College District	1,755,228,080	0.18500	4,426,000	0.41%	18,147	-
Live Oak County	2,349,839,930	0.49000	5,905,000	1.84%	108,652	-
City of Mathis	115,609,276	1.01200	1,148,000	100.00%	1,148,000	-
San Patricio County	6,805,785,619	0.46000	24,090,000	7.28%	1,753,752	-
Mathis ISD	352,615,517	1.43470	13,176,571	100.00%	13,176,571	-
Total Direct and Overlapping Tax Debt					<u>\$ 16,225,171</u>	
Ratio of Direct and Overlapping Tax Debt to Net Taxable Assessed Valuation					4.60%	
Per Capita Overlapping Tax Debt					\$ 2,030.18	

Table 8 - Tax Supported Debt Service Requirements

Fiscal Year Ended August 31,	Existing Outstanding Debt			% of Principal Retired	Fiscal Year Ended 8/31
	Principal	Interest	Requirements		
2018	\$ 993,213	\$ 565,424	\$ 1,558,637		2018
2019	1,084,726	549,720	1,634,446		2019
2020	1,121,291	513,433	1,634,724		2020
2021	1,147,911	473,465	1,621,376	32.20%	2021
2022	674,588	432,467	1,107,055		2022
2023	706,324	407,435	1,113,759		2023
2024	593,120	381,194	974,314		2024
2025	609,979	361,172	971,151		2025
2026	631,903	340,507	972,410	52.34%	2026
2027	653,895	317,446	971,341		2027
2028	675,956	293,515	969,471		2028
2029	698,090	270,190	968,280		2029
2030	730,298	246,093	976,391		2030
2031	747,583	220,852	968,435	74.29%	2031
2032	774,949	193,432	968,381		2032
2033	575,000	165,000	740,000		2033
2034	600,000	142,000	742,000		2034
2035	625,000	118,000	743,000		2035
2036	640,000	93,000	733,000	94.43%	2036
2037	670,000	67,400	737,400		2037
2038	325,000	40,600	365,600		2038
2039	340,000	27,600	367,600		2039
2040	350,000	14,000	364,000	104.98%	2040
	<u>\$ 15,968,826</u>	<u>\$ 6,233,944</u>	<u>\$ 22,202,770</u>		

⁽⁴⁾ Includes \$1.9MM of MTC Tax Notes that were issued after the fiscal year end but prior to the submission of this report.

Table 9 - Estimated Interest and Sinking Fund Budget Projection

Estimated Tax Supported Debt Service Requirements, Fiscal Year Ending 8/31/2018		\$ 1,558,637
Beginning Interest and Sinking Fund Balance Fund Balance at 8/31/17	\$ 707,158	
Estimated \$0.2647 I & S Fund Tax Levy at 97% Collections	901,079	
Estimated Instructional Facilities Allotment/Existing Debt Allotment	<u>258,429</u>	<u>\$ 1,866,666</u>
Estimated Balance as of 8/31/2018		<u><u>\$ 308,028</u></u>

Table 10 - Authorized But Unissued Unlimited Tax Bonds

As of August 31, 2017 the District has no authorized but unissued bonds.

Source: "Texas Municipal Reports" published by the Municipal Advisory Council of Texas.

Table 11 - Other Obligations

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments from the General Fund as of August 31, 2017 as follows:

Fiscal Year Ended August 31:	
2018	\$ 97,484
2019	97,484
2020	<u>97,484</u>
Total minimum rentals	292,452
Less amount representing interest	<u>(12,036)</u>
Present value of future minimum lease payments	<u>\$ 280,416</u>

Table- 12 A Comparative Statement of Revenues, Expenditures, and General Fund Balance

REVENUES	Fiscal Year Ending August 31,				
	2017	2016	2015	2014	2013
Local and Intermediate Sources	\$ 4,477,861	\$ 4,758,807	\$ 4,862,771	\$ 4,650,213	\$ 3,800,715
State Sources	11,723,036	11,413,432	11,015,591	11,426,472	10,909,471
Federal Sources	2,180,062	1,787,388	1,657,469	1,458,931	1,553,980
Total Revenues	\$ 18,380,959	\$ 17,959,627	\$ 17,535,831	\$ 17,535,616	\$ 16,264,166
EXPENDITURES					
Instruction	8,246,250	7,531,545	7,580,320	7,009,719	6,979,427
Instructional Resources and Media Services	280,822	320,693	354,461	259,806	222,800
Curriculum and Staff Development	133,624	166,855	287,679	296,977	291,003
Instructional Leadership	-	-	-	-	21,000
School Leadership	1,037,830	1,038,680	841,759	934,793	680,245
Guidance Counseling & Evaluation Services	363,606	372,494	404,156	475,849	373,867
Social Work Services	61,965	4,169	8,538	4,083	9,188
Health Services	187,911	147,242	138,955	126,913	72,514
Pupil Transportation	775,930	600,745	424,586	858,913	572,874
Food Services	1,656,362	1,224,859	1,346,625	1,208,014	1,134,635
Co-Curricular/Extracurricular Activities	691,442	846,766	850,382	787,243	713,666
General Administration	911,861	948,801	1,094,061	1,041,423	938,566
Plant Maintenance and Operations	2,683,981	2,417,529	2,460,014	2,372,410	2,265,095
Security and Monitoring Services	146,778	116,904	99,880	113,760	92,152
Data Processing Services	207,530	248,832	204,084	226,816	214,426
Community Services	51,401	61,531	61,757	67,265	69,940
Debt Service - Principal on long-term debt	308,784	192,706	184,637	204,071	120,499
Debt Service - Interest on long-term debt	78,962	82,310	89,808	93,636	92,447
Bond Issuance Cost and Fees	806	806	538	-	-
Capital Outlay	259,122	403,647	986,552	143,832	630,395
Payments to Fiscal Agent/Member Dist. - SSA	-	38,255	38,303	41,458	36,659
Other Intergovernmental Charges	84,730	85,515	78,778	78,117	52,612
Total Expenditures	\$ 18,169,697	\$ 16,850,884	\$ 17,535,873	\$ 16,345,098	\$ 15,584,010
Excess (Deficiency)	211,262	1,108,743	(42)	1,190,518	680,156
Other Resources	280,416	405,177	-	-	-
Other Uses	-	-	-	294,522	-
Excess (Deficiency) of Revenues Over Expenditures	491,678	1,513,920	(42)	1,485,040	680,156
Beginning Fund Balance on September 1	9,663,429	8,149,509	8,149,551 ⁽¹⁾	6,540,365	5,860,209
Increase (Decrease) in Fund Balance	-	-	-	-	-
Ending Fund Balance on August 31	\$ 10,155,107	\$ 9,663,429	\$ 8,149,509	\$ 8,025,405	\$ 6,540,365

Table 13 - Current Investments

As of August 31, 2017, the District's funds were invested as follows:

<u>Type of Investment</u>	<u>Fair Market Value</u>	<u>Percent of Portfolio</u>
Tex Pool	\$ 1,110,382	100.00%
Total	<u>\$ 1,110,382</u>	<u>100.00%</u>