

INGRAM INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2021

abip

CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



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INTRODUCTORY SECTION



CERTIFICATE OF BOARD

Ingram Independent School District
Name of School District

Kerr
County

133-904
Co. Dist. Number

We, the undersigned, certify that the attached annual financial report of the above named school district was reviewed and (check one) approved disapproved for the year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the 24th day of January, 2022.

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)



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of School Trustees
Ingram Independent School District
510 College Street
Ingram, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ingram Independent School District (the District) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 the District as of August 31, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the general fund and ESSER III grant, schedule of the District's proportionate share of the net pension and OPEB liability, and schedule of the District's contributions to the Teacher Retirement System of Texas as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and other statements and schedules, other supplementary information and required Texas Education Agency schedules, as listed in the table of contents, are presented for purposes of additional analysis and are 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* (CFR) 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 combining and other statements and schedules, other supplementary information, required Texas Education Agency schedules, 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. Such 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, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022, on our consideration of the 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 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas

January 24, 2022



**INGRAM INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
August 31, 2021**

The Management’s Discussion and Analysis (MD&A) of Ingram Independent School District (the District) is intended to provide an overview of the District’s financial position and results of operations for the fiscal year ended August 31, 2021. Since the focus of the MD&A is on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements, including the accompanying notes, to enhance the understanding of the school’s financial performance.

FINANCIAL HIGHLIGHTS

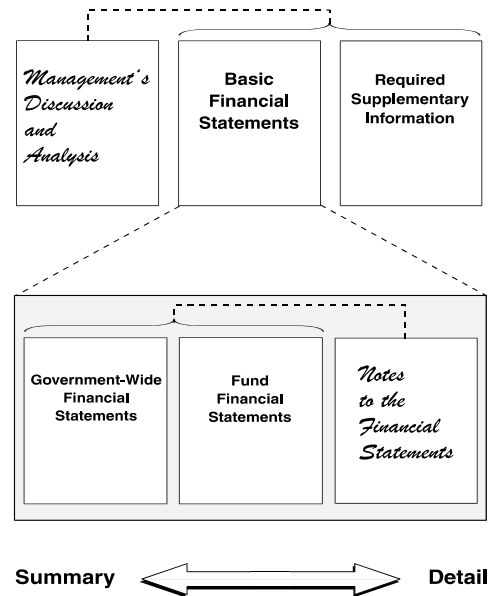
The Board of Trustees adopted a balanced budget in fiscal year 2021. General fund actual revenues were less than budgeted revenues by \$206,480. Expenditures were less than budgeted expenditures by \$1,417,054. The fund balance is \$3,350,542 at year end.

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 fund* 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 agent for the benefit of others, to whom the resources in question belong.

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



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

The District's annual financial report consists of a series of financial statements and accompanying notes, with the primary focus being on the District as a whole. The statement of net position and the statement of activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the fund financial statements focus on major funds rather than fund types. The remaining statements; the fiduciary fund statements, provide financial information for those activities in which the District acts solely as a trustee or agent for the benefit of others. The accompanying notes provide essential information that is not disclosed on the face of the financial statements. Consequently, the notes form an integral part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities – Most of the activities of the District are reported in these statements, including instruction, instruction support services, operations and maintenance, school administration, general administration, transportation, and food service. Additionally, all state and federal grants and capital and debt financing activities are reported here.

The statement of net position and the statement of activities present a view of the District's financial operations as a whole, reflect all financial transactions, and provide information helpful in determining whether the District's financial position has improved or deteriorated as a result of the current year's activities. Both of these statements are prepared using the full accrual basis of accounting similar to that used by most private-sector companies. The statement of net position includes all assets and liabilities, both short and long term. The statement of activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The two government-wide statements report the District's net position, which represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Over time, the increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating. Additionally, the District's financial operating results are determined by the difference between the revenues and expenses. As opposed to private businesses, generating profits is not an objective of the District's operations, but instead its main objective is to provide exemplary education and services to the students of Ingram Independent School District. Consequently, it is important to note that other non-financial factors, such as the quality of education and safety of students in the schools should be considered in assessing the District's overall performance.

Fund financial statements – Fund financial statements provide a detailed short-term view of the District's operations, focusing on its most significant or "major" funds. Certain funds are required by law while others are created by legal agreements, such as bond covenants. Other funds are established to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. The District has three fund types – governmental funds, proprietary funds, and a fiduciary fund.

Governmental funds – The accounting for most of the District's basic services is included in the governmental funds. The measurement focus and basis of accounting used for reporting is the modified accrual basis which measures inflows and outflows of current financial resources and the remaining balances at year end that are available for spending. Furthermore, under this basis of accounting, changes in net spendable assets are normally recognized only to the extent that they are expected to have a near term impact, while inflows are recognized only if they are available to liquidate liabilities of the current period. Similarly, future outflows are typically recognized only if they represent a depletion of current financial resources. The District's major governmental funds are the general fund and the debt service fund. The differences in the amounts reported between the fund statements and the government-wide statements are explained in the reconciliations provided on pages 18 and 20.

Proprietary funds – The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the statement of net position and the statement of activities. The internal service fund is the District’s only proprietary fund. The statement of net position and the statement of revenues, expenses, and changes in fund net position are reported on pages 21 and 22.

Fiduciary funds – The District is the trustee, or *fiduciary* for resources held for the benefit of others such as the student activities fund. Fiduciary activities are reported in the statement of fiduciary net position on page 24 and the statement of changes in fiduciary net position on page 25. The resources accounted for in this fund are excluded from the government-wide financial statements because these funds are not available to finance the District’s operations. Consequently, the District is responsible for ensuring that these resources are used only for their intended purpose.

Notes to the financial statements – The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining fund statements and schedules beginning on page 56.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of net position (government-wide)

The following table summarizes the District's net position as of August 31, 2021 and 2020.

**STATEMENT OF NET POSITION
August 2021 and 2020**

	Governmental Activities	
	<i>(in thousands)</i>	
	2021	2020
Current assets:		
Cash and cash equivalents	\$ 4,461	\$ 3,455
Property taxes and receivables	346	325
(allowance for uncollectible)	(52)	(49)
Due from other governments	993	556
Inventories	26	33
Prepaid items	19	83
Land	679	678
Construction in progress	10	-
Building, furniture and equipment	17,893	18,302
Other assets	-	1
Total current assets	24,375	23,384
Deferred outflows of resources:		
Deferred outflow related to TRS pension	17	2,126
Deferred outflow related to TRS OPEB	1,633	716
Deferred charge for refunding	634	18
Total deferred outflows of resources	2,284	2,860
Current liabilities:		
Accounts payable	124	137
Accrued liabilities	589	606
Due to other governments	383	444
Noncurrent liabilities:		
Due within one year	831	842
Due in more than one year	12,408	13,186
Net pension liability	3,501	3,626
Net OPEB liability	3,604	4,539
Total liabilities	21,440	23,380
Deferred inflows of resources:		
Deferred inflow related to TRS pension	751	778
Deferred inflow related to TRS OPEB	3,368	2,736
Total deferred inflows of resources	4,119	778
Net position:		
Net investment in capital assets	5,486	5,133
Restricted for:		
Federal and state programs	12	-
Debt service	832	715
Other purposes	82	17
Unrestricted	(5,311)	(6,514)
Total net position	\$ 1,101	\$ (649)

The unrestricted net position reflects a deficit created by recognition of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). GASB 68 and GASB 75 established financial reporting standards and/or accounting standards for the state and local government's defined benefit pension plans and defined other postemployment benefit (OPEB) plans. The effects of the adoption of these standards have no impact on the District's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the District's government-wide financial statements.

Statement of activities (government-wide)

The following table summarizes the change in the District's net position from its activities for the fiscal years ended August 31, 2021 and 2020.

CHANGES IN NET POSITION For fiscal years ended August 2021 and 2020

	Governmental Activities (in thousands)	
	2021	2020
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 2,588	\$ 2,323
Charges for services	428	217
General revenues:		
Property taxes	7,206	6,867
Grants and contributions not restricted	7,156	6,283
Investment earnings	6	48
Other	216	163
Total revenues	17,600	15,901
Expenses:		
Instruction	8,481	8,677
Instructional resources and media services	48	53
Curriculum development and instructional staff development	252	271
Instructional leadership	176	182
School leadership	953	991
Guidance, counseling and evaluation services	562	439
Health services	116	121
Student (pupil) transportation	508	481
Food services	829	920
Curricular/extracurricular activities	783	654
General administration	684	687
Plant maintenance and operations	1,443	1,524
Security and monitoring services	112	73
Data processing services	379	396
Interest on long-term debt	407	422
Bond issuance costs and fees	2	3
Other intergovernmental charges	115	121
Total expenses	15,850	16,015
Increase (decrease) in net position	1,750	(114)
Net position at September 1,	(649)	(535)
Net position at August 31,	\$ 1,101	\$ (649)

Property taxes in the amount of \$7,205,969 and state revenue of \$7,155,519 accounted for 81.60% of the District’s total revenue of \$17,599,583.

The statement of activities reports gross expenses, offsetting program revenues and the resulting net expense (cost) by functions, for the current year. The net cost of each of the District’s functions represents the amount of expenses that must be subsidized by general revenues, including tax dollars. As reflected in the statement of activities, total expenses for governmental activities were \$15,849,696. Of the total expenses, \$428,233 was financed by charges for services and \$2,587,996 by operating grants and contributions. The net cost of \$12,833,467 was financed mainly by state revenue and property taxes.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Financial information is presented separately in the balance sheet, and in the statement of revenues, expenditures, and changes in fund balances for the District’s major funds which are the general fund, ESSER III and the debt service fund. Financial information for the nonmajor governmental funds is aggregated and presented in a single column.

General Fund

The General fund is the primary operating fund for the District.

General fund revenues – Overall revenues increased by \$826,449 due mainly to an increase in federal and property tax revenues.

**REVENUES BY SOURCE
For the years ended August 31, 2021 and 2020**

	2021	2020	Increase (Decrease)
Local and tax revenues	\$ 6,459,781	\$ 6,020,729	\$ 439,052
State programs	6,605,756	6,549,778	55,978
Federal programs	1,157,483	826,064	331,419
Total	<u>\$ 14,223,020</u>	<u>\$ 13,396,571</u>	<u>\$ 826,449</u>

General fund expenditures – Overall expenditures increased by \$77,485. The increase in general fund expenditures is mainly attributed to an increase in student support services, Cocurricular activities and capital outlay.

EXPENDITURES BY FUNCTIONS
For the years ended August 31, 2021 and 2020

	2021	2020	Increase (Decrease)
EXPENDITURES			
Instruction, curriculum and media services	\$ 6,741,217	\$ 7,055,350	\$ (314,133)
Instructional and school leadership	1,019,173	997,969	21,204
Student support services	1,059,727	758,422	301,305
Food Service	750,708	791,388	(40,680)
Cocurricular activities	809,997	540,931	269,066
General administration	585,817	598,142	(12,325)
Plant maintenance, security and data processing	1,703,293	2,016,435	(313,142)
Debt service	168,331	175,923	(7,592)
Capital outlay	259,242	-	259,242
Other intergovernmental charges	35,941	121,401	(85,460)
Total expenditures	<u>\$ 13,133,446</u>	<u>\$ 13,055,961</u>	<u>\$ 77,485</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – At August 31, 2021, the District had invested \$38,243,155 in a broad range of capital assets including land, equipment, buildings, and vehicles. This is a \$725,150 increase from the prior year.

CAPITAL ASSETS
August 31, 2021 and 2020

	2021	2020	Increase (Decrease)
Land	\$ 678,899	\$ 678,899	\$ -
Buildings and improvements	34,232,656	33,824,659	407,997
Furniture and equipment	3,321,631	3,014,447	307,184
Construction in progress	9,969	-	9,969
	38,243,155	37,518,005	725,150
Less: accumulated depreciation	<u>(19,661,115)</u>	<u>(18,536,678)</u>	<u>(1,124,437)</u>
Total	<u>\$ 18,582,040</u>	<u>\$ 18,981,327</u>	<u>\$ (399,287)</u>

LONG-TERM DEBT

At year end the District had \$11,550,000 in bonds outstanding. More detailed information about the District’s debt is presented in the notes to the financial statements. The District’s general obligation bond rating continues to be in good standing. The District presently carries an “AAA” rating on bonds secured through the permanent school fund insurance.

BUDGETARY HIGHLIGHTS

In 2021 the District adopted a balanced budget designed to meet the needs of existing student instructional and support programs with anticipated local, state and federal revenues. Budget amendments were made during the year. Trustees increased estimated revenues by \$438,500 to reflect increases in state and federal revenues and increased appropriations by \$559,500 for increases in plant maintenance and facilities acquisition.

ECONOMIC FACTORS

The October enrollment in the 2020-21 fiscal year decreased by 5.5%, mainly at the Pre-kindergarten level. This was mainly due to the effects of COVID-19. October enrollment in the 2021-22 fiscal year has returned to its pre COVID-19 levels.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's financial report is designed to provide our citizens, taxpayers, 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 at:

Ingram Independent School District
District's Business Services Department
510 College Street
Ingram, Texas 78025

BASIC FINANCIAL STATEMENTS



INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
August 31, 2021

EXHIBIT A-1

Data Control Codes		1 <u>Primary Government</u> Governmental Activities
	Assets:	
1110	Cash and cash equivalents	\$ 4,461,216
1220	Property taxes receivable (delinquent)	345,309
1230	Allowance for uncollectible taxes	(51,796)
1240	Due from other governments	993,159
1290	Other receivables (net)	6
1300	Inventories	26,296
1410	Prepaid items	19,330
	Capital assets:	
1510	Land	678,899
1520	Buildings, (net)	17,343,332
1530	Furniture and equipment (net)	549,840
1580	Construction in progress	9,969
1000	Total assets	<u>24,375,560</u>
	Deferred outflows of resources:	
1701	Deferred charge for refunding	16,702
1705	Deferred outflow related to TRS pension	1,632,920
1706	Deferred outflow related to TRS OPEB	634,154
1700	Total deferred outflows of resources	<u>2,283,776</u>
	Liabilities:	
2110	Accounts payable	123,608
2140	Interest payable	20,006
2150	Payroll deductions and withholdings payable	206
2160	Accrued wages payable	490,625
2180	Due to other governments	383,171
2200	Accrued expenses	14,099
2300	Unearned revenue	64,349
	Noncurrent liabilities:	
2501	Due within one year	832,887
2502	Due in more than one year	12,406,212
2540	Net pension liability (District's share)	3,500,871
2545	Net OPEB liability (District's share)	3,604,045
2000	Total liabilities	<u>21,440,079</u>
	Deferred inflows of resources:	
2605	Deferred inflows related to TRS pension	750,925
2606	Deferred inflows related to TRS OPEB	3,368,025
	Total deferred inflows of resources	<u>4,118,950</u>
	Net position:	
3200	Net investment in capital assets	5,485,649
3450	Restricted - federal and state programs	12,094
3850	Restricted - debt service	832,032
3890	Restricted - other	81,680
3900	Unrestricted	(5,311,148)
3000	Total net position	<u>\$ 1,100,307</u>

The accompanying notes are an integral part of these financial statements.

INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the year ended August 31, 2021

EXHIBIT B-1

Data Control Codes	Functions / Programs	1 Expenses	Program Revenues		Net (Expense)
			3 Charges for Services	4 Operating Grants and Contributions	Revenue and Changes in Net Position
					6 Primary Governmental Activities
	Governmental activities:				
11	Instruction	\$ 8,480,921	\$ 162,473	\$ 1,244,009	\$ (7,074,439)
12	Instructional resources and media services	47,978	-	30,971	(17,007)
13	Curriculum and staff development	251,511	-	58,619	(192,892)
21	Instructional leadership	176,206	-	5,717	(170,489)
23	School leadership	952,625	-	-	(952,625)
31	Guidance, counseling, and evaluation services	561,705	-	65,532	(496,173)
33	Health services	115,953	-	-	(115,953)
34	Student (pupil) transportation	508,383	101,890	11,252	(395,241)
35	Food services	828,759	23,519	710,825	(94,415)
36	Extracurricular activities	783,424	138,308	-	(645,116)
41	General administration	683,965	-	37,556	(646,409)
51	Facilities maintenance and operations	1,443,327	2,043	300,161	(1,141,123)
52	Security and monitoring services	111,753	-	26,134	(85,619)
53	Data processing services	378,652	-	18,000	(360,652)
61	Community services	-	-	-	-
72	Debt service - interest on long-term debt	406,680	-	-	(406,680)
73	Debt service - bond issuance costs and fees	2,693	-	-	(2,693)
99	Other intergovernmental charges	115,161	-	79,220	(35,941)
TP	Total primary government	<u>\$ 15,849,696</u>	<u>\$ 428,233</u>	<u>\$ 2,587,996</u>	<u>(12,833,467)</u>
	General revenues:				
	MT		Property taxes, levied for general purposes		6,043,904
	DT		Property taxes, levied for debt service		1,162,065
	GC		Grants and contributions not restricted		7,155,519
	IE		Investment earnings		5,648
	MI		Miscellaneous local and intermediate revenue		216,488
	SI		Special item - gain on sale of assets		-
	TR		Total general revenues		<u>14,583,624</u>
	CN		Change in net position		1,750,157
	NB		Net position - beginning		<u>(649,850)</u>
	NE		Net position - ending		<u>\$ 1,100,307</u>

The accompanying notes are an integral part of these financial statements.

**INGRAM INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
August 31, 2021**

EXHIBIT C-1

Data Control Codes		10	50	282	Other Governmental Funds	98 Total Governmental Funds
		General Fund	Debt Service Fund	ESSER III Fund		
Assets:						
1110	Cash and cash equivalents	\$ 3,425,665	\$ 824,089	\$ -	\$ 107,588	\$ 4,357,342
1220	Property taxes - delinquent	291,793	53,516	-	-	345,309
1230	Allowance for uncollectible taxes (credit)	(43,769)	(8,027)	-	-	(51,796)
1240	Receivables from other governments	500,448	-	357,625	135,086	993,159
1260	Due from other funds	425,183	9,881	-	-	435,064
1290	Other receivables	6	-	-	-	6
1300	Inventories	26,296	-	-	-	26,296
1410	Prepaid items	19,330	-	-	-	19,330
1000	Total assets	<u>\$ 4,644,952</u>	<u>\$ 879,459</u>	<u>\$ 357,625</u>	<u>\$ 242,674</u>	<u>\$ 6,124,710</u>
Liabilities:						
2110	Accounts payable	\$ 97,820	\$ -	\$ -	\$ 22,381	\$ 120,201
2150	Payroll deductions and withholdings payable	206	-	-	-	206
2160	Accrued wages payable	420,652	-	9,805	43,344	473,801
2170	Due to other funds	86,261	-	347,605	77,578	511,444
2180	Due to other governments	381,233	1,938	-	-	383,171
2200	Accrued expenditures	9,021	-	215	4,536	13,772
2300	Deferred revenue	51,194	-	-	13,155	64,349
2000	Total liabilities	<u>1,046,387</u>	<u>1,938</u>	<u>357,625</u>	<u>160,994</u>	<u>1,566,944</u>
Deferred inflows of resources:						
2601	Deferred inflows - property taxes	248,023	45,489	-	-	293,512
Fund balances:						
3410	Non-spendable - inventory	26,296	-	-	-	26,296
3430	Non-spendable - prepaid	19,330	-	-	-	19,330
3450	Restricted - grant funds	12,094	-	-	-	12,094
3480	Restricted - debt service	-	832,032	-	-	832,032
3490	Restricted - other	-	-	-	81,680	81,680
3600	Unassigned fund balance	3,292,822	-	-	-	3,292,822
3000	Total fund balances	<u>3,350,542</u>	<u>832,032</u>	<u>-</u>	<u>81,680</u>	<u>4,264,254</u>
4000	Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,644,952</u>	<u>\$ 879,459</u>	<u>\$ 357,625</u>	<u>\$ 242,674</u>	<u>\$ 6,124,710</u>

The accompanying notes are an integral part of these financial statements.

**INGRAM INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
August 31, 2021**

EXHIBIT C-1R

Total fund balances - governmental funds balance sheet	\$	4,264,254
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets expensed in the governmental activities are not reported in the funds.		18,402,716
Property tax receivable unavailable to pay for current period expenditures is deferred in the funds.		293,512
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.		288,132
Payables for bond principal, bond premiums, and loss on refundings which are not due in the current period are not reported in the funds.		(13,028,801)
Payables for bond interest which are not due in the current period are not reported in the funds.		(20,006)
Payables for net pension and OPEB liabilities which are not due in the current period are not reported in the funds.		(8,956,792)
Payables for compensated absences which are not due in the current period are not reported in the funds.		<u>(142,708)</u>
Net position of governmental activities - statement of net position	\$	<u><u>1,100,307</u></u>

The accompanying notes are an integral part of these financial statements.

INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended August 31, 2021

EXHIBIT C-2

Data Control Codes	10	50	282	Other Governmental Funds	98 Total Governmental Funds
	General Fund	Debt Service Fund	ESSER III Fund		
Revenues:					
5700	Local and intermediate sources	\$ 6,459,781	\$ 1,163,388	\$ 113,700	\$ 7,736,869
5800	State program revenues	6,605,756	35,212	222,843	6,863,811
5900	Federal program revenues	<u>1,157,483</u>	<u>-</u>	<u>625,749</u>	<u>2,811,811</u>
5020	Total revenues	<u>14,223,020</u>	<u>1,198,600</u>	<u>1,365,122</u>	<u>17,412,491</u>
Expenditures:					
Current:					
0011	Instruction	6,556,892	-	1,064,449	7,800,901
0012	Instructional resources and media services	13,212	-	30,971	44,183
0013	Curriculum and instructional staff development	171,113	-	58,619	229,732
0021	Instructional leadership	154,593	-	5,717	160,310
0023	School leadership	864,580	-	-	864,580
0031	Guidance, counseling, and evaluation services	444,427	-	65,532	509,959
0033	Health services	105,637	-	-	105,637
0034	Student (pupil) transportation	509,663	-	11,252	520,915
0035	Food services	750,708	-	-	750,708
0036	Extracurricular activities	809,997	-	48,528	858,525
0041	General administration	585,817	-	37,556	623,373
0051	Facilities maintenance and operations	1,294,383	-	300,161	1,594,544
0052	Security and monitoring services	74,395	-	26,134	100,529
0053	Data processing services	334,515	-	18,000	352,515
Debt service:					
0071	Principal on long-term debt	152,101	640,000	-	792,101
0072	Interest on long-term debt	16,230	440,225	-	456,455
0073	Bond issuance costs and fees	-	1,500	-	1,500
Capital outlay:					
0081	Facilities acquisition and construction	259,242	-	-	259,242
Intergovernmental:					
0099	Other intergovernmental charges	<u>35,941</u>	<u>-</u>	<u>79,220</u>	<u>115,161</u>
6030	Total expenditures	<u>13,133,446</u>	<u>1,081,725</u>	<u>1,299,950</u>	<u>16,140,870</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>1,089,574</u>	<u>116,875</u>	<u>65,172</u>	<u>1,271,621</u>
Other financing sources and (uses):					
7914	Proceeds from loan	<u>120,855</u>	<u>-</u>	<u>-</u>	<u>120,855</u>
7080	Total other financing sources and (uses)	<u>120,855</u>	<u>-</u>	<u>-</u>	<u>120,855</u>
1200	Net change in fund balances	1,210,429	116,875	65,172	1,392,476
0100	Fund balance - September 1 (beginning)	<u>2,140,113</u>	<u>715,157</u>	<u>16,508</u>	<u>2,871,778</u>
3000	Fund balance - August 31 (ending)	<u>\$ 3,350,542</u>	<u>\$ 832,032</u>	<u>\$ 81,680</u>	<u>\$ 4,264,254</u>

The accompanying notes are an integral part of these financial statements.

**INGRAM INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the year ended August 31, 2021**

EXHIBIT C-3

Net change in fund balances - total governmental funds	\$	1,392,476
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are not reported as expenses in the statement of activities.		712,430
The depreciation of capital assets used in governmental activities is not reported in the funds.		(1,092,823)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		17,578
Issuance of debt		(120,855)
Repayment of bond principal is an expenditure in the funds but is not an expense in the statement of activities.		792,101
The net revenue (expense) of internal service funds is reported with governmental activities.		101,890
Changes in net pension and OPEB liabilities are reported as amounts expensed in the statement of activities but not in the funds.		(119,596)
Compensated absences are reported as amounts expensed in the statement of activities but not in the funds.		18,374
Bond premiums and accrued interest are reported in the statement of activities but not in the funds.		<u>48,582</u>
Change in net position of governmental activities - statement of activities	\$	<u><u>1,750,157</u></u>

The accompanying notes are an integral part of these financial statements.

INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2021

EXHIBIT D-1

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Assets:	
Current assets:	
Cash	\$ 103,874
Due from other funds	<u>76,380</u>
Total current assets	<u>180,254</u>
Noncurrent assets:	
Capital assets:	
Buildings and improvements	137,639
Depreciation on buildings	(137,639)
Furniture and equipment	1,170,205
Depreciation on furniture and equipment	<u>(990,881)</u>
Total noncurrent assets	<u>179,324</u>
Total assets	<u>359,578</u>
Liabilities:	
Current liabilities:	
Accounts payable	3,407
Accrued wages payable	16,824
Accrued expenses	327
Loans payable - due in less than one year	<u>50,888</u>
Total current liabilities	<u>71,446</u>
Net position:	
Net investment in capital assets	128,436
Unrestricted net position	<u>159,696</u>
Total net position	<u>\$ 288,132</u>

The accompanying notes are an integral part of these financial statements.

INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended August 31, 2021

EXHIBIT D-2

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Local and intermediate sources	\$ 644,169
State program revenues	28,330
Total operating revenues	672,499
Operating expenses:	
Payroll costs	454,032
Professional and contracted services	16,675
Supplies and materials	65,771
Other operating costs	63
Depreciation expense	31,614
Total operating expenses	568,155
Operating income (loss)	104,344
Nonoperating expenses:	
Debt service - interest expense	(2,454)
Change in net position	101,890
Total net position - beginning	186,242
Total net position - ending	\$ 288,132

The accompanying notes are an integral part of these financial statements.

**INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
FIDUCIARY FUNDS
For the year ended August 31, 2021**

EXHIBIT D-3

	Governmental Activities
	Internal Service Fund
Cash flows from operating activities:	
Cash received from user charges	\$ 644,169
Cash payments to employees for services	(423,460)
Cash payments for suppliers	(84,110)
Cash payments for other operating expenses	(63)
Net cash provided (used) by operating activities	136,536
Cash flows from non-capital financing activities:	
Increase (decrease) in short-term loans	(49,696)
Net cash provided (used) by non-capital financing activities	(49,696)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(12,720)
Payments for interest expense	(2,454)
Net cash provided (used) by capital and related financing activities	(15,174)
Net increase (decrease) in cash and cash equivalents	71,666
Cash and cash equivalents at beginning of year	32,208
Cash and cash equivalents at end of year	\$ 103,874
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 104,344
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	31,614
Effect of increases and decreases in current assets and liabilities:	
Increase (decrease) in accounts payable	(1,664)
Increase (decrease) in accrued wages payable	2,205
Increase (decrease) in accrued expenses	37
Net cash provided (used) by operating activities	\$ 136,536

The accompanying notes are an integral part of these financial statements.

**INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
August 31, 2021**

EXHIBIT E-1

DATA CONTROL CODES		CUSTODIAL FUNDS
	Assets:	
1110	Cash and cash equivalents	<u>\$ 141,442</u>
1000	Total assets	<u><u>\$ 141,442</u></u>
	Net position:	
3000	Total net position	<u><u>\$ 141,442</u></u>

The accompanying notes are an integral part of these financial statements.

**INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
August 31, 2021**

EXHIBIT E-2

<u>DATA CONTROL CODES</u>		<u>CUSTODIAL FUNDS</u>
	ADDITIONS	
5700	Fundraising activity	\$ 203,960
	Total additions	<u>203,960</u>
	DEDUCTIONS	
6400	Student activities	<u>218,721</u>
	Total deductions	<u>218,721</u>
1200	Change in net position	(14,761)
0100	Total net position, beginning	-
1300	Restatement of net position	<u>156,203</u>
3000	Total net position, ending	<u>\$ 141,442</u>

The accompanying notes are an integral part of these financial statements.



INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(1) Summary of significant accounting policies

Ingram Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Government Accounting Standards Board and other authoritative sources. The District complies with the requirements of the appropriate version of Texas Education Agency’s *Financial Accountability Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting entity

The Board of School Trustees, (the “Board”), a seven-member group, is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, “*The Financial Reporting Entity*”. There are no component units included within the reporting entity.

Basis of presentation

Government-wide financial statements: The statement of net position and the statement of activities are government-wide financial statements. They report information on all of the Ingram Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. *Business-type* activities include operations that rely to a significant extent on fees and charges for support.

The statement of activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. The “grants and contributions” column indicates amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District’s functions. Taxes are always general revenues.

Inter-fund activities between governmental funds appear as due to/due from on the governmental fund balance sheet and as other resources and other uses on the governmental fund statement of revenues, expenditures, and changes in fund balance. All inter-fund transactions between governmental funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide statement of activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(1) Summary of significant accounting policies (continued)

Basis of presentation (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a propriety fund's principal ongoing operations. All other revenues and expenses are non-operating.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for the unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgements are recognized when the obligations are expected to be liquidated with expendable available resources. The District considers all revenues available when they are collected.

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 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.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expensed in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the fund statement of net position. The fund equity is segregated into invested in capital assets net of related debt, restrict net position, and unrestricted net position.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(1) Summary of significant accounting policies (continued)

Fund accounting

The District reports the following major governmental funds:

The **general fund** - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The **debt service fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in the debt service fund.

The **Elementary and Secondary Schools Emergency Relief (ESSER III)** - The fund is to be used to support the District with emergency relief funds to address the impact of COVID-19.

Additionally, the District reports the following fund type(s):

Governmental funds:

Special revenue funds - The District accounts for resources restricted to, or designated for specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary funds:

Custodial funds - The District accounts for resources held for others in a custodial capacity in custodial funds. The District's custodial fund is the student activity fund.

Proprietary fund:

Internal service fund - Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District has one internal service fund.

Other accounting policies

For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

The District reports inventories of supplies at cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. 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.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(1) Summary of significant accounting policies (continued)

Other accounting policies (continued)

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The District's policy for vacation does not allow for vacation time to be accumulated. All vacation must be used yearly or it is lost. Individuals may accumulate and carry over sick leave up to 90 days. Upon leaving employment of the District for any reason, any remaining sick leave, up to 90 days, is paid out at the teacher's substitute rate of pay.

Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased for constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	30
Building improvements	30
Vehicles	10
Buses	10
Office equipment	5-7
Computer equipment	5

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

When the District incurs an expense, for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(1) Summary of significant accounting policies (continued)

Other accounting policies (continued)

The data control codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

The District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund categories to make the nature and intent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact.

Restricted fund balance – amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. The Board has delegated authority to the Superintendent to establish fund balance assignments.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported on the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds.

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's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments of the system are reported at fair value.

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. The fiduciary net position of the TRS Care Plan has been determined using the flow of economic resources measurement focus

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(1) Summary of significant accounting policies (continued)

Other accounting policies (continued)

and full accrual basis of accounting. This includes for purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to other postemployment 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.

In addition to assets, the statements of financial position 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.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) Stewardship, compliance and accountability

Budgetary data

The Board of Trustees adopts an "appropriated budget" for the general fund, debt service fund, the ESSER III fund and the food service fund (which is included in the general fund).

The District compares the final amended budget to actual revenues and expenditures. The general fund budget report and the ESSER III fund budget report appear in Exhibit G-1 and G-2 and the other report is in Exhibit J-2.

The following procedures are followed in establishing budgetary data reflected in the general purpose financial statements.

- Prior to August 20th the District prepares a budget for the next succeeding fiscal year beginning September 1st. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(2) Stewardship, compliance and accountability (continued)

Budgetary data (continued)

- Prior to September 1st, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level 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. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year, however, none of these were significant changes.
- Each budget 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. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

Appropriated budget funds -	
Non-appropriated budget funds	\$ 81,680
All special revenue funds	<u>\$ 81,680</u>

(3) Detailed notes on all funds and account groups

Cash and cash equivalents

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District’s agent bank and in 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. At August 31, 2021, the carrying amount of the District’s deposits (cash accounts) was \$3,536,363 and the bank balance was \$3,621,221. The District’s cash deposits at August 31, 2021 and during the year ended August 31, 2021 were covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name. As of August 31, 2021, the District had \$2,406 of cash on hand.

Public funds investment pools

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Public Funds Investment Act designed to promote liquidity and safety of principal, it requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, (2) maintain a continuous rating of now lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service, and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District’s investments in Pools are reported at amortized cost. The District believes that the Pools in which it invests operate as required under GASB Statement No. 70, *Certain External Investment Pools and Pool Participants*, to be valued at amortized cost.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(3) Detailed notes on all funds and account groups (continued)

Cash and cash equivalents (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation input used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs which include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; or other observable inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities, and credit spreads; or market-corroborated inputs.
- Level 3 inputs are significant observable inputs.

The carrying amount of investments and fair value hierarchy at August 31, 2021 is shown below:

	August 31, 2021
Cash equivalents measured at amortized cost:	
External investment pools - Lonestar	\$ 1,063,889
Total cash equivalents at amortized cost	1,063,889
Cash with depository	3,536,363
Cash on hand	2,406
Total cash and cash equivalents	\$ 4,602,658

The District is required by Government Code Chapter 2256, the Public Funds Investment Act (“PFIA”), 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 maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for CDs.

PFIA requires an annual audit of investment practices. Audit procedures in this area, conducted as part of the audit of the basic financial statements, disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of PFIA. Additionally, investment practices of the District were in accordance with local policies

PFIA determines the types of investments which are allowable for the District. These include, with certain restrictions: (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) CDs; (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; and (10) common trust funds.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(3) Detailed notes on all funds and account groups (continued)

Cash and cash equivalents (continued)

Interest rate risk

Interest rate risk: Generally, interest rate risk recognizes that changes in interest rates could adversely affect the value of investments. The District does not purchase any investments with maturities greater than one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment within the legal limits of five (5) years. The District uses its investments in the investment pools to mitigate interest rate risk.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the specific investments and their maturity:

	Carrying Amount	Weighted Average Maturity (days)
Local Government Investment Pools		
Lone Star	\$ 1,063,889	52
Total investment pools	\$ 1,063,889	
Portfolio weighted average maturity		52

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the District's investment policy and PFIA and the actual rating as of year-end for each investment as noted by Standard & Poor's:

	Minimum Legal Rating	Investment Rating	Rating Organization
Lone Star	AAA	AAAm	Standard & Poor's

Concentration of credit risk

The District is required to disclose investments in any one issuer that represents 5% or more of total investments. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by PFIA.

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(3) Detailed notes on all funds and account groups (continued)

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 located in the District and 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 31 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.

Delinquent taxes receivable

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the general and debt service funds are based on 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.

Interfund receivables and payables

The District had interfund receivables or payables at August 31, 2021 as follows:

	Due From	Due To
General operating fund:		
Special revenue	\$ 77,578	\$ -
ESSER III	347,605	-
Debt service	-	9,881
Internal service	-	76,380
Debt service:		
General operating fund	9,881	-
ESSER III:		
General operating fund	-	347,605
Special revenue fund:		
General operating fund	-	77,578
Internal service fund		
General operating fund	76,380	-
Total	\$ 511,444	\$ 511,444

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(3) Detailed notes on all funds and account groups (continued)

Capital asset activity

Capital asset activity for the District for the year ended August 31, 2021, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Deletions	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 678,899	\$ -	\$ -	\$ 678,899
Construction in progress	-	9,969	-	9,969
Total capital assets not being depreciated	<u>678,899</u>	<u>9,969</u>	<u>-</u>	<u>688,868</u>
Capital assets being depreciated:				
Buildings and improvements	33,824,659	407,997	-	34,232,656
Furniture and equipment	3,014,447	307,184	-	3,321,631
Total capital assets being depreciated	<u>36,839,106</u>	<u>715,181</u>	<u>-</u>	<u>37,554,287</u>
Less: accumulated depreciation for:				
Buildings and improvements	15,875,962	1,013,361	-	16,889,323
Furniture and equipment	2,660,716	111,076	-	2,771,792
Total accumulated depreciation	<u>18,536,678</u>	<u>1,124,437</u>	<u>-</u>	<u>19,661,115</u>
Total capital assets being depreciated, net	<u>18,302,428</u>	<u>(409,256)</u>	<u>-</u>	<u>17,893,172</u>
Governmental activities capital assets, net	<u>\$ 18,981,327</u>	<u>\$ (399,287)</u>	<u>\$ -</u>	<u>\$ 18,582,040</u>

Depreciation expense was charged to:

	Amount
Instruction	\$ 697,923
Instruction resources	3,778
Curriculum	19,643
Instructional leadership	13,707
School leadership	73,967
Guidance, counseling, and evaluation services	43,789
Health services	9,343
Student (pupil) transportation	31,614
Food services	66,007
Co-curricular/extracurricular activities	73,407
General administration	52,522
Security and monitoring	8,596
Data processing	30,141
Total depreciation expense	<u>\$ 1,124,437</u>

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(3) Detailed notes on all funds and account groups (continued)

Bonds and notes payable

Current requirements for principal and interest expenditures of bonded indebtedness are accounted for in the debt service fund.

The summary of changes in long-term debt for the year ended August 31, 2021 is as follows:

	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Bonds:						
2014 Building bonds	2.00-4.00%	\$ 8,605,000	\$ -	\$ 105,000	8,500,000	\$ 115,000
2014 QSCB	0.00%	580,000	-	70,000	510,000	70,000
2015 Building and refunding bonds	2.00-4.00%	3,005,000	-	465,000	2,540,000	475,000
Total bonds		<u>12,190,000</u>	<u>-</u>	<u>640,000</u>	<u>11,550,000</u>	<u>660,000</u>
Other Liabilities:						
2011 Energy management loan	3.00%	57,101	-	57,101	-	-
2017 Bus loan	2.40%	100,584	-	49,696	50,888	50,888
2017 Maintenance tax note	2.13%	720,000	-	95,000	625,000	100,000
2021 Scoreboard loan	3.50%	-	120,855	-	120,855	21,999
Total other liabilities		<u>877,685</u>	<u>120,855</u>	<u>201,797</u>	<u>796,743</u>	<u>172,887</u>
Total liabilities		<u>13,067,685</u>	<u>120,855</u>	<u>841,797</u>	<u>12,346,743</u>	<u>832,887</u>
Other:						
Amortization of bond premium		799,016	-	49,368	749,648	-
Compensated absences		161,082	55,231	73,605	142,708	-
Total other		<u>960,098</u>	<u>55,231</u>	<u>122,973</u>	<u>892,356</u>	<u>-</u>
Total governmental activities - long-term liabilities		<u>\$ 14,027,783</u>	<u>\$ 176,086</u>	<u>\$ 964,770</u>	<u>\$ 13,239,099</u>	<u>\$ 832,887</u>

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(3) Detailed notes on all funds and account groups (continued)

Bonds and notes payable (continued)

Debt service requirements for the general obligation bonds are as follows:

Year Ended August 31,	Governmental Obligations		Total Requirements
	Principal	Interest	
2022	\$ 660,000	\$ 427,775	\$ 1,087,775
2023	595,000	410,075	1,005,075
2024	610,000	394,325	1,004,325
2025	635,000	374,025	1,009,025
2026	655,000	352,300	1,007,300
2027-2031	3,570,000	1,392,000	4,962,000
2032-2036	4,080,000	635,600	4,715,600
2037	745,000	29,800	774,800
Total	<u>\$ 11,550,000</u>	<u>\$ 4,015,900</u>	<u>\$ 15,565,900</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2021.

Debt service requirements for notes and leases are accounted for in the general operating fund.

Debt service requirements for the notes and leases are as follows:

Year Ended August 31,			Total Requirements
	Principal	Interest	
2022	\$ 172,887	\$ 18,435	\$ 191,322
2023	122,769	11,183	133,952
2024	128,567	9,052	137,619
2025	129,391	6,816	136,207
2026	133,129	4,580	137,709
2027	110,000	2,148	112,148
Total	<u>\$ 796,743</u>	<u>\$ 52,214</u>	<u>\$ 848,957</u>

Loans

The District accounts for secured debt through the appropriate funds. These include notes in accordance with the provisions of the Texas Education Code Section 45.108. The proceeds from loans (except those issued and liquidated within one year) are shown in the financial statements as other resources, and principal payments are shown as other uses.

Commitments under non-capital leases

The District had several non-capital operating leases for photocopiers as of August 31, 2021.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(3) Detailed notes on all funds and account groups (continued)

Accumulated unpaid vacation and sick leave benefits

The District's policy for vacation does not allow for vacation time to be accumulated. All vacation must be used annually or it is lost. Individuals may accumulate and carry over sick leave up to 90 days. Upon leaving the employment of the District for any reason, any remaining sick leave up to 90 days is paid out at the teacher's substitute rate of pay.

(4) Defined benefit pension plan

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 work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension plan fiduciary net position

Detailed information about TRS's fiduciary net position is available in a separately issued 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/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698, or by calling (512) 542-6592.

Benefits provided

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

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(4) Defined benefit pension plan (continued)

Benefits provided (continued)

Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's 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 this manner are determined by the system's actuary.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the State, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% 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.

<u>Contribution Rates</u>	<u>2020</u>	<u>2021</u>
Member (employees)	7.70%	7.70%
Non-employer contributing entity (State of Texas)	7.50%	7.50%
Employer (District)	7.50%	7.50%

<u>Contributions</u>		
Member (employees)	\$ 661,383	\$ 681,814
Non-employer contributing entity (State of Texas)	520,463	511,410
Employer (District)	269,702	281,151

Contributions 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).

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(4) Defined benefit pension plan (continued)

Contributions (continued)

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

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

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- All public schools, charter schools, and regional educational service centers must contribute 1.5% of the member's salary beginning in fiscal year 2020, gradually increasing to 2% in fiscal year 2025.

Actuarial assumptions

The total pension liability in the August 31, 2019 was determined using the following actuarial assumptions:

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Last year in the projection period (100 years)	2119
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None
Municipal bond rate as of August 2019 *	2.33%

* 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."

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(4) Defined benefit pension plan (continued)

Actuarial assumptions (continued)

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, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 14, 2019.

Discount rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the nonemployer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return 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.

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INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(4) Defined benefit pension plan (continued)

Discount rate (continued)

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, 2020 are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return **	Contributions To Long-Term Portfolio Returns
<u>Global Equity</u>			
U.S.	18%	3.90%	0.99%
Non-U.S. Developed	13%	5.10%	0.92%
Emerging Markets	9%	5.60%	0.83%
Private Equity	14%	6.70%	1.41%
<u>Stable Value</u>			
Government Bonds	16%	-0.70%	-0.05%
Stable Value Hedge Funds	5%	1.90%	0.11%
<u>Real Return</u>			
Real Assets	15%	4.60%	1.02%
Energy and Natural Resources	6%	6.00%	0.42%
<u>Risk Parity</u>			
Risk Parity	8%	3.00%	0.30%
<u>Leverage</u>			
Cash	2%	-1.50%	-0.03%
Asset Allocation Leverage	-6%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag			-0.67%
TOTAL	<u>100%</u>		<u>7.33%</u>

* Target allocations are based on the FY2020 policy model.

** Capital market assumptions come from Aon Hewitt (as of 8/31/2020).

*** The volatility drag results from the conversion between arithmetic and geometric mean returns

Discount rate sensitivity analysis

The following schedule shows the impact of the net pension liability of the plan using the discount rate of 7.25% and what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Proportionate share of the net pension liability	<u>\$ 5,398,280</u>	<u>\$ 3,500,871</u>	<u>\$ 1,959,267</u>

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(4) Defined benefit pension plan (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At August 31, 2021, the District reported a liability of \$3,500,871 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	3,500,871
State's proportionate share of the net pension liability associated with the District		6,370,527
Total pension liability	\$	9,871,398

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer'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, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.00006868035% which was a decrease of 0.000009055350% from its proportion measured as of August 31, 2019.

Changes since the prior actuarial valuation

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

For the year ended August 31, 2021, the District recognized pension expense of \$766,233 and revenue of \$490,775 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's 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 economic experiences	\$ 6,392	\$ 97,700
Changes in actuarial assumptions	812,327	345,396
Differences between projected and actual investment earnings	70,872	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	462,178	307,829
Contributions paid to TRS subsequent to the measurement date	281,151	-
Total as of fiscal year end	\$ 1,632,920	\$ 750,925

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(4) Defined benefit pension plan (continued)

Changes since the prior actuarial valuation (continued)

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

For the Year Ended August 31,	Pension Expense Amount
2022	\$ 207,246
2023	213,327
2024	172,488
2025	60,144
2026	(42,522)
Thereafter	(9,839)
	\$ 600,844

(5) Defined other postemployment benefit plans

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 postemployment 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.

OPEB plan fiduciary net position

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

TRS-Care provides health insurance coverage to retirees from public schools, 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 postemployment benefit changes; including automatic COLAs.

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(5) Defined other postemployment benefit plans (continued)

OPEB plan fiduciary net position (continued)

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

TRS-Care Monthly Premium Rates		
	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

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 school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer 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 public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(5) Defined other postemployment benefit plans (continued)

Contributions (continued)

The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
Contribution Rates	2020	2021
Active employee	0.65%	0.65%
Non-employer contributing entity (State of Texas)	1.25%	1.25%
Employer (District)	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%
Contributions		
District contributions	\$ 72,060	\$ 73,869
Member contributions	55,379	57,279
NECE on-behalf contributions	108,892	117,422

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When hiring a TRS retiree, employers are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the non-employer contributing entity in the amount of \$230.8 million in fiscal year 2020 to maintain premium and benefit levels in the 2020-2021 biennium.

Actuarial assumptions

The actuarial valuation was performed as of August 31, 2019. Updated procedures were used to roll forward the total OPEB liability to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

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

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

- Rates of mortality
- Rates of retirement
- Rates of termination
- Rates of disability incidence
- General inflation
- Wage inflation
- Expected payroll growth

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(5) Defined other postemployment benefit plans (continued)

Actuarial assumptions (continued)

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Additional actuarial methods and assumptions:

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.33%
Aging factors	Based on plan specific experience
Expenses	Third-party administrative costs included in the age-adjusted claims costs.
Salary increases	2.50% to 9.50%
Healthcare trend rates	10.80% decreasing to 4.50% for FY 2028
Election rates	Normal retirement: 65% participation prior to age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc postemployment benefit changes	None

* Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2017.

Discount rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was an decrease of .30% in the discount rate since the previous year. Because the plan is essentially 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 applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(5) Defined other postemployment benefit plans (continued)

Discount rate sensitivity analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the net OPEB liability	<u>\$ 4,324,846</u>	<u>\$ 3,604,045</u>	<u>\$ 3,034,716</u>

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs

At August 31, 2020, the District reported a liability of \$3,604,045 for its proportionate share of the TRS's total 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 net OPEB liability	\$ 3,604,045
State's proportionate share of the net OPEB liability associated with the District	<u>4,842,973</u>
Total	<u>\$ 8,447,018</u>

The net OPEB liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At August 31, 2021 the employer's proportion of the collective total OPEB liability was .0094807073% compared to 0.0095981082% as of August 31, 2020. This was a decrease of 0.000001174009% over the prior year.

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate is 1% less than and 1% greater than the health rates assumed.

	1% Decrease in Healthcare Trend Rate (7.50%)	Current Single Healthcare Trend Rate (8.50%)	1% Increase in Healthcare Trend Rate (9.50%)
District's proportionate share of the net OPEB liability	<u>\$ 2,944,043</u>	<u>\$ 3,604,045</u>	<u>\$ 4,483,074</u>

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(5) Defined other postemployment benefit plans (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs (continued)

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 since the prior measurement period:

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the total OPEB liability (TOL).
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.5 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the total OPEB liability.

The amount of OPEB expense recognized by the District in the reporting period was \$(33,628 and revenue of \$96,830 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 188,706	\$ 1,649,395
Changes in actuarial assumptions	222,295	989,689
Differences between projected and actual investment earnings	1,171	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	148,113	728,941
Contributions paid to TRS subsequent of the measurement date	73,869	-
Total as of fiscal year end	\$ 634,154	\$ 3,368,025

**INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021**

(5) Defined other postemployment benefit plans (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs (continued)

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

For the Year Ended August 31,	Pension Expense Amount
2022	\$ (468,002)
2023	(468,159)
2024	(468,249)
2025	(468,224)
2026	(371,959)
Thereafter	(563,147)
Total	\$ (2,807,740)

(6) Due from other governments

The District participates in a variety of federal and state programs 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, 2021, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as due from other governments.

	Local Government	State Entitlements	Federal Grants	Total
General	\$ 8,653	\$ 491,795	\$ -	\$ 500,448
ESSER III	-	-	357,625	357,625
Special revenue	-	-	135,086	135,086
Total	\$ 8,653	\$ 491,795	\$ 492,711	\$ 993,159

(7) Revenue from local and intermediate sources

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund	Total
Property taxes	\$ 5,951,384	\$ -	\$ 1,147,733	\$ -	\$ 7,099,117
Penalties and interest	74,942	-	14,332	-	89,274
Tuition and fees	158,842	-	-	-	158,842
Investment income	4,325	-	1,323	-	5,648
Donations	158,482	-	-	-	158,482
Food sales	23,519	-	-	-	23,519
Co-curricular activities	24,488	113,700	-	-	138,188
Other	63,799	-	-	644,169	707,968
Total	\$ 6,459,781	\$ 113,700	\$ 1,163,388	\$ 644,169	\$ 8,381,038

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(8) Litigation

At August 31, 2021, Ingram Independent School District was not involved in any reportable litigation.

(9) Contingencies

The District participates in numerous state and federal 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, if any, refunds of any money received may be required and the collect ability of any related receivable at August 31, 2021 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 combined financial statements for such contingencies.

(10) Workers' compensation pool

During the year ended August 31, 2021, Ingram ISD met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. The Districts participating in the Fund execute Inter-local Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

As a self-funded member of the TASB Risk Management Fund, Ingram ISD is solely responsible for all claim cost, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service.

The member is protected against higher than expected claims costs through the purchase of stop loss coverage.

The Fund engages the services of an independent auditor to conduct an 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, 2021, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin.

(11) Medicare Part D – on behalf payments

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 drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf of Ingram Independent School District for fiscal years 2021, 2020 and 2019 were \$38,880, \$26,732 and \$22,033 respectively.

(12) Net position deficit

At August 31, 2021, the District has a deficit unrestricted net position in the government-wide statement of net position of \$5,311,148. This deficit is due to the recognition of the District's proportionate share of the net pension liability for TRS and net OPEB liability for TRS-Care totaling \$7,104,916 in accordance with GASB Statement No. 68 and No. 75.

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2021

(13) New accounting policy and restatement of net position

As of September 1, 2020, the District implemented GASB Statement No. 84, *Fiduciary Activities*. This statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. The implementation of GASB Statement No. 84 resulted in a restatement of net position for the custodial funds (student activity funds) of \$156,203 for the year ended August 31, 2021.

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.

INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
For the year ended August 31, 2021

EXHIBIT G-1

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
	Revenues:				
5700	Local and intermediate sources	\$ 6,276,000	\$ 6,533,500	\$ 6,459,781	\$ (73,719)
5800	State program revenues	6,594,000	6,594,000	6,605,756	11,756
5900	Federal program revenues	1,121,000	1,302,000	1,157,483	(144,517)
5020	Total revenues	<u>13,991,000</u>	<u>14,429,500</u>	<u>14,223,020</u>	<u>(206,480)</u>
	Expenditures:				
	Current:				
0011	Instruction	6,978,321	6,982,321	6,556,892	425,429
0012	Instructional resources and media srvcies	14,740	14,740	13,212	1,528
0013	Curriculum and instructional staff development	325,099	250,099	171,113	78,986
0021	Instructional leadership	159,387	159,387	154,593	4,794
0023	School leadership	861,001	871,001	864,580	6,421
0031	Guidance, counseling, and evaluation services	435,202	445,202	444,427	775
0033	Health services	106,552	116,552	105,637	10,915
0034	Student (pupil) transportation	490,000	510,000	509,663	337
0035	Child nutrition	916,750	916,750	750,708	166,042
0036	Extracurricular activities	677,991	818,991	809,997	8,994
0041	General administrative	626,437	636,437	585,817	50,620
0051	Facilities maintenance and operations	1,657,456	1,613,456	1,294,383	319,073
0052	Security and monitoring services	28,800	130,800	74,395	56,405
0053	Data processing services	401,264	401,264	334,515	66,749
	Debt service:				
0071	Principal on long-term debt	158,770	158,770	152,101	6,669
0072	Interest on long-term debt	16,230	16,230	16,230	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	371,500	259,242	112,258
	Intergovernmental:				
0099	Other intergovernmental charges	137,000	137,000	35,941	101,059
6030	Total expenditures	<u>13,991,000</u>	<u>14,550,500</u>	<u>13,133,446</u>	<u>1,417,054</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(121,000)</u>	<u>1,089,574</u>	<u>1,210,574</u>
	Other financing sources (uses):				
7912	Sale of real or personal property	-	-	-	-
7914		-	121,000	120,855	(145)
8911	Transfers out (use)	-	-	-	-
7080	Total other financing sources (uses)	<u>-</u>	<u>121,000</u>	<u>120,855</u>	<u>(145)</u>
1200	Net change in fund balance	-	-	1,210,429	1,210,429
0100	Fund balance - beginning	<u>2,140,113</u>	<u>2,140,113</u>	<u>2,140,113</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ 2,140,113</u>	<u>\$ 2,140,113</u>	<u>\$ 3,350,542</u>	<u>\$ 1,210,429</u>

INGRAM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ESSER III FUND
For the year ended August 31, 2021

EXHIBIT G-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues:				
5900	Federal program revenues	\$ 625,749	\$ 625,749	\$ 625,749	\$ -
5020	Total revenues	<u>625,749</u>	<u>625,749</u>	<u>625,749</u>	<u>-</u>
	Expenditures:				
0011	Instruction	179,560	179,560	179,560	-
0034	Student transportation	11,252	11,252	11,252	-
0036	General administration	37,556	37,556	37,556	-
0051	Facilities maintenance and operations	300,161	300,161	300,161	-
0053	Data processing services	18,000	18,000	18,000	-
0099	Other intergovernmental charges	<u>79,220</u>	<u>79,220</u>	<u>79,220</u>	<u>-</u>
6030	Total expenditures	<u>625,749</u>	<u>625,749</u>	<u>625,749</u>	<u>-</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
0100	Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST 10 FISCAL YEARS**

EXHIBIT G-3

	FOR THE PLAN YEAR ENDED AUGUST 31,						
	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0065366%	0.0069759%	0.0059625%	0.0067247%	0.0064876%	0.006045100%	0.0033157%
District's proportionate share of net pension liability (asset)	\$ 3,500,871	\$ 3,626,292	\$ 3,281,912	\$ 2,150,183	\$ 2,451,550	\$ 2,136,862	\$ 885,670
State's proportionate share of the net pension liability (asset) associated with the District	<u>6,370,527</u>	<u>5,383,110</u>	<u>5,815,977</u>	<u>3,624,324</u>	<u>4,342,812</u>	<u>4,231,887</u>	<u>3,515,765</u>
Total	<u>\$ 9,871,398</u>	<u>\$ 9,009,402</u>	<u>\$ 9,097,889</u>	<u>\$ 5,774,507</u>	<u>\$ 6,794,362</u>	<u>\$ 6,368,749</u>	<u>\$ 4,401,435</u>
District's covered payroll	\$ 9,448,330	\$ 8,589,387	\$ 7,426,115	\$ 7,041,648	\$ 6,922,068	\$ 6,554,897	\$ 6,080,312
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.05%	42.22%	44.19%	30.54%	35.42%	32.60%	14.57%
Plan fiduciary net position as a percentage of the total net pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates ending August 31 preceding the District's fiscal year end.

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

**INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR
NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST 10 FISCAL YEARS**

EXHIBIT G-4

	FOR THE FISCAL YEAR ENDED AUGUST 31,						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 281,151	\$ 269,702	\$ 238,665	\$ 200,862	\$ 220,905	\$ 206,126	\$ 179,309
Contribution in relation to the contractually required contribution	<u>(281,151)</u>	<u>(269,702)</u>	<u>(238,665)</u>	<u>(200,862)</u>	<u>(220,905)</u>	<u>(206,126)</u>	<u>(179,309)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,854,725	\$ 9,448,330	\$ 7,426,115	\$ 7,071,394	\$ 7,041,648	\$ 6,922,072	\$ 6,554,897
Contribution as a percentage of covered payroll	3.18%	2.85%	3.21%	2.84%	3.14%	2.98%	2.74%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time period covered by the measurement dates ending August 31 for the respective fiscal years.

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

**INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST 10 FISCAL YEARS
For the year ended August 31, 2021**

EXHIBIT G-5

For the plan year ended August 31,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net liability (asset) for other postemployment benefits	0.0095%	0.0096%	0.0093%	0.0109%
District's proportionate share of net other postemployment benefit liability (asset)	\$ 3,604,045	\$ 4,539,062	\$ 4,639,760	\$ 4,740,819
State's proportionate share of the net other postemployment benefit liability (asset) associated with the District	<u>4,842,973</u>	<u>6,031,399</u>	<u>5,754,227</u>	<u>5,388,109</u>
Total	<u>\$ 8,447,018</u>	<u>\$ 10,570,461</u>	<u>\$ 10,393,987</u>	<u>\$ 10,128,928</u>
District's covered payroll	<u>\$ 9,448,330</u>	<u>\$ 8,589,381</u>	<u>\$ 7,426,115</u>	<u>\$ 7,041,648</u>
District's proportionate share of the net other postemployment benefit liability (asset) as a percentage of its covered payroll	38.14%	52.85%	62.48%	67.33%
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	4.99%	2.66%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore, the amounts reported above are reported as of the measurement period preceding the District's fiscal year end.

This schedule shows only four years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST 10 FICAL YEARS
For the year ended August 31, 2021**

EXHIBIT G-6

For the fiscal year ended August 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 73,869	\$ 72,060	\$ 66,879	\$ 64,104
Contribution in relation to the contractually required contribution	<u>(73,869)</u>	<u>(72,060)</u>	<u>(66,879)</u>	<u>(64,104)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 8,854,725</u>	<u>\$ 9,448,330</u>	<u>\$ 7,426,115</u>	<u>\$ 7,071,394</u>
Contribution as a percentage of covered payroll	0.83%	0.76%	0.90%	0.91%

This schedule shows only four years for which this information is available. Additional information will be added until 10 years of data are available and reported



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.

**INGRAM INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2021**

Data Control Codes		211 ESEA Title I, A Improving Basic Programs	224 IDEA Part B Formula	225 IDEA Part B Preschool	243 Career and Technical PTECH Grant
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	73,772	21,467	4,062	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total assets	<u>\$ 73,772</u>	<u>\$ 21,467</u>	<u>\$ 4,062</u>	<u>\$ -</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ 44	\$ -	\$ -
2160	Accrued wages payable	23,737	16,104	-	-
2170	Due to other funds	47,693	3,516	4,062	-
2200	Accrued expenditures	<u>2,342</u>	<u>1,803</u>	<u>-</u>	<u>-</u>
2000	Total liabilities	<u>73,772</u>	<u>21,467</u>	<u>4,062</u>	<u>-</u>
	Fund balances				
	Restricted fund balance:				
3450	Grant funds	-	-	-	-
3490	Other restrictions of fund balance	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 73,772</u>	<u>\$ 21,467</u>	<u>\$ 4,062</u>	<u>\$ -</u>

EXHIBIT H-1

244 Career and Technical Basic Grant	255 ESEA II, A Training and Recruiting	263 English Language Enhancement	266 ESSER Grant	270 ESEA VI, B Rural and Low Income	276 School Improvement Grant	289 Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	9,971	-	-	3,580	-	6,850
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 9,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,580</u>	<u>\$ -</u>	<u>\$ 6,850</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,503	-	-	-	-	-
-	6,077	-	-	3,580	-	6,850
-	391	-	-	-	-	-
-	9,971	-	-	3,580	-	6,850
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 9,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,580</u>	<u>\$ -</u>	<u>\$ 6,850</u>

(continued)

**INGRAM INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2021**

Data Control Codes		385 Visually Impaired SSVI	410 State Textbook Fund	427 School Safety and Security Grant	428 Blended Learning Grant
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 14,170
1240	Receivables from other governments	-	9,584	5,800	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1400	Prepays	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total assets	<u>\$ -</u>	<u>\$ 9,584</u>	<u>\$ 5,800</u>	<u>\$ 14,170</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ 9,584	\$ -	\$ 2,146
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	5,800	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	12,024
2000	Total liabilities	<u>-</u>	<u>9,584</u>	<u>5,800</u>	<u>14,170</u>
	Fund balances				
	Restricted fund balance:				
3450	Grant funds	-	-	-	-
3490	Other restrictions of fund balance	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 9,584</u>	<u>\$ 5,800</u>	<u>\$ 14,170</u>

EXHIBIT H-1

429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
\$ 6,538	\$ 86,880	\$ 107,588
-	-	135,086
-	-	-
-	-	-
-	-	-
<u>6,538</u>	<u>86,880</u>	<u>242,674</u>
\$ 5,407	\$ 5,200	\$ 22,381
-	-	43,344
-	-	77,578
-	-	4,536
<u>1,131</u>	<u>-</u>	<u>13,155</u>
<u>6,538</u>	<u>5,200</u>	<u>160,994</u>
-	-	-
<u>-</u>	<u>81,680</u>	<u>81,680</u>
<u>-</u>	<u>81,680</u>	<u>81,680</u>
<u>6,538</u>	<u>86,880</u>	<u>242,674</u>

INGRAM INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the year ended August 31, 2021

Data Control Codes	211 ESEA Title I, A Improving Basic Programs	224 IDEA Part B Formula	225 IDEA Part B Preschool	243 Career and Technical PTECH Grant
Revenues				
5700	\$ -	\$ -	\$ -	\$ -
5800	-	-	-	-
5900	<u>304,115</u>	<u>199,491</u>	<u>4,062</u>	<u>29,944</u>
5020	<u>304,115</u>	<u>199,491</u>	<u>4,062</u>	<u>29,944</u>
Expenditures				
Current:				
0011	239,453	175,117	4,062	29,944
0012	30,971	-	-	-
0013	-	-	-	-
0021	-	5,717	-	-
0031	33,691	18,657	-	-
0035	-	-	-	-
0036	-	-	-	-
0052	-	-	-	-
6030	<u>304,115</u>	<u>199,491</u>	<u>4,062</u>	<u>29,944</u>
1100	-	-	-	-
1200	-	-	-	-
0100	-	-	-	-
3000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

244 Career and Technical Basic Grant	255 ESEA II, A Training and Recruiting	263 English Language Enhancement	266 ESSER Grant	270 ESEA VI, B Rural and Low Income	276 School Improvement Grant	289 Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>17,911</u>	<u>37,060</u>	<u>2,322</u>	<u>382,876</u>	<u>12,814</u>	<u>5,000</u>	<u>32,984</u>
<u>17,911</u>	<u>37,060</u>	<u>2,322</u>	<u>382,876</u>	<u>12,814</u>	<u>5,000</u>	<u>32,984</u>
15,770	37,060	2,322	332,698	12,814	-	6,850
-	-	-	-	-	-	-
2,141	-	-	50,178	-	5,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>17,911</u>	<u>37,060</u>	<u>2,322</u>	<u>382,876</u>	<u>12,814</u>	<u>5,000</u>	<u>26,134</u>
<u>17,911</u>	<u>37,060</u>	<u>2,322</u>	<u>382,876</u>	<u>12,814</u>	<u>5,000</u>	<u>32,984</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

INGRAM INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the year ended August 31, 2021

Data Control Codes		385 Visually Impaired SSVI	410 State Textbook Fund	427 School Safety and Security Grant	428 Blended Learning Grant
	Revenues				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	1,670	41,847	156,470	3,976
5900	Federal program revenues	-	-	-	-
5020	Total revenues	<u>1,670</u>	<u>41,847</u>	<u>156,470</u>	<u>3,976</u>
	Expenditures				
	Current:				
0011	Instruction	1,670	41,847	156,470	912
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	3,064
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
6030	Total expenditures	<u>1,670</u>	<u>41,847</u>	<u>156,470</u>	<u>3,976</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

429 Math Achievement Academies	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ 113,700	\$ 113,700
18,880	-	222,843
<u>-</u>	<u>-</u>	<u>1,028,579</u>
<u>18,880</u>	<u>113,700</u>	<u>1,365,122</u>
7,460	-	\$ 1,064,449
-	-	30,971
1,300	-	58,619
-	-	5,717
10,120	-	65,532
-	-	-
-	48,528	48,528
<u>-</u>	<u>-</u>	<u>26,134</u>
<u>18,880</u>	<u>48,528</u>	<u>1,299,950</u>
<u>-</u>	<u>65,172</u>	<u>65,172</u>
<u>-</u>	<u>65,172</u>	<u>65,172</u>
<u>-</u>	<u>16,508</u>	<u>16,508</u>
<u>\$ -</u>	<u>\$ 81,680</u>	<u>\$ 81,680</u>

**INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the year ended August 31, 2021**

<u>Year Ended August 31,</u>	Tax Rates		(3) Assessed/Appraised Value for School Tax Purposes
	(1) <u>Maintenance</u>	(2) <u>Debt Service</u>	
2012 and prior years	Various	Various	\$ 1,689,879,581
2013	1.040000	0.078600	451,184,785
2014	1.040000	0.078600	461,578,938
2015	1.040000	0.230000	459,229,790
2016	1.040000	0.220000	462,560,169
2017	1.040000	0.215000	486,502,734
2018	1.040000	0.205000	518,590,254
2019	1.040000	0.205000	551,768,613
2020	0.970000	0.205000	589,532,978
2021 (school year under audit)	0.885000	0.170000	675,885,622
1000 Totals			

EXHIBIT J-1

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 27,920	\$ -	\$ 2,175	\$ 201	\$ (84)	\$ 25,460
8,952	-	997	75	-	7,880
14,693	-	1,409	106	-	13,178
19,371	-	1,501	331	-	17,539
18,221	-	1,351	284	(101)	16,485
25,644	-	3,358	694	(515)	21,077
29,367	-	8,801	1,735	4,931	23,762
55,452	-	15,689	3,083	(1,535)	35,145
125,008	-	44,646	9,405	(3,640)	67,317
-	<u>7,130,593</u>	<u>5,871,455</u>	<u>1,131,820</u>	<u>(9,852)</u>	<u>117,466</u>
\$ 324,628	\$ 7,130,593	\$ 5,951,382	\$ 1,147,734	\$ (10,796)	\$ 345,309

INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
For the year ended August 31, 2021

EXHIBIT J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget – Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ 1,154,000	\$ 1,154,000	\$ 1,163,388	\$ 9,388
5800	State program revenues	-	-	35,212	35,212
5020	Total revenues	<u>1,154,000</u>	<u>1,154,000</u>	<u>1,198,600</u>	<u>44,600</u>
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	646,275	646,275	640,000	6,275
0072	Interest on long-term debt	440,225	440,225	440,225	-
0073	Bond issuance costs and fees	1,500	1,500	1,500	-
	Total debt service	<u>1,088,000</u>	<u>1,088,000</u>	<u>1,081,725</u>	<u>6,275</u>
6030	Total expenditures	<u>1,088,000</u>	<u>1,088,000</u>	<u>1,081,725</u>	<u>6,275</u>
1200	Net change in fund balance	66,000	66,000	116,875	50,875
0100	Fund balance - beginning	<u>715,157</u>	<u>715,157</u>	<u>715,157</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ 781,157</u>	<u>\$ 781,157</u>	<u>\$ 832,032</u>	<u>\$ 50,875</u>

FEDERAL AWARDS SECTION



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

To the Board of School Trustees
Ingram Independent School District
Ingram, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ingram Independent School District (the District) as of and for the year ended August 31, 2021, and the related notes to the financial statements which collectively comprise of the District's basic financial statements, and have issued our report thereon dated January 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABIP, PC

San Antonio, Texas
January 24, 2022

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of School Trustees
Ingram Independent School District
Ingram, Texas

Report on Compliance for Each Major Federal Program

We have audited Ingram Independent School District’s (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended August 31, 2021. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

ABIP, PC

San Antonio, Texas
January 24, 2022

**INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended August 31, 2021**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified not considered to be material weakness(es)? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

FEDERAL AWARDS

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified not considered to be material weakness(es)? ___ Yes X None Reported

Type of auditor’s report issued on compliance for Major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ___ Yes X No

IDENTIFICATION OF MAJOR PROGRAMS

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	ESSER – COVID 19

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**INGRAM INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the year ended August 31, 2021**

None

**INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended August 31, 2021**

EXHIBIT K-1

(1) Federal Grantor / Pass-Through Grantor/ Program or Cluster Title	(2) Federal Assistance Listing Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	20610101133904	\$ 25,985
ESEA Title I, Part A - Improving Basic Programs	84.010A	21610101133904	252,050
ESEA Title I, Part A - Improving Basic Programs	84.010A	22610101133904	26,080
Total Assistance Listing Number 84.010A			304,115
IDEA - Part B, Formula *	84.027	20660001133904	86,718
IDEA - Part B, Formula *	84.027	21660001133904	94,866
IDEA - Part B, Formula *	84.027	22660001133904	17,907
Total Assistance Listing Number 84.027			199,491
IDEA - Part B, Preschool *	84.173	20661001133904	4,062
Total Special Education Cluster (IDEA B)			203,553
Career and Technical - Basic Grant	84.048	204200287110039	9,846
Career and Technical - Basic Grant	84.048	214200287110039	8,065
Career and Technical - PTECH Grant	84.048	20680101133904	29,944
Total Assistance Listing Number 84.048			47,855
ESEA Title IV, Part A	84.424A	21680101133904	26,134
ESEA Title IV, Part A	84.424A	22680101133904	6,850
Total Assistance Listing Number 84.424A			32,984
ESEA, Title V, Part B - Rural & Low Income Program	84.358B	20696001133904	1,091
ESEA, Title V, Part B - Rural & Low Income Program	84.358B	21696001133904	11,723
Total Assistance Listing Number 84.358B			12,814
Title III, Part A - ELA and Language Enhancement	84.365A	21671001133904	2,322
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	20630001133904	1,000
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	21630001133904	32,166
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	22630001133904	3,894
Total Assistance Listing Number 84.367A			37,060
Title I SIP Academy Grant	84.377	2061071740133904	5,000
COVID-19 Elementary & Secondary School Emergency Relief Fund	84.425D	20521001133904	424,993
COVID-19 Elementary & Secondary School Emergency Relief Fund III	84.425U	21528001133904	872,970
Total Assistance Listing Number 84.425			1,297,963
Total passed through State Department of Education			1,943,666
TOTAL U.S. DEPARTMENT OF EDUCATION			1,943,666
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Agriculture			
School Breakfast Program *	10.553	133-904	259,676
National School Lunch Program-cash assistance *	10.555	133-904	348,306
National School Lunch Program-non-cash assistance *	10.555	133-904	50,802
National School Lunch Program-non-cash assistance *	10.555	133-904	48,108
Total Assistance Listing Number 10.555			447,216
Total Child Nutrition Cluster			706,892
TOTAL U.S. DEPARTMENT OF AGRICULTURE			706,892
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,650,558
School Health and Related Services (SHARS)			132,445
Coronavirus Relief Funds not recognized in FY2020			28,808
TOTAL FEDERAL REVENUE PER EXHIBIT C-3			\$ 2,811,811

INGRAM INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended August 31, 2021

For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special revenue fund.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in a special revenue fund or, in some instances, in the general fund which are governmental fund type accounts.

With this measurement focus, only current assets and current liabilities and the fund balances are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned.

The period performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, Uniform Guidance Compliance Supplement.

Non-cash USDA donated commodities received like-kind goods and no grant revenue received was reported on the schedule for the monetary value of these goods. The monetary value of these goods was \$50,802 for the year ended August 31, 2021.

The United States Department of Education has given the Texas Education Agency (TEA) authority to issue indirect cost rates for Texas School Districts and Charter Schools. To recover any indirect costs, the District must request and receive new indirect cost rates for every school year allowed by the Uniform Guidance Part 200.57.

The District has not elected to use the 10% de minimis indirect cost rate.

There were no awards passed through to subrecipients.

INGRAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the year ended August 31, 2021

EXHIBIT L-1

<u>DATA CONTROL CODES</u>		<u>RESPONSES</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold?	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$ -