

# INGRAM INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2022

**abip**

CPAs | ADVISORS

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



# INGRAM INDEPENDENT SCHOOL DISTRICT

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## **INTRODUCTORY SECTION**





**CERTIFICATE OF BOARD**

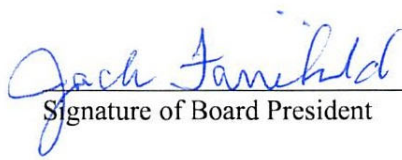
Ingram Independent School District  
Name of School District

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, 2022 at a meeting of the Board of Trustees of such school district on the 23<sup>rd</sup> day of January, 2023.

  
\_\_\_\_\_  
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  
Ingram, Texas

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Ingram Independent School District as of August 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principle***

As discussed in note 13 to the financial statements, in 2022 the District adopted new accounting guidance, GASB No. 87, *Leases*. Our opinions are not modified with respect to this matter.

***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension and OPEB liability – Teacher Retirement System of Texas, and schedules of District's contributions – Teacher Retirement System of Texas, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund statements and schedules, required Texas Education Agency schedules, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, required Texas Education Agency schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023, on our consideration of Ingram Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ingram Independent School 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 Ingram Independent School District's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas  
January 23, 2023





**INGRAM INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**August 31, 2022**

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, 2022. 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**

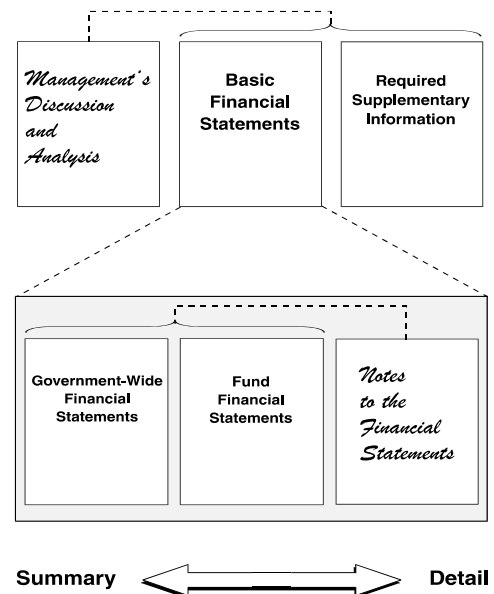
- The District’s net position for governmental activities increased by \$1,834,376, after the restatement to end at \$2,934,683.
- Total governmental funds of the District reported an overall fund balance decrease of \$(1,374,337) to end at \$2,889,917.
- The general fund of the District reported a fund balance increase of \$14,094 for the year, to end at \$3,364,636.
- General fund actual revenues were more than budgeted revenues by \$611,566. Expenditures were less than budgeted expenditures by \$708,378. The fund balance is \$3,364,636 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, debt service fund, and capital project. 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, 2022 and 2021.

**STATEMENT OF NET POSITION  
August 2022 and 2021**

	Governmental Activities <i>(in thousands)</i>	
	2022	2021 As restated
Current assets:		
Cash and cash equivalents	\$ 2,655	\$ 4,461
Property taxes and receivables (allowance for uncollectible)	366 (55)	346 (52)
Due from other governments	1,540	993
Inventories	28	26
Prepaid items	26	19
Noncurrent assets:		
Land	1,090	679
Construction in progress	1,508	10
Building, furniture and equipment, and right to use asset, net	17,935	17,927
Total assets	25,093	24,409
Deferred outflows of resources:		
Deferred outflow related to TRS pension	16	17
Deferred outflow related to TRS OPEB	1,218	1,633
Deferred charge for refunding	778	634
Total deferred outflows of resources	2,012	2,284
Current liabilities:		
Accounts payable	624	124
Accrued liabilities	569	589
Due to other governments	14	383
Deferred revenue	20	-
Noncurrent liabilities:		
Due within one year	733	830
Due in more than one year	11,707	12,446
Net pension liability	1,676	3,501
Net OPEB liability	3,645	3,604
Total liabilities	18,988	21,477
Deferred inflows of resources:		
Deferred inflow related to TRS pension	2,019	751
Deferred inflow related to TRS OPEB	3,163	3,368
Total deferred inflows of resources	5,182	4,119
Net position:		
Net investment in capital assets	8,334	5,490
Restricted for:		
Federal and state programs	386	12
Debt service	1,021	832
Other purposes	86	82
Unrestricted	(6,892)	(5,319)
Total net position	\$ 2,935	\$ 1,097

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, 2022 and 2021.

#### CHANGES IN NET POSITION For fiscal years ended August 2022 and 2021

	Governmental Activities (in thousands)	
	2022	2021
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 2,873	\$ 2,588
Charges for services	416	428
General revenues:		
Property taxes	7,551	7,206
Grants and contributions not restricted	6,812	7,156
Investment earnings	27	6
Other	203	216
Total revenues	17,882	17,600
Expenses:		
Instruction	8,394	8,481
Instructional resources and media services	136	48
Curriculum development and instructional staff development	178	252
Instructional leadership	217	176
School leadership	887	953
Guidance, counseling and evaluation services	620	562
Health services	109	116
Student (pupil) transportation	451	508
Food services	858	829
Curricular/extracurricular activities	755	783
General administration	694	684
Plant maintenance and operations	1,546	1,443
Security and monitoring services	223	112
Data processing services	358	379
Interest on long-term debt	400	407
Bond issuance costs and fees	2	2
Capital outlay	90	-
Other intergovernmental charges	126	115
Total expenses	16,044	15,850
Increase (decrease) in net position	1,838	1,750
Net position at September 1,	1,097	(649)
Restatement of net position	-	(4)
Net position at August 31,	\$ 2,935	\$ 1,097

Property taxes in the amount of \$7,551,408 and state revenue of \$6,812,210 accounted for 80.32% of the District’s total revenue of \$17,882,684.

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 \$16,044,440. Of the total expenses, \$415,895 was financed by charges for services and \$2,873,232 by operating grants and contributions. The net cost of \$12,755,313 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, capital projects 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 \$1,406,281 due mainly to an increase in state grants, federal grants, and property tax revenues.

**REVENUES BY SOURCE  
For the years ended August 31, 2022 and 2021**

	2022	2021	Increase (Decrease)
Local and tax revenues	\$ 6,843,282	\$ 6,459,781	\$ 383,501
State programs	7,259,379	6,605,756	653,623
Federal programs	<u>1,526,640</u>	<u>1,157,483</u>	<u>369,157</u>
Total	<u>\$ 15,629,301</u>	<u>\$ 14,223,020</u>	<u>\$ 1,406,281</u>

General fund expenditures – Overall expenditures increased by \$2,565,396. The increase in general fund expenditures is mainly attributed to an increase in instruction, curriculum, and media services, student support services, and capital outlay.

**EXPENDITURES BY FUNCTIONS  
For the years ended August 31, 2022 and 2021**

	2022	2021	Increase (Decrease)
<b>EXPENDITURES</b>			
Instruction, curriculum and media services	\$ 7,759,656	\$ 7,055,350	\$ 704,306
Instructional and school leadership	1,110,949	997,969	112,980
Student support services	1,182,043	758,422	423,621
Food service	844,610	791,388	53,222
Cocurricular activities	646,002	540,931	105,071
General administration	658,490	598,142	60,348
Plant maintenance, security and data processing	1,881,849	2,016,435	(134,586)
Debt service	187,169	175,923	11,246
Capital outlay	1,350,589	-	1,350,589
Other intergovernmental charges	-	121,401	(121,401)
Total expenditures	<u>\$ 15,621,357</u>	<u>\$ 13,055,961</u>	<u>\$ 2,565,396</u>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital assets – At August 31, 2022, the District had invested \$41,457,576 in a broad range of capital assets including land, equipment, buildings, and vehicles. This is a \$3,132,117 increase from the prior year.

**CAPITAL ASSETS  
August 31, 2022 and 2021**

	2022	2021 As Restated	Increase (Decrease)
Land	\$ 1,089,941	\$ 678,899	\$ 411,042
Buildings and improvements	35,143,369	34,232,656	910,713
Furniture and equipment	3,627,570	3,321,631	305,939
Right to use asset	82,454	76,304	6,150
Construction in progress	<u>1,508,242</u>	<u>9,969</u>	<u>1,498,273</u>
	41,451,576	38,319,459	3,132,117
Less: accumulated depreciation	<u>(20,918,770)</u>	<u>(19,702,937)</u>	<u>(1,215,833)</u>
Total	<u>\$ 20,532,806</u>	<u>\$ 18,616,522</u>	<u>\$ 1,916,284</u>

**LONG-TERM DEBT**

At year end the District had \$10,890,000 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 2022 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 \$306,500 to reflect increases in state and local revenues and increased appropriations by \$1,618,500 for increases in instruction and capital outlay.

## **ECONOMIC FACTORS**

The October enrollment in the 2021-22 fiscal year increased by 15.5%. We contribute this increase to the return of students from the COVID-19 pandemic and the fact that Ingram ISD is growing with area population growth and the implementation of our P-TECH College Readiness Program.

## **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  
644 Highway 39  
Ingram, Texas 78025



## **BASIC FINANCIAL STATEMENTS**



# INGRAM INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF NET POSITION

August 31, 2022

EXHIBIT A-1

1

Primary Government  
Governmental  
Activities

Data Control Codes		
	Assets:	
1110	Cash and cash equivalents	\$ 2,654,736
1220	Property taxes receivable (delinquent)	365,150
1230	Allowance for uncollectible taxes	(54,773)
1240	Due from other governments	1,539,785
1290	Other receivables (net)	1,057
1300	Inventories	28,170
1410	Prepaid items	25,780
	Capital assets:	
1510	Land	1,089,941
1520	Buildings, (net)	17,210,327
1530	Furniture, equipment, and right to use assets (net)	724,296
1580	Construction in progress	<u>1,508,242</u>
1000	Total assets	<u>25,092,711</u>
	Deferred outflows of resources:	
1701	Deferred charge for refunding	15,509
1705	Deferred outflow related to TRS pension	1,218,224
1706	Deferred outflow related to TRS OPEB	<u>778,767</u>
1700	Total deferred outflows of resources	<u>2,012,500</u>
	Liabilities:	
2110	Accounts payable	623,925
2140	Interest payable	20,143
2160	Accrued wages payable	527,118
2180	Due to other governments	13,546
2200	Accrued expenses	21,986
2300	Unearned revenue	20,000
	Noncurrent liabilities:	
2501	Due within one year	733,011
2502	Due in more than one year	11,706,936
2540	Net pension liability (District's share)	1,676,220
2545	Net OPEB liability (District's share)	<u>3,645,240</u>
2000	Total liabilities	<u>18,988,125</u>
	Deferred inflows of resources:	
2605	Deferred inflows related to TRS pension	2,019,045
2606	Deferred inflows related to TRS OPEB	<u>3,163,358</u>
	Total deferred inflows of resources	<u>5,182,403</u>
	Net position:	
3200	Net investment in capital assets	8,334,387
3450	Restricted - federal and state programs	385,534
3850	Restricted - debt service	1,021,068
3890	Restricted - other	85,539
3900	Unrestricted	<u>(6,891,845)</u>
3000	Total net position	<u>\$ 2,934,683</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, 2022

EXHIBIT B-1

Data Control Codes	Functions / Programs	1 Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			3 Charges for Services	4 Operating Grants and Contributions	6 Primary Government Governmental Activities
	Governmental activities:				
11	Instruction	\$ 8,393,569	\$ 266,860	\$ 1,061,488	\$ (7,065,221)
12	Instructional resources and media services	136,380	-	31,950	(104,430)
13	Curriculum and staff development	178,763	-	1,836	(176,927)
21	Instructional leadership	216,593	-	6,145	(210,448)
23	School leadership	887,370	-	-	(887,370)
31	Guidance, counseling, and evaluation services	619,698	-	51,061	(568,637)
33	Health services	108,879	-	-	(108,879)
34	Student (pupil) transportation	451,291	-	-	(451,291)
35	Food services	857,814	32,185	1,154,224	328,595
36	Extracurricular activities	755,129	112,833	-	(642,296)
41	General administration	693,503	1,017	29,540	(662,946)
51	Facilities maintenance and operations	1,546,476	3,000	386,320	(1,157,156)
52	Security and monitoring services	223,482	-	25,000	(198,482)
53	Data processing services	358,358	-	-	(358,358)
72	Debt service - interest on long-term debt	400,199	-	-	(400,199)
73	Debt service - bond issuance costs and fees	1,500	-	-	(1,500)
81	Capital outlay	89,768	-	-	(89,768)
99	Other intergovernmental charges	125,668	-	125,668	-
TP	Total primary government	<u>\$ 16,044,440</u>	<u>\$ 415,895</u>	<u>\$ 2,873,232</u>	<u>(12,755,313)</u>
	General revenues:				
	MT Property taxes, levied for general purposes				6,319,718
	DT Property taxes, levied for debt service				1,231,690
	GC Grants and contributions not restricted				6,812,210
	IE Investment earnings				26,543
	MI Miscellaneous local and intermediate revenue				203,396
	TR Total general revenues				<u>14,593,557</u>
	CN Change in net position				1,838,244
	NB Net position - beginning				<u>1,100,307</u>
	PA Prior period adjustment				<u>(3,868)</u>
	Net position - beginning restated				<u>1,096,439</u>
	NE Net position - ending				<u>\$ 2,934,683</u>

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

**INGRAM INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**

**August 31, 2022**

EXHIBIT C-1

Data Control Codes		10	50	60	Other Governmental Funds	98 Total Governmental Funds
		General Fund	Debt Service Fund	Capital Projects Fund		
<b>Assets:</b>						
1110	Cash and cash equivalents	\$ 1,449,192	\$ 1,019,374	\$ -	\$ 85,539	\$ 2,554,105
1220	Property taxes - delinquent	308,419	56,731	-	-	365,150
1230	Allowance for uncollectible taxes (credit)	(46,263)	(8,510)	-	-	(54,773)
1240	Receivables from other governments	1,141,755	-	-	398,030	1,539,785
1260	Due from other funds	1,401,961	1,694	-	-	1,403,655
1290	Other receivables	1,057	-	-	-	1,057
1300	Inventories	28,170	-	-	-	28,170
1410	Prepaid items	25,512	-	-	268	25,780
1000	Total assets	<u>\$ 4,309,803</u>	<u>\$ 1,069,289</u>	<u>\$ -</u>	<u>\$ 483,837</u>	<u>\$ 5,862,929</u>
<b>Liabilities:</b>						
2110	Accounts payable	\$ 104,467	\$ -	\$ 473,303	\$ 44,453	\$ 622,223
2160	Accrued wages payable	451,192	-	-	54,084	505,276
2170	Due to other funds	78,074	-	1,108,291	293,670	1,480,035
2180	Due to other governments	13,546	-	-	-	13,546
2200	Accrued expenditures	15,732	-	-	5,823	21,555
2300	Deferred revenue	20,000	-	-	-	20,000
2000	Total liabilities	<u>683,011</u>	<u>-</u>	<u>1,581,594</u>	<u>398,030</u>	<u>2,662,635</u>
<b>Deferred inflows of resources:</b>						
2601	Deferred inflows - property taxes	262,156	48,221	-	-	310,377
<b>Fund balances:</b>						
3410	Non-spendable - inventory	28,170	-	-	-	28,170
3430	Non-spendable - prepaid	25,512	-	-	268	25,780
3450	Restricted - grant funds	385,534	-	-	-	385,534
3480	Restricted - debt service	-	1,021,068	-	-	1,021,068
3490	Restricted - other	-	-	-	85,539	85,539
3600	Unassigned fund balance	2,925,420	-	(1,581,594)	-	1,343,826
3000	Total fund balances	<u>3,364,636</u>	<u>1,021,068</u>	<u>(1,581,594)</u>	<u>85,807</u>	<u>2,889,917</u>
4000	Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,309,803</u>	<u>\$ 1,069,289</u>	<u>\$ -</u>	<u>\$ 483,837</u>	<u>\$ 5,862,929</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, 2022**

EXHIBIT C-1R

Total fund balances - governmental funds balance sheet	\$ 2,889,917
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.	20,385,096
Property tax receivable unavailable to pay for current period expenditures is deferred in the funds.	310,377
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.	300,746
Payables for bond principal, note and lease principal, bond premiums, and loss on refundings which are not due in the current period are not reported in the funds.	(12,198,419)
Payables for bond interest which are not due in the current period are not reported in the funds.	(20,143)
Payables for net pension and OPEB liabilities which are not due in the current period are not reported in the funds.	(8,506,872)
Payables for compensated absences which are not due in the current period are not reported in the funds.	<u>(226,019)</u>
Net position of governmental activities - statement of net position	<u>\$ 2,934,683</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, 2022

EXHIBIT C-2

Data Control Codes	10 General Fund	50 Debt Service Fund	10 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
<b>Revenues:</b>					
5700	Local and intermediate sources	\$ 6,843,282	\$ 1,248,635	\$ -	\$ 88,460
5800	State program revenues	7,259,379	29,676	-	153,744
5900	Federal program revenues	<u>1,526,640</u>	<u>-</u>	<u>-</u>	<u>1,565,264</u>
5020	Total revenues	<u>15,629,301</u>	<u>1,278,311</u>	<u>-</u>	<u>1,807,468</u>
<b>Expenditures:</b>					
<b>Current:</b>					
0011	Instruction	7,494,807	-	-	1,061,489
0012	Instructional resources and media services	95,273	-	-	31,950
0013	Curriculum and instructional staff development	169,576	-	-	1,836
0021	Instructional leadership	208,485	-	-	6,145
0023	School leadership	902,464	-	-	-
0031	Guidance, counseling, and evaluation services	572,714	-	-	51,061
0033	Health services	109,329	-	-	-
0034	Student (pupil) transportation	500,000	-	-	-
0035	Food services	844,610	-	-	-
0036	Extracurricular activities	646,002	-	-	84,333
0041	General administration	658,490	-	-	29,540
0051	Facilities maintenance and operations	1,271,051	-	-	386,319
0052	Security and monitoring services	261,939	-	-	25,000
0053	Data processing services	348,859	-	-	-
<b>Debt service:</b>					
0071	Principal on long-term debt	166,707	660,000	-	-
0072	Interest on long-term debt	20,462	427,775	-	-
0073	Bond issuance costs and fees	-	1,500	-	-
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	1,350,589	-	1,581,594	-
<b>Intergovernmental:</b>					
0099	Other intergovernmental charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,668</u>
6030	Total expenditures	<u>15,621,357</u>	<u>1,089,275</u>	<u>1,581,594</u>	<u>1,803,341</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>7,944</u>	<u>189,036</u>	<u>(1,581,594)</u>	<u>4,127</u>
<b>Other financing sources and (uses):</b>					
7913	Proceeds from right to use leased assets	<u>6,150</u>	<u>-</u>	<u>-</u>	<u>6,150</u>
7080	Total other financing sources and (uses)	<u>6,150</u>	<u>-</u>	<u>-</u>	<u>6,150</u>
1200	Net change in fund balances	14,094	189,036	(1,581,594)	4,127
0100	Fund balance - September 1 (beginning)	<u>3,350,542</u>	<u>832,032</u>	<u>-</u>	<u>81,680</u>
3000	Fund balance - August 31 (ending)	<u>\$ 3,364,636</u>	<u>\$ 1,021,068</u>	<u>\$ (1,581,594)</u>	<u>\$ 85,807</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, 2022**

EXHIBIT C-3

Net change in fund balances - total governmental funds	\$ (1,374,337)
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.	3,132,117
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,184,219)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	16,865
Proceeds from right to use leased assets provides current financial resources to the governmental funds, but is a liability in the governmental activities	(6,150)
Repayment of bond, note and lease principal is an expenditure in the funds but is not an expense in the statement of activities.	826,707
The net revenue (expense) of internal service funds is reported with governmental activities.	12,614
Changes in net pension and OPEB liabilities are reported as amounts expensed in the statement of activities but not in the funds.	449,920
Compensated absences are reported as amounts expensed in the statement of activities but not in the funds.	(83,311)
Bond premiums and accrued interest are reported in the statement of activities but not in the funds.	<u>48,038</u>
Change in net position of governmental activities - statement of activities	<u>\$ 1,838,244</u>

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



**INGRAM INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**August 31, 2022**

EXHIBIT D-1

	Governmental Activities
	Internal Service Fund
<b>Assets:</b>	
Current assets:	
Cash	\$ 100,631
Due from other funds	76,380
Total current assets	177,011
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	(1,022,495)
Total noncurrent assets	147,710
Total assets	324,721
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	1,702
Accrued wages payable	21,842
Accrued expenses	431
Total current liabilities	23,975
<b>Net position:</b>	
Net investment in capital assets	147,710
Unrestricted net position	153,036
Total net position	\$ 300,746

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, 2022**

EXHIBIT D-2

	Governmental Activities
	<u>Internal Service Fund</u>
Operating revenues:	
Local and intermediate sources	\$ 625,870
State program revenues	<u>28,839</u>
Total operating revenues	<u>654,709</u>
Operating expenses:	
Payroll costs	481,752
Professional and contracted services	17,933
Supplies and materials	97,781
Other operating costs	11,777
Depreciation expense	<u>31,614</u>
Total operating expenses	<u>640,857</u>
Operating income (loss)	<u>13,852</u>
Nonoperating expenses:	
Debt service - interest expense	<u>(1,238)</u>
Change in net position	12,614
Total net position - beginning	<u>288,132</u>
Total net position - ending	<u>\$ 300,746</u>

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, 2022**

EXHIBIT D-3

	Governmental Activities
	Internal Service Fund
Cash flows from operating activities:	
Cash received from user charges	\$ 625,870
Cash payments to employees for services	(447,895)
Cash payments for suppliers	(117,315)
Cash payments for other operating expenses	(11,777)
Net cash provided (used) by operating activities	48,883
Cash flows from non-capital financing activities:	
Increase (decrease) in short-term loans	(50,888)
Net cash provided (used) by non-capital financing activities	(50,888)
Cash flows from capital and related financing activities:	
Payments for interest expense	(1,238)
Net cash provided (used) by capital and related financing activities	(1,238)
Net increase (decrease) in cash and cash equivalents	(3,243)
Cash and cash equivalents at beginning of year	103,874
Cash and cash equivalents at end of year	\$ 100,631
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 13,852
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	(1,705)
Increase (decrease) in accrued wages payable	5,018
Increase (decrease) in accrued expenses	104
Net cash provided (used) by operating activities	\$ 48,883

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

INGRAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

August 31, 2022

EXHIBIT E-1

<u>DATA CONTROL CODES</u>		<u>CUSTODIAL FUNDS</u>
	Assets:	
1110	Cash and cash equivalents	\$ <u>170,321</u>
1000	Total assets	\$ <u><u>170,321</u></u>
	Net position:	
3000	Total net position	\$ <u><u>170,321</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, 2022**

EXHIBIT E-2

<u>DATA CONTROL CODES</u>		<u>CUSTODIAL FUNDS</u>
	ADDITIONS	
5700	Fundraising activity	\$ 269,172
	Total additions	<u>269,172</u>
	DEDUCTIONS	
6400	Student activities	<u>240,293</u>
	Total deductions	<u>240,293</u>
1200	Change in net position	28,879
0100	Total net position, beginning	<u>141,442</u>
3000	Total net position, ending	<u><u>\$ 170,321</u></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, 2022

### (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, 2022

### (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, 2022

### (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 **capital projects** - The District accounts for bond proceeds and expenditures for the construction of school facilities as approved by the District's voters.

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, 2022

### (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:

<u>Assets</u>	<u>Years</u>
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, 2022

### (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.

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

### (1) Summary of significant accounting policies (continued)

#### Other accounting policies (continued)

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 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, 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 appears in Exhibit G-1 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 20<sup>th</sup> the District prepares a budget for the next succeeding fiscal year beginning September 1<sup>st</sup>. 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, 2022

### (2) Stewardship, compliance and accountability (continued)

#### Budgetary data (continued)

- Prior to September 1<sup>st</sup>, 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	\$ 85,539
All special revenue funds	\$ 85,539

### (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, 2022, the carrying amount of the District's deposits (cash accounts) was \$2,252,685 and the bank balance was \$2,456,546. The District's cash deposits at August 31, 2022 and during the year ended August 31, 2022 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, 2022, the District had \$2,405 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 no 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, 2022

### (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, 2022 is shown below:

	<u>August 31, 2022</u>
Cash equivalents measured at amortized cost:	
External investment pools - Lonestar	\$ 569,967
Total cash equivalents at amortized cost	<u>569,967</u>
Cash with depository	2,252,685
Cash on hand	<u>2,405</u>
Total cash and cash equivalents	<u>\$ 2,825,057</u>

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, 2022**

(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	\$ <u>569,967</u>	54
Total investment pools	\$ <u><u>569,967</u></u>	
Portfolio weighted average maturity		<u>54</u>

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	AAA	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, 2022

### (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, 2022 as follows:

	<u>Due From</u>	<u>Due To</u>
General operating fund:		
Nonmajor funds	\$ -	\$ 293,670
Debt service	1,694	-
Internal service	76,380	-
Capital projects fund	-	1,108,291
Debt service:		
General operating fund	-	1,694
Capital projects fund:		
General operating fund	1,108,291	-
Nonmajor fund:		
General operating fund	293,670	-
Internal service fund		
General operating fund	-	76,380
Total	<u>\$ 1,480,035</u>	<u>\$ 1,480,035</u>



# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2022**

(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, 2022, was as follows:

	Primary Government			
	Beginning			Ending
	Balance	Additions	Deletions	Balance
	As Restated			
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 678,899	\$ 411,042	\$ -	\$ 1,089,941
Construction in progress	9,969	1,508,242	9,969	1,508,242
Total capital assets not being depreciated	688,868	1,919,284	9,969	2,598,183
Capital assets being depreciated:				
Buildings and improvements	34,232,656	910,713	-	35,143,369
Furniture and equipment	3,321,631	305,939	-	3,627,570
Right to use asset	76,304	6,150	-	82,454
Total capital assets being depreciated	37,630,591	1,222,802	-	38,853,393
Less: accumulated depreciation for:				
Buildings and improvements	16,889,323	1,043,718	-	17,933,041
Furniture and equipment	2,771,792	154,036	-	2,925,828
Right to use asset	41,822	18,079	-	59,901
Total accumulated depreciation	19,702,937	1,215,833	-	20,918,770
Total capital assets being depreciated, net	17,927,654	6,969	-	17,934,623
Governmental activities capital assets, net	\$ 18,616,522	\$ 1,926,253	\$ 9,969	\$ 20,532,806

Depreciation expense was charged to:

	Amount
Instruction	\$ 751,618
Instruction resources	10,894
Curriculum	14,678
Instructional leadership	18,379
School leadership	77,278
Guidance, counseling, and evaluation services	53,414
Health services	9,362
Student (pupil) transportation	31,614
Food services	72,324
Co-curricular/extracurricular activities	62,539
General administration	59,289
Security and monitoring	24,571
Data processing	29,873
Total depreciation expense	\$ 1,215,833

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2022**

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

Bonds, notes payable, and right to use leased assets

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, 2022 is as follows:

	Interest Rates	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Bonds:						
2014 Building bonds	2.00-4.00%	\$ 8,500,000	\$ -	\$ 115,000	8,385,000	\$ 400,000
2014 QSCB	0.00%	510,000	-	70,000	440,000	70,000
2015 Building and refunding bo	2.00-4.00%	<u>2,540,000</u>	-	<u>475,000</u>	<u>2,065,000</u>	<u>125,000</u>
Total bonds		<u>11,550,000</u>	<u>-</u>	<u>660,000</u>	<u>10,890,000</u>	<u>595,000</u>
Note Payables:						
2017 Bus loan	2.40%	50,888	-	50,888	-	-
2017 Maintenance tax note	2.13%	625,000	-	100,000	525,000	100,000
2021 Scoreboard loan	3.50%	<u>120,855</u>	-	<u>48,170</u>	<u>72,685</u>	<u>23,685</u>
Total note payables		<u>796,743</u>	<u>-</u>	<u>199,058</u>	<u>597,685</u>	<u>123,685</u>
Total bonds and note payables		<u>12,346,743</u>	<u>-</u>	<u>859,058</u>	<u>11,487,685</u>	<u>718,685</u>
Other Liabilities:						
Amortization of bond premium		749,648	-	49,368	700,280	-
Right to use leased asset liability		38,350	6,150	18,537	25,963	14,326
Compensated absences		<u>142,708</u>	<u>200,596</u>	<u>117,285</u>	<u>226,019</u>	<u>-</u>
Total other liabilities		<u>930,706</u>	<u>206,746</u>	<u>185,190</u>	<u>952,262</u>	<u>14,326</u>
Total governmental activities - long-term liabilities		<u>\$ 13,277,449</u>	<u>\$ 206,746</u>	<u>\$ 1,044,248</u>	<u>\$ 12,439,947</u>	<u>\$ 733,011</u>

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

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

Bonds, notes payable, and right to use leased assets (continued)

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

Year Ended August 31,	Governmental Obligations		Total Requirements
	Principal	Interest	
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	680,000	329,800	1,009,800
2028-2032	3,680,000	1,255,200	4,935,200
2033-2037	<u>4,035,000</u>	<u>472,400</u>	<u>4,507,400</u>
Total	<u>\$ 10,890,000</u>	<u>\$ 3,588,125</u>	<u>\$ 14,478,125</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, 2022.

Debt service requirements for notes are accounted for in the general operating fund. Debt service requirements for the notes are as follows:

Year Ended August 31,			Total Requirements
	Principal	Interest	
2023	\$ 123,685	\$ 11,182	\$ 134,867
2024	129,514	9,053	138,567
2025	129,486	6,816	136,302
2026	105,000	4,579	109,579
2027	<u>110,000</u>	<u>2,148</u>	<u>112,148</u>
Total	<u>\$ 597,685</u>	<u>\$ 33,778</u>	<u>\$ 631,463</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.

### Right to use leased asset liability

The District was obligated under right to use lease for several photocopiers and postage machines (\$82,454). The photocopiers were leased for various District offices and campuses for a term of 3 years at an interest rate of 11%. The monthly payments totaled \$2,420. The postage machines were leased for a term of 5 years at an interest rate of 11%. The monthly payments are \$525. These leases are not renewable and the District will not acquire the assets at the end of the lease term.

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

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

Bonds, notes payable, and right to use leased assets (continued)

Right to use leased asset liability (continued)

Future minimum lease payments on these right to use leased assets are as follows:

Year Ended August 31,	Governmental Obligations		Total Requirements
	Principal	Interest	
2023	\$ 14,326	\$ 2,161	\$ 16,487
2024	5,223	961	6,184
2025	3,992	524	4,516
2026	1,911	189	2,100
2027	<u>511</u>	<u>13</u>	<u>524</u>
Total	<u>\$ 25,963</u>	<u>\$ 3,848</u>	<u>\$ 29,811</u>

### (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.

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

### (4) Defined benefit pension plan (continued)

#### 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.

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.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to the retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers and active employees for the fiscal years 2019 through 2024.

#### 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.

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2022**

(4) Defined benefit pension plan (continued)

Contributions (continued)

<u>Contribution Rates</u>	<u>2022</u>	<u>2021</u>
Member (employees)	7.7 - 8.0%	7.70%
Non-employer contributing entity (State of Texas)	7.50%	7.50%
Employer (District)	7.50%	7.50%

<u>Contributions</u>		
Member (employees)	\$ 780,423	\$ 681,814
Non-employer contributing entity (State of Texas)	553,461	511,410
Employer (District)	350,168	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).

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.

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

### (4) Defined benefit pension plan (continued)

#### Actuarial assumptions

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2020 rolled forward to August 31, 2021
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%
Municipal bond rate of return*	1.95%
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

\* 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."

#### 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-estimates 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.

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2022**

(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, 2021 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.	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.41%
<u>Stable Value</u>			
Government Bonds	16.0%	-0.2%	0.01%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
<u>Real Return</u>			
Real Assets	15.0%	4.5%	1.00%
Energy and Natural Resources	6.0%	4.7%	0.35%
<u>Risk Parity</u>			
Risk Parity	8.0%	2.8%	0.28%
<u>Leverage</u>			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	-0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag ****			-0.95%
TOTAL	<u>100%</u>		<u>6.95%</u>

\* Absolute return includes credit sensitive investments.

\*\* Target allocations are based on the FY2021 policy model.

\*\*\* Capital market assumptions come from Aon Hewitt (as of 8/31/2021).

\*\*\*\* 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 <u>(6.25%)</u>	Discount Rate <u>(7.25%)</u>	1% Increase in Discount Rate <u>(8.25%)</u>
Proportionate share of the net pension liability	<u>\$ 3,662,807</u>	<u>\$ 1,676,220</u>	<u>\$ 64,495</u>



# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2022**

(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, 2022, the District reported a liability of \$1,676,220 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	\$	1,676,220
State's proportionate share of the net pension liability associated with the District		3,048,489
Total pension liability	\$	4,724,709

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 through August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.000065820694% which was a decrease of 0.00000455% from its proportion measured as of August 31, 2020.

Changes since the prior actuarial valuation

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

For the year ended August 31, 2022, the District recognized pension expense of \$12,187 and revenue of \$510,843 for support provided by the State.

At August 31, 2022, 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	\$ 2,805	\$ 118,007
Changes in actuarial assumptions	592,511	258,284
Differences between projected and actual investment earnings	-	1,405,488
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	272,740	237,266
Contributions paid to TRS subsequent to the measurement date	350,168	-
Total as of fiscal year end	\$ 1,218,224	\$ 2,019,045

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2022**

(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	\$ (169,900)
2023	(210,788)
2024	(323,947)
2025	(427,242)
2026	(16,928)
Thereafter	(2,184)
	<u>\$ (1,150,989)</u>

(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/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits provided

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.

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2022**

(5) Defined other postemployment benefit plans (continued)

Benefits provided (continued)

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.

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, 2022**

(5) Defined other postemployment benefit plans (continued)

Contributions (continued)

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

<b>Contribution Rates</b>	<u>2022</u>	<u>2021</u>
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%
 <b>Contributions</b>		
District contributions	\$ 87,056	\$ 73,869
Member contributions	63,350	57,279
NECE on-behalf contributions	127,737	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 \$2,208,137 for the fiscal year 2020 and \$3,312,206 for the fiscal year 2021, for consumer projections against medical and health care billing by certain out-of-network providers. Funding for bot years was in fiscal year 2021.

Actuarial assumptions

The actuarial valuation was performed as of August 31, 2020. Updated procedures were used to roll forward the total OPEB liability to August 31, 2021. 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, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2022**

(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, 2020 rolled forward to August 31, 2021
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	1.95% as of August 31, 2021
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to delivery of health care benefits are included in the age-adjusted claims cost.
Salary increases	3.05% to 9.50%, including inflation
Healthcare trend rates	10.80% decreasing to 4.50% for FY 2028
Election rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc postemployment benefit changes	None

Discount rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% 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, 2021 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, 2022**

(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 (0.95%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
District's proportionate share of the net OPEB liability	\$ 4,396,999	\$ 3,645,240	\$ 3,053,581
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

At August 31, 2022, the District reported a liability of \$3,645,240 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	\$ 3,645,240
State's proportionate share of the net OPEB liability associated with the District	<u>4,883,809</u>
Total	<u>\$ 8,529,049</u>

The net OPEB liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 thru August 31, 2021.

At August 31, 2021 the employer's proportion of the collective total OPEB liability was 0.0094498768% compared to 0.0094807073% as of August 31, 2020. This was a decrease of 0.0000501% 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	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
	<u>                    </u>	<u>                    </u>	<u>                    </u>
District's proportionate share of the net OPEB liability	\$ 2,952,523	\$ 3,645,240	\$ 4,574,693
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2022**

(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 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the total OPEB liability (TOL).

Changes in benefit terms since the prior measurement date

There were no change sin benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was \$(18,0250) and revenue of \$98,909 for support provided by the State.

At August 31, 2022, 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	\$ 156,945	\$ 1,764,551
Changes in actuarial assumptions	403,753	770,901
Differences between projected and actual investment earnings	3,957	-
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	127,056	627,906
Contributions paid to TRS subsequent ot the measurement date	87,056	-
Total as of fiscal year end	\$ 778,767	\$ 3,163,358

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2022**

(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,	OPEB Expense Amount
2022	\$ (483,429)
2023	(483,518)
2024	(483,494)
2025	(387,542)
2026	(257,639)
Thereafter	(376,025)
Total	\$ (2,471,647)

(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, 2022, are summarized below. All federal grants shown below are reported on the combined financial statements as due from other governments.

	Local Government	State Entitlements	Federal Grants	Total
General	\$ 10,746	\$ 1,131,009	\$ -	\$ 1,141,755
Special revenue	-	-	398,030	398,030
Total	\$ 10,746	\$ 1,131,009	\$ 398,030	\$ 1,539,785

(7) Revenue from local and intermediate sources

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

	General Fund	Debt Service Fund	Special Revenue Fund	Internal Service Fund	Total
Property taxes	\$ 6,305,585	\$ 1,228,958	\$ -	\$ -	\$ 7,534,543
Penalties and interest	64,020	12,436	-	-	76,456
Tuition and fees	253,810	-	-	-	253,810
Investment income	19,302	7,241	-	-	26,543
Donations	103,459	-	-	-	103,459
Food sales	32,184	-	-	-	32,184
Co-curricular activities	24,376	-	88,460	-	112,836
Other	40,546	-	-	625,870	666,416
Total	\$ 6,843,282	\$ 1,248,635	\$ 88,460	\$ 625,870	\$ 8,806,247



# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

### (8) Litigation

At August 31, 2022, 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, 2022 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, 2022, 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, 2022, 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 2022, 2021 and 2020 were \$39,483, 38,880, and \$36,660 respectively.

# INGRAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

### (12) Net position and fund deficit

At August 31, 2022, the District has a deficit unrestricted net position in the government-wide statement of net position of \$6,891,845. This deficit is primarily due to the recognition of the District's proportionate share of the net pension liability for TRS and net OPEB liability for TRS care and related deferred inflows and outflows totaling \$8,506,872 in accordance with GASB Statement No. 68 and No. 75.

In addition, the District has a deficit in the capital projects fund of \$1,581,594 that is a result of facility improvements costs incurred prior to the issuance bonds. The District plans to fund this deficit through issuances of bonds for facility improvements.

### (13) New accounting policy and restatement of net position

As of September 1, 2021, the District implemented GASB Statement No. 87, *Leases*. The statement requires recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized inflows and outflows of resources based on the payment provisions of the lease contract. The beginning net position has been restated by \$3,868 to reflect this adoption.

### (14) Evaluation of subsequent events

Subsequent events are evaluated by the District's management through January 23, 2023, the date which the financial statements were available to be issued. The District issued Ingram Independent School District Unlimited Tax School Building Bonds, Series 2022 for \$24,365,000.

## **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, 2022**

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	\$ 6,679,235	\$ 6,705,735	\$ 6,843,282	\$ 137,547
5800	State program revenues	6,162,000	6,442,000	7,259,379	817,379
5900	Federal program revenues	1,870,000	1,870,000	1,526,640	(343,360)
5020	Total revenues	<u>14,711,235</u>	<u>15,017,735</u>	<u>15,629,301</u>	<u>611,566</u>
	Expenditures:				
	Current:				
0011	Instruction	7,455,642	7,655,642	7,494,807	160,835
0012	Instructional resources and media svices	31,406	101,406	95,273	6,133
0013	Curriculum and instructional staff development	259,416	199,416	169,576	29,840
0021	Instructional leadership	208,634	218,634	208,485	10,149
0023	School leadership	876,999	901,999	902,464	(465)
0031	Guidance, counseling, and evaluation services	586,747	586,747	572,714	14,033
0033	Health services	110,122	113,122	109,329	3,793
0034	Student (pupil) transportation	500,000	500,000	500,000	-
0035	Child nutrition	931,750	931,750	844,610	87,140
0036	Extracurricular activities	706,777	798,777	646,002	152,775
0041	General administrative	672,709	672,709	658,490	14,219
0051	Facilities maintenance and operations	1,540,285	1,347,285	1,271,051	76,234
0052	Security and monitoring services	195,849	270,849	261,939	8,910
0053	Data processing services	357,349	357,349	348,859	8,490
	Debt service:				
0071	Principal on long-term debt	117,465	143,965	166,707	(22,742)
0072	Interest on long-term debt	23,085	23,085	20,462	2,623
	Capital outlay:				
0081	Facilities acquisition and construction	-	1,465,000	1,350,589	114,411
	Intergovernmental:				
0099	Other intergovernmental charges	137,000	42,000	-	42,000
6030	Total expenditures	<u>14,711,235</u>	<u>16,329,735</u>	<u>15,621,357</u>	<u>708,378</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,312,000)</u>	<u>7,944</u>	<u>1,319,944</u>
	Other financing sources (uses):				
7913	Proceeds from right to use leased assets	-	-	6,150	6,150
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,150</u>	<u>6,150</u>
1200	Net change in fund balance	-	(1,312,000)	14,094	1,326,094
0100	Fund balance - beginning	<u>3,350,542</u>	<u>3,350,542</u>	<u>3,350,542</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ 3,350,542</u>	<u>\$ 2,038,542</u>	<u>\$ 3,364,636</u>	<u>\$ 1,326,094</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-2

	FOR THE PLAN YEAR ENDED AUGUST 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0065821%	0.0065366%	0.0069759%	0.0059625%	0.0067247%	0.0064876%	0.006045100%	0.0033157%
District's proportionate share of net pension liability (asset)	\$ 1,676,220	\$ 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	3,048,489	6,370,527	5,383,110	5,815,977	3,624,324	4,342,812	4,231,887	3,515,765
<b>Total</b>	<b>\$ 4,724,709</b>	<b>\$ 9,871,398</b>	<b>\$ 9,009,402</b>	<b>\$ 9,097,889</b>	<b>\$ 5,774,507</b>	<b>\$ 6,794,362</b>	<b>\$ 6,368,749</b>	<b>\$ 4,401,435</b>
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	\$ 6,080,312
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.93%	37.05%	48.83%	46.41%	30.54%	35.42%	32.60%	14.57%
Plan fiduciary net position as a percentage of the total net pension liability	88.79%	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 eight 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-3

	FOR THE FISCAL YEAR ENDED AUGUST 31,							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 350,168	\$ 281,151	\$ 269,702	\$ 238,665	\$ 200,862	\$ 220,905	\$ 206,126	\$ 179,309
Contribution in relation to the contractually required contribution	<u>(350,168)</u>	<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>	<u>\$ -</u>
District's covered payroll	\$ 9,755,286	\$ 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	3.59%	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 eight 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, 2022**

EXHIBIT G-4

	For the plan year ended August 31.				
	2021	2020	2019	2018	2017
District's proportion of the net liability (asset) for other postemployment benefits	0.0094%	0.0095%	0.0096%	0.0093%	0.0109%
District's proportionate share of net other postemployment benefit liability (asset)	\$ 3,645,240	\$ 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>4,883,809</u>	<u>4,842,973</u>	<u>6,031,399</u>	<u>5,754,227</u>	<u>5,388,109</u>
Total	<u>\$ 8,529,049</u>	<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>\$ 8,854,725</u>	<u>\$ 9,448,330</u>	<u>\$ 7,426,115</u>	<u>\$ 7,071,394</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	41.17%	38.14%	61.12%	65.61%	67.33%
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	6.18%	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 five 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, 2022**

EXHIBIT G-5

	For the fiscal year ended August 31,				
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 87,056	\$ 73,869	\$ 72,060	\$ 66,879	\$ 64,104
Contribution in relation to the contractually required contribution	<u>(87,056)</u>	<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>	<u>\$ -</u>
District's covered payroll	<u>\$ 9,755,286</u>	<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	0.89%	0.83%	0.76%	0.90%	0.91%

This schedule shows only five 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, 2022**

Data Control Codes		SPEICAL			
		211 ESEA Title I, A Improving Basic Programs	224 IDEA Part B Formula	225 IDEA Part B Preschool	244 Career and Technical Basic Grant
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	61,263	75,747	4,086	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total assets	<u>\$ 61,263</u>	<u>\$ 75,747</u>	<u>\$ 4,086</u>	<u>\$ -</u>
	Liabilities				
2110	Accounts payable	\$ 10,935	\$ -	\$ -	\$ -
2160	Accrued wages payable	25,896	17,466	-	-
2170	Due to other funds	21,831	56,283	4,086	-
2200	Accrued expenditures	<u>2,601</u>	<u>1,998</u>	<u>-</u>	<u>-</u>
2000	Total liabilities	<u>61,263</u>	<u>75,747</u>	<u>4,086</u>	<u>-</u>
	Fund balances				
3430	Non-spendable - prepaids	-	-	-	-
	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>\$ 61,263</u>	<u>\$ 75,747</u>	<u>\$ 4,086</u>	<u>\$ -</u>

EXHIBIT H-1

REVENUE FUNDS						
255 ESEA II, A Training and Recruiting	263 English Language Enhancement	270 ESEA VI, B Rural and Low Income	281 ESSER II Grant	282 ESSER III Grant	284 ARP IDEA Part B Formula	285 ARP IDEA Part B Preschool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,756	-	-	66,399	127,986	51,379	3,414
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,756</u>	<u>-</u>	<u>-</u>	<u>66,399</u>	<u>127,986</u>	<u>51,379</u>	<u>3,414</u>
\$ -	\$ -	\$ -	\$ 33,518	\$ -	\$ -	\$ -
3,803	-	-	-	6,919	-	-
3,519	-	-	32,881	120,277	51,379	3,414
434	-	-	-	790	-	-
<u>7,756</u>	<u>-</u>	<u>-</u>	<u>66,399</u>	<u>127,986</u>	<u>51,379</u>	<u>3,414</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,756</u>	<u>-</u>	<u>-</u>	<u>66,399</u>	<u>127,986</u>	<u>51,379</u>	<u>3,414</u>

(continued)

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**August 31, 2022**

Data Control Codes		SPECIAL			
		287 LEP Summer School	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2200	Accrued expenditures	-	-	-	-
2000	Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund balances				
3430	Non-spendable - prepaids	-	-	-	-
	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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-1

REVENUE FUNDS							
410 State Textbook Fund	425 TCLAS Grant	426 School Safety and Security Grant	427 Technology and ICIA Planning Grant	428 Blended Learning Grant	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,539	\$ 85,539
-	-	-	-	-	-	-	398,030
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	268	268
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,807</u>	<u>\$ 483,837</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,453
-	-	-	-	-	-	-	54,084
-	-	-	-	-	-	-	293,670
-	-	-	-	-	-	-	5,823
-	-	-	-	-	-	-	398,030
-	-	-	-	-	-	268	268
-	-	-	-	-	-	-	-
-	-	-	-	-	-	85,539	85,539
-	-	-	-	-	-	85,807	85,807
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,807</u>	<u>\$ 483,837</u>

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2022**

Data Control Codes		SPECIAL			
		211 ESEA Title I, A Improving Basic Programs	224 IDEA Part B Formula	225 IDEA Part B Preschool	244 Career and Technical Basic Grant
	Revenues				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	<u>300,240</u>	<u>195,569</u>	<u>4,086</u>	<u>189,936</u>
5020	Total revenues	<u>300,240</u>	<u>195,569</u>	<u>4,086</u>	<u>189,936</u>
	Expenditures				
	Current:				
0011	Instruction	268,290	149,008	4,086	188,100
0012	Instructional resources and media services	31,950	-	-	-
0013	Curriculum and staff development	-	-	-	1,836
0021	Instructional leadership	-	6,145	-	-
0031	Guidance, counseling, and evaluation services	-	40,416	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
	Intergovernmental:				
0099	Other intergovernmental charges	-	-	-	-
6030	Total expenditures	<u>300,240</u>	<u>195,569</u>	<u>4,086</u>	<u>189,936</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<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

REVENUE FUNDS						
255 ESEA II, A Training and Recruiting	263 English Language Enhancement	270 ESEA VI, B Rural and Low Income	281 ESSER II Grant	282 ESSER III Grant	284 ARP IDEA Part B Formula	285 ARP IDEA Part B Preschool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>42,612</u>	<u>2,594</u>	<u>9,450</u>	<u>450,635</u>	<u>302,375</u>	<u>51,379</u>	<u>3,414</u>
<u>42,612</u>	<u>2,594</u>	<u>9,450</u>	<u>450,635</u>	<u>302,375</u>	<u>51,379</u>	<u>3,414</u>
42,612	2,594	9,450	82,839	128,644	51,379	3,414
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	22,907	6,633	-	-
-	-	-	278,237	108,082	-	-
-	-	-	-	-	-	-
-	-	-	66,652	59,016	-	-
<u>42,612</u>	<u>2,594</u>	<u>9,450</u>	<u>450,635</u>	<u>302,375</u>	<u>51,379</u>	<u>3,414</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, 2022**

Data Control Codes		SPECIAL			
		287 LEP Summer School	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives
	Revenues				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	1,880	49
5900	Federal program revenues	1,475	11,499	-	-
5020	Total revenues	1,475	11,499	1,880	49
	Expenditures				
	Current:				
0011	Instruction	1,475	11,499	1,880	-
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	49
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
	Intergovernmental:				
0099	Other intergovernmental charges	-	-	-	-
6030	Total expenditures	1,475	11,499	1,880	49
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
0100	Fund balance - beginning	-	-	-	-
3000	Fund balance - ending	\$ -	\$ -	\$ -	\$ -



EXHIBIT H-2

REVENUE FUNDS							Total
410 State Textbook Fund	425 TCLAS Grant	426 School Safety and Security Grant	427 Technology and ICIA Planning Grant	428 Blended Learning Grant	429 Math Achievemnet Acadamics	461 Campus Activity Funds	Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,460	\$ 88,460
81,833	20,035	25,000	11,792	12,024	1,131	-	153,744
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,565,264</u>
<u>81,833</u>	<u>20,035</u>	<u>25,000</u>	<u>11,792</u>	<u>12,024</u>	<u>1,131</u>	<u>88,460</u>	<u>1,807,468</u>
81,833	20,035	-	11,792	2,559	-	-	\$ 1,061,489
-	-	-	-	-	-	-	31,950
-	-	-	-	-	-	-	1,836
-	-	-	-	-	-	-	6,145
-	-	-	-	9,465	1,131	-	51,061
-	-	-	-	-	-	-	-
-	-	-	-	-	-	84,333	84,333
-	-	-	-	-	-	-	29,540
-	-	-	-	-	-	-	386,319
-	-	25,000	-	-	-	-	25,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,668</u>
<u>81,833</u>	<u>20,035</u>	<u>25,000</u>	<u>11,792</u>	<u>12,024</u>	<u>1,131</u>	<u>84,333</u>	<u>1,803,341</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,127</u>	<u>4,127</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,680</u>	<u>81,680</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,807</u>	<u>\$ 85,807</u>

**INGRAM INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**For the year ended August 31, 2022**

<u>Year Ended August 31,</u>	(1)                      (2) Tax Rates		(3) Assessed/Appraised Value for School Tax Purposes
	<u>Maintenance</u>	<u>Debt Service</u>	
2013 and prior years	Various	Various	\$      2,141,064,366
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	0.885000	0.170000	675,885,622
2022 (school year under audit)	0.872000	0.170000	728,060,026

1000 Totals

EXHIBIT J-1

(10) Beginning Balance 9/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2022
\$ 33,341	\$ -	\$ 344	\$ 26	\$ -	\$ 32,971
13,178	-	1,019	76	(1)	12,082
17,539	-	1,850	407	-	15,282
16,485	-	1,335	280	(1)	14,869
21,076	-	1,796	371	-	18,909
23,763	-	3,457	681	(7,410)	12,215
35,145	-	8,014	1,580	(6,999)	18,552
67,317	-	16,955	3,571	(10,302)	36,489
117,466	-	71,138	13,650	26,398	59,076
-	7,586,385	6,199,677	1,208,315	(33,688)	144,705
\$ 345,310	\$ 7,586,385	\$ 6,305,585	\$ 1,228,957	\$ (32,003)	\$ 365,150

**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, 2022**

EXHIBIT J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ 1,227,000	\$ 1,227,000	\$ 1,248,635	\$ 21,635
5800	State program revenues	-	-	29,676	29,676
5020	Total revenues	<u>1,227,000</u>	<u>1,227,000</u>	<u>1,278,311</u>	<u>51,311</u>
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	660,000	660,000	660,000	-
0072	Interest on long-term debt	427,775	427,775	427,775	-
0073	Bond issuance costs and fees	<u>7,225</u>	<u>7,225</u>	<u>1,500</u>	<u>5,725</u>
	Total debt service	<u>1,095,000</u>	<u>1,095,000</u>	<u>1,089,275</u>	<u>5,725</u>
6030	Total expenditures	<u>1,095,000</u>	<u>1,095,000</u>	<u>1,089,275</u>	<u>5,725</u>
1200	Net change in fund balance	132,000	132,000	189,036	57,036
0100	Fund balance - beginning	<u>832,032</u>	<u>832,032</u>	<u>832,032</u>	-
					-
3000	Fund balance - ending	<u>\$ 964,032</u>	<u>\$ 964,032</u>	<u>\$ 1,021,068</u>	<u>\$ 57,036</u>

**INGRAM INDEPENDENT SCHOOL DISTRICT**

**USE OF FUNDS – SELECT STATE ALLOTMENT PROGRAMS**

**For the year ended August 31, 2022**

EXHIBIT J-4

**DATA  
CODES**

**RESPONSES**

**Section A: Compensatory Education Programs**

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.		
AP1	Did your district expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$1,185,464
AP4	List the actual direct program expenditures for state compensatory education programs during the district’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$833,764

**Section B: Bilingual Education Programs**

Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.		
AP5	Did your district expend any bilingual education program state allotment funds during the district’s fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the district’s fiscal year.	\$106,400
AP8	List the actual direct program expenditures for bilingual education programs during the district’s fiscal year. (PICs 25, 35)	\$82,092



**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 as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Ingram Independent School District’s basic financial statements, and have issued our report thereon dated January 23, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Ingram Independent School District’s internal control over financial reporting (internal control) as a basis for designing 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 Ingram Independent School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Ingram Independent School District’s internal control.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Ingram Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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 *Governmental 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABIP, PC

San Antonio, Texas  
January 23, 2023

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**

**Opinion on Each Major Federal Program**

We have audited Ingram Independent School District’s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Ingram Independent School District’s major federal programs for the year ended August 31, 2022. Ingram Independent School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Ingram Independent School 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, 2022.

**Basis for Opinion on Each Major Federal Program**

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ingram Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ingram School District’s compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Ingram Independent School District’s federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ingram Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ingram Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ingram Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ingram Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ingram Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

ABIP, PC

San Antonio, Texas  
January 23, 2023



**INGRAM INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended August 31, 2022**

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	COVID 19 – ESSER

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, 2022**

None



**INGRAM INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended August 31, 2022**

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
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through State Department of Education:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	22610101133904	\$ 260,808
ESEA Title I, Part A - Improving Basic Programs	84.010A	23610101133904	39,432
Total Assistance Listing Number 84.010A			<u>300,240</u>
IDEA - Part B, Formula *	84.027A	226600011339046600	176,105
IDEA - Part B, Formula *	84.027A	236600011339046600	19,464
COVID-19 IDEA - Part B, Formula (ARP) *	84.027A	225350011339045350	51,379
Total Assistance Listing Number 84.027			<u>246,948</u>
IDEA - Part B, Preschool *	84.173A	226610011339046610	4,086
COVID-19IDEA - Part B, Preschool (ARP)*	84.173A	225360011339045360	3,414
Total Assistance Listing Number 84.173			<u>7,500</u>
Total Special Education Cluster (IDEA B)			<u>254,448</u>
ESEA Title IV, Part A	84.424A	22680101133904	11,499
ESEA, Title V, Part B - Rural & Low Income Program	84.358B	21696001133904	2,700
ESEA, Title V, Part B - Rural & Low Income Program	84.358B	22696001133904	6,750
Total Assistance Listing Number 84.358B			<u>9,450</u>
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	22694501133904	38,376
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	23694501133904	4,236
Total Assistance Listing Number 84.367A			<u>42,612</u>
LEP Summer School	84.369A	69552002	1,475
COVID-19 Elementary & Secondary School Emergency Relief Fund	84.425D	21521001133904	534,403
COVID-19 Elementary & Secondary School Emergency Relief Fund III	84.425U	21528001133904	367,944
Total Assistance Listing Number 84.425			<u>902,347</u>
Total passed through State Department of Education			<u>1,522,071</u>
Passed through the Education Service Center, Region 20:			
Career and Technical - Basic Grant	84.048A	224200287110039	1,836
Title III, Part A - ELA and Language Enhancement	84.365A	21671001133904	2,594
Total passed through Education Service Center, Region 20			<u>4,430</u>
Passed through the Texas Workforce Commission:			
Career and Technical - JET Grant	84.048A	2021JET001	188,100
Total Assistance Listing Number 84.048			<u>189,936</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>1,714,601</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through State Department of Agriculture			
School Breakfast Program *	10.553	133-904	358,093
National School Lunch Program-cash assistance *	10.555	133-904	728,023
National School Lunch Program-non-cash assistance *	10.555	133-904	60,735
National School Lunch Program-P-EBT *	10.555	133-904	3,063
Total Assistance Listing Number 10.555			<u>791,821</u>
Total Child Nutrition Cluster			<u>1,149,914</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>1,149,914</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,864,515</u>
School Health and Related Services (SHARS)			<u>227,389</u>
<b>TOTAL FEDERAL REVENUE PER EXHIBIT C-3</b>			<u>\$ 3,091,904</u>

\* Clustered Programs

## INGRAM INDEPENDENT SCHOOL DISTRICT

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the year ended August 31, 2022**

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 \$60,735 for the year ended August 31, 2022.

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, 2022**

EXHIBIT L-1

DATA CONTROL CODES		<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.	\$ -