

**Continuing Disclosure Report for the Fiscal Year Ending
August 31, 2023**



TATUM INDEPENDENT SCHOOL DISTRICT



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****DISCLAIMER****

The information set forth herein 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 is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, 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, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described.

TATUM INDEPENDENT SCHOOL DISTRICT

Signature: *B. Milam*
Printed Name: *Beauwou Milam*
Title: *Business Manager*
Date: *1/18/24*

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Table 1 - Assessed Valuation ⁽¹⁾

2023 Total Market Value	\$1,506,398,598
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Exemption / Reduction

State-Mandated Residence Homestead	\$126,833,920
State-Mandated Res. Homestead Over Age 65/Disabled	10,613,060
Local Discount	42,582,840
Disabled or Deceased Vets/Survivors	393,180
Pollution Control	86,976,090
Productivity Loss	195,322,370
10% Cap Loss	30,158,460
Other	<u>42,226,140</u>
Total	<u>\$535,106,060</u>

2023 Net Taxable Valuation	<u>\$971,292,538</u>
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⁽¹⁾ Rusk and Panola Central Appraisal Districts.

Table 2 - General Obligation DebtGeneral Obligation Debt ⁽¹⁾

Total Unlimited Tax Bonds Outstanding as of September 1, 2022		\$12,335,000	
Bonds Retired During Fiscal Year		(1,145,000)	
Bonds Defeased During/After Fiscal Year ⁽²⁾		(1,040,000)	
Bonds Issued During Fiscal Year		<u>-</u>	
Total Gross General Obligation Debt as of August 31, 2023		\$10,150,000	
Less: Debt Service Fund Balance as of August 31, 2023 ⁽³⁾		<u>(2,102,226)</u>	
Net General Obligation Debt		<u>\$8,047,774</u>	
Ratio G.O. Debt to 2023 Net Taxable Value	0.83%	Per Capita 2023 Taxable Value	\$162,859
2023 Population Estimate ⁽¹⁾	5,964	Per Capital 2023 Actual Value	\$252,582
Area (square miles)	114.5	Per Capita Gross G.O. Debt	\$1,702

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

⁽²⁾ The District defeased \$250,000 of select maturities of the Series 2016 bonds on September 16, 2022 during the fiscal year. The District also defeased \$790,000 of select maturities of the Series 2016 Bonds on September 26, 2023 after the fiscal year ended.

⁽³⁾ Source: The District's Audited Financial Statements as of August 31, 2023.

Table 3 - Valuation and Tax Supported Debt History

Fiscal Year Ended 08/31	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable AV Per Capita	Tax Supported Debt Outstanding	Ratio of Tax Supported Debt to Assessed Valuation	Tax Supported Debt Per Capita
2020	5,980	\$916,166,060	\$153,205	\$15,260,000	1.67%	\$2,552
2021	6,073	849,612,868	139,900	13,435,000	1.58%	2,212
2022	6,064	800,752,497	132,050	12,335,000	1.54%	2,034
2023	5,964	871,495,265	146,126	10,940,000	1.26%	1,834
2024	5,989	971,292,538	162,179	9,080,000 ⁽³⁾	0.93%	1,516

⁽¹⁾ Source: Municipal Advisory Council of Texas.

⁽²⁾ Rusk and Panola Central Appraisal Districts.

⁽³⁾ Excludes the defeasance of \$790,000 of select maturities of the Series 2016 Bonds on September 26, 2023 after the fiscal year ended August 31, 2023.

Table 4 - Tax Rate, Levy and Collection History ⁽¹⁾

Fiscal Year Ended 08/31	Tax Rate	Local			Percent Collected	
		Maintenance ⁽²⁾	I&S Fund	Tax Levy	Current	Total
2020	\$1.2070	\$0.9700	\$0.2370	\$10,921,949	98.22%	99.06%
2021	1.2070	0.9664	0.2406	10,101,138	98.48%	100.42%
2022	1.2070	0.9634	0.2436	9,491,528	98.08%	99.35%
2023	1.2070	0.9148	0.2922	10,091,878	98.12%	100.25%
2024	0.9405	0.6984	0.2421	9,135,006	[In Process of Collection]	

⁽¹⁾ Source: District's Audited Financial Statements.

⁽²⁾ The decline in the District's Maintenance & Operations Tax from the 2018/2019 fiscal year to the current 2021/22 fiscal years is a function of House Bill 3 adopted by the Texas Legislature in June 2019.

Table 5 - Ten Largest Taxpayers ⁽¹⁾

Taxpayers ⁽²⁾	Type of Property	2023 Net Taxable	% of Total 2023
		Assessed Valuation	Assessed Valuation
Luminant Generation Co. LP	Electric Utility/Power Plant	337,328,070	34.73%
Sponte Operating Inc.	Oil & Gas	53,269,710	5.48%
Rockcliff Energy Operating LLC	Oil & Gas	33,465,280	3.45%
Atmos Energy/ Mid-Tex Pipeline	Natural Gas	25,645,640	2.64%
Luminant Mining Co. LLC	Mine	21,995,440	2.26%
Sabine Mining Company	Mine	18,225,600	1.88%
Oncor Electric Delivery Co. LLC	Electric Utility/Power Plant	12,587,170	1.30%
Valence Operating Co.	Oil & Gas	12,171,820	1.25%
TGNR East Texas LLC	Oil & Gas	10,775,810	1.11%
BJ Energy Solutions LLC	Electric Utility/Power Plant	7,802,590	0.80%
Total		\$533,267,130	54.90%

⁽¹⁾ Rusk and Panola Central Appraisal Districts.

⁽²⁾ As shown in the table above, the ten largest taxpayers in the District currently account for over 54% of the District's tax base, with the majority of such property comprised of utilities and related business activities. Adverse developments in economic conditions could adversely impact the businesses that own such properties in the District and the tax values in the District, resulting in less local tax revenue. If any major taxpayer were to default in the payment of taxes, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or, perhaps, to sell tax anticipation notes until such amounts could be collected, if ever.

Table 6 - Classification of Assessed Valuation By Use Category ⁽¹⁾

Property Use Category	Tax Year				
	2023	2022	2021	2020	2019
Real Property					
Single-Family Residential	\$338,562,810	\$284,727,980	\$237,091,070	\$227,157,840	\$222,568,350
Multi-Family Residential	3,128,709	5,644,360	2,669,157	2,383,370	2,201,130
Vacant Lots/Tracts	31,512,110	19,274,510	17,140,790	16,870,660	14,569,770
Acreage (Land Only)	200,862,000	158,132,960	134,175,050	109,067,559	91,366,190
Farm & Ranch Improvements	2,898,440	2,261,900	1,937,960	2,218,010	2,158,460
Non-Ag Land and Improvements	63,411,680	53,550,040	44,071,960	42,119,670	38,422,780
Commercial	18,560,189	14,412,005	12,573,930	12,021,160	11,166,160
Industrial	382,527,150	389,979,240	421,618,170	480,006,850	476,283,180
Oil, Gas and Other Minerals	191,666,640	117,892,180	56,192,220	58,328,460	153,724,080
Real & Tangible Personal					
Utilities	116,185,980	86,316,690	78,022,340	78,845,690	71,025,350
Commercial	7,966,000	6,123,700	6,578,630	7,658,231	8,120,645
Industrial	89,440,690	90,287,530	85,612,470	98,625,070	95,512,130
Other - Mobile Homes	17,628,230	9,580,560	9,479,950	8,976,290	8,406,680
Special Inventories	19,970	9,020	17,380	17,060	17,820
Exempt	42,028,000	38,993,490	39,322,370	39,226,357	38,196,880
Total Assessed Valuation	\$1,506,398,598	\$1,277,186,165	\$1,146,503,447	\$1,183,522,277	\$1,233,739,605
Less Exemptions:					
State-Mandated Residence Homestead	\$126,833,920	\$56,409,890	\$35,589,780	\$35,897,290	\$36,327,580
State-Mandated Res. Homestead Over Age 65/Disabled	10,613,060	11,193,260	9,574,350	9,242,530	8,483,750
Local Discount	42,582,840	42,468,450	38,139,950	37,655,832	37,273,110
Disabled or Deceased Vets/Survivors	393,180	524,930	462,330	461,550	457,300
Pollution Control	86,976,090	87,252,190	92,639,620	107,138,440	106,364,240
Productivity Loss	195,322,370	152,190,700	128,148,070	102,919,360	85,730,610
10% Cap Loss	30,158,460	16,538,370	1,398,220	941,520	873,810
Other	42,226,140	39,113,110	39,798,630	39,652,887	42,063,145
Total Exemptions	\$535,106,060	\$405,690,900	\$345,750,950	\$333,909,409	\$317,573,545
Taxable Assessed Valuation	\$971,292,538	\$871,495,265	\$800,752,497	\$849,612,868	\$916,166,060

⁽¹⁾ Source: Rusk and Panola Central Appraisal District.

Table 7 - Fund Balances (as of August 31, 2023) ⁽¹⁾

General Fund	\$6,658,660
Interest and Sinking Fund	2,102,226
Capital Projects	-

⁽¹⁾ The District's Audited Financial Statements.

Table 8 - Other Obligations: None ⁽¹⁾

⁽¹⁾ Source: District's Audited Financial Statements.

Table 9 - Authorized but Unissued General Obligation Bonds: None ⁽¹⁾

⁽¹⁾ Source: Municipal Advisory Council of Texas.

TABLE 10 - Tax Supported Debt Service Requirements ⁽¹⁾⁽²⁾

FYE August 31,	Principal	Interest	Total
2024	\$1,070,000	\$350,550	\$1,420,550
2025	1,070,000	307,750	1,377,750
2026	1,035,000	265,650	1,300,650
2027	1,065,000	223,650	1,288,650
2028	1,110,000	180,150	1,290,150
2029	1,280,000	132,350	1,412,350
2030	1,500,000	83,975	1,583,975
2031	505,000	53,350	558,350
2032	1,515,000	22,750	1,537,750
	\$10,150,000	\$1,620,175	\$11,770,175
Average Annual Debt Service Requirement			\$1,307,797
Maximum Debt Service Requirement			\$1,583,975

⁽¹⁾ Source: Municipal Advisory Council of Texas.

⁽²⁾ Excludes the defeasance of \$790,000 of select maturities of the Series 2016 Bonds on September 26, 2023 after the fiscal year ended August 31, 2023.

Table 11 - Tax Adequacy

2024 Principal and Interest Requirements	\$1,420,550
\$0.1493 Tax Rate at 98.00% Collections Produces ⁽¹⁾	\$1,421,137
Average Annual Principal and Interest Requirements, 2024 - 2032	\$1,307,797
\$0.1374 Tax Rate at 98.00% Collections Produces ⁽¹⁾	\$1,307,865
Maximum Principal and Interest Requirements, 2030	\$1,583,975
\$0.1665 Tax Rate at 98.00% Collections Produces ⁽¹⁾	\$1,584,858

⁽¹⁾ Calculation based upon the 2023 Net Taxable Value of \$971,292,538.

Table 12 - Principal Repayment Schedule

Fiscal Year Ending 8/31	Outstanding Bonds ⁽¹⁾	Bonds Unpaid at Year End	Percent of Principal Retired
2024	\$1,070,000	\$9,080,000	10.54%
2025	1,070,000	8,010,000	21.08%
2026	1,035,000	6,975,000	31.28%
2027	1,065,000	5,910,000	41.77%
2028	1,110,000	4,800,000	52.71%
2029	1,280,000	3,520,000	65.32%
2030	1,500,000	2,020,000	80.10%
2031	505,000	1,515,000	85.07%
2032	1,515,000	-	100.00%
Total	\$10,150,000		

⁽¹⁾ Source: Municipal Advisory Council of Texas.

Table 13 - Estimated Overlapping Debt ⁽¹⁾

Taxing Jurisdiction	Total Debt	As of	% Overlapping	Overlapping Debt
Panola County	\$ -	12/31/2023	1.44%	\$ -
Panola College District	22,995,000	12/31/2023	1.44%	331,128
Rusk County	-	12/31/2023	20.10%	-
Estimated (Net) Overlapping Debt				\$331,128
Tatum ISD				\$10,150,000
Total Direct & Estimated Overlapping Debt				\$10,481,128
Total Direct and Overlapping Debt % of the 2023 Certified Assessed Valuation				1.08%
Total Direct and Overlapping Debt Per Capita				\$1,757

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

Table 14 - Interest and Sinking Fund Budget Projection

Interest & Sinking Fund Balance, 09/01/23 (Beginning) ⁽¹⁾		\$2,102,226
Estimated Tax Supported Debt Service Requirements for FYE Ended 2024	\$1,420,550	
Projected Interest & Sinking Fund Local Revenue	2,351,499	
Debt Subsidy from Texas Education Agency ⁽²⁾	120,138	
Transfers In/(Out)	-	
Projected Interest & Sinking Fund Balance, 08/31/24 (Ending)		\$3,153,313
Net Increase/(Decrease) in Fund Balance		\$1,051,087

⁽¹⁾ The District's Audited Financial Statements.

⁽²⁾ Texas Education Agency Summary of Finances dated January 10, 2024.

Table 15 - Comparative Statement of Debt Service Fund Revenues and Expenditures ⁽¹⁾

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Fund Balance - Beginning of Year	\$1,290,354	\$887,051	\$1,143,820	\$190,423	\$304,631
Total Revenues	2,644,699	1,968,753	2,105,882	2,182,631	1,453,622
Total Expenditures	1,575,319	1,565,450	1,035,868	1,244,064	1,557,729
Excess (Deficiency) Revenues Over (Under Expenditures)	\$1,069,380	\$403,303	\$1,070,014	\$938,567	(104,107)
Other Resources					
Debt Issued	-	-	1,510,000	-	\$6,100,000
Payment to refunding Escrow	-	-	(3,079,651)	-	(6,463,256)
Premium on Issuance of Bonds	-	-	242,868	-	361,563
Other Uses	(257,508)	-	-	-	(8,408)
Total Other Resources (Uses)	(257,508)	-	(1,326,783)	-	(10,101)
Fund Balance - End of Year	\$2,102,226	\$1,290,354	\$887,051	\$1,128,990	\$190,423

⁽¹⁾ Source: District's Audited Financial Statements

Table 16 - Schedule of General Fund Revenues and Expenditure History ⁽¹⁾

	For Fiscal Year Ended August 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
REVENUES:					
Total Local and Intermediate Sources	\$8,296,484	\$7,962,184	\$8,515,520	\$9,169,813	\$9,235,293
State Program Revenues	6,965,688	6,885,140	6,358,190	4,694,040	2,127,203
Federal Program Revenues	148,852	111,985	82,053	152,282	21,607
Total Revenues	\$15,411,024	\$14,959,309	\$14,955,763	\$14,016,135	\$11,384,103
EXPENDITURES:					
Instruction	\$8,209,399	\$7,281,067	\$7,320,893	\$7,317,882	\$6,930,001
Instructional Resources & Media Services	588,492	254,424	411,394	391,025	392,608
Curriculum and Instructional Staff Development	150,412	38,990	198,789	188,488	123,020
Instructional Leadership	160,451	145,997	137,535	112,873	116,751
School Leadership	864,061	869,978	916,041	759,796	805,802
Guidance, Counseling & Evaluation Services	12,069	30,128	245,534	288,100	298,854
Health Services	9,202	11,966	141,705	152,356	146,614
Student Transportation	700,653	460,896	474,586	847,799	430,449
Food Services	36,075	-	-	-	26,132
Extracurricular Activities	1,186,177	1,054,131	972,967	955,426	851,238
General Administration	793,049	802,576	719,800	801,414	683,560
Facilities Maintenance & Operations	2,371,579	1,750,840	2,205,678	1,766,082	1,922,928
Security Monitoring and Services	97,260	56,361	59,294	56,381	61,718
Data Processing Services	256,292	218,481	239,835	230,019	171,826
Community Service	24,433	23,116	25,456	20,050	21,559
Debt Service:					
Principal on Long Term Debt	-	-	-	-	-
Interest on Long Term Debt	-	-	-	-	-
Debt Service Cost and Fees	-	-	-	-	-
Capital Outlay:					
Facilities, Acquisition & Construction	1,435,324	1,495,754	2,248,606	556,190	-
Intergovernmental:					
Contracted Instructional Services Between Public Schools	-	-	-	-	-
Incremental Costs Related to WADA	-	-	-	-	-
Payments to Fiscal Agents/Member Districts of SSA	224,425	229,916	203,455	160,691	234,802
Payments to Juvenile Justice Alternative Ed Programs	-	-	-	-	-
Other Intergovernmental	197,230	193,982	199,750	190,000	192,645
Total Expenses	\$17,316,583	\$14,918,603	\$16,721,318	\$14,794,572	\$13,410,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,905,559)	40,706	(1,765,555)	(778,437)	(2,026,404)
Other Financing Sources and (Uses):					
Sale of Real or Personal Property	-	-	-	-	-
Capital Leases	-	-	-	-	-
Transfers In	283,100	-	-	-	-
Transfers Out	(283,100)	-	(90,076)	(93,183)	(16,427)
Other Uses	-	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	(90,076)	-	(33,086)
Extraordinary Item:					
Extraordinary Item (Resource)	-	-	203,428	-	-
Net Change in Fund Balances	(1,905,559)	40,706	(1,652,203)	(871,620)	(2,075,917)
Fund Balances - Beginning	8,564,218	8,523,512	10,175,715	11,047,335	13,123,252
Prior Period Adjustment	1	-	-	-	-
Fund Balances - Ending	\$6,658,660	\$8,564,218	\$8,523,512	\$10,175,715	\$11,047,335

⁽¹⁾ Source: District's Audited Financial Statements

Table 17 - General Operating Fund Comparative Balance Sheet ⁽¹⁾

	Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
ASSETS:					
Cash & Cash Equivalents	\$6,535,666	\$8,559,659	\$8,868,379	\$11,495,116	\$11,939,288
Current Investments	-	-	-	-	-
Taxes Receivable, Net	631,374	662,908	590,234	626,855	675,612
Allowance for uncollectible taxes (credit)	-	-	-	-	(40,333)
Due from Other Governments	858,107	649,910	281,409	-	363,206
Accrued Interest	-	-	-	1,353	1,353
Due from Other Funds	25,507	2,410	3,637	820	1,890
Prepaid Items	-	-	-	-	-
Restricted Cash and Investments	-	-	-	-	-
Total Assets	\$8,050,654	\$9,874,887	\$9,743,659	\$12,124,144	\$12,941,016
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ -	\$ -	\$12,731	\$407,296	\$106,500
Payroll Deductions and Withholdings Payable	-	-	1,127	1,987	618
Accrued Wages Payable	696,603	608,691	495,481	644,070	766,526
Due to Other Funds	10,814	12,227	20,595	8,464	9,533
Payable to Other Governments	-	-	-	-	300,722
Accrued Expenditures	79,788	74,853	68,141	68,504	77,902
Deferred/Unearned Revenues	-	-	57,053	255,810	-
Total Liabilities	\$787,205	\$695,771	\$655,128	\$1,386,131	\$1,261,801
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	\$604,789	\$614,898	\$565,018	\$562,298	\$631,880
Total Deferred Inflows of Resources	\$604,789	\$614,898	\$565,018	\$562,298	\$631,880
FUND BALANCES:					
Nonspendable Fund Balances:					
Prepaid Items	-	-	-	-	-
Restricted Fund Balances:					
Educational Programs	-	-	-	-	-
Capital Acquisitions & Contractual Obligations	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed Fund Balance:					
Construction	-	6,000,000	6,000,000	-	-
Other Committed Fund Balance	231,000	1,000,000	1,000,000	-	-
Unassigned Fund Balance:	6,427,660	1,564,218	1,523,513	10,175,715	11,047,335
Total Fund Balances	\$6,658,660	\$8,564,218	\$8,523,513	\$10,175,715	\$11,047,335
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$8,050,654	\$9,874,887	\$9,743,659	\$12,124,144	\$12,941,016

⁽¹⁾ Source: District's Audited Financial Statements

Table 18 - Current Investments (As of August 31, 2023)⁽¹⁾

Type of Investment	Market Value
None	-
Total	-

⁽¹⁾ Source: The District's Audited Financial Statements.