INGRAM INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2025

CPAs | ADVISORS

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

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INTRODUCTORY SECTION

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CERTIFICATE OF BOARD

Ingram Independent School District	Kerr	133-904
Name of School District	County	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, 2025 at a meeting of the Board of Trustees of such school district on the 29th day of January, 2026.

Signature of Board Secretary

Jack Fairchild
Signature of Board President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

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FINANCIAL SECTION

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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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereon 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 described in Note 1 to the financial statements, in 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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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 nonmajor 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 29, 2026, 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 29, 2026

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INGRAM INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2025

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, 2025. 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

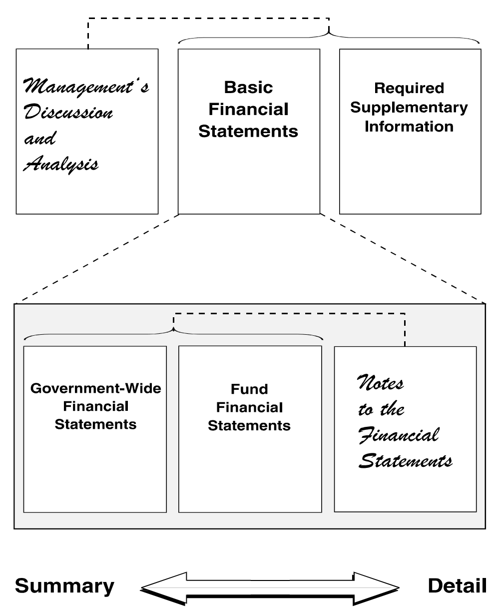
- The District's net position for governmental activities increased by $602,895, after the restatement. The primary reason for the increase was because of the insurance proceeds received as a result of the July 2025 flood.
- Total governmental funds of the District reported an overall fund balance decrease of $4,493,806 to end at $11,145,467.
- The general fund of the District reported a fund balance increase of $99,421 for the year, to end at $4,901,571, of which $4,732,235 is unassigned.

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 custodian 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 custodian 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 projects fund. The differences in the amounts reported between the fund statements and the government-wide statements are explained in the reconciliations provided on pages 18 and 20.

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

Fiduciary funds – The District is the custodian 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 59.

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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, 2025 and 2024.

STATEMENT OF NET POSITION
August 2025 and 2024

	Governmental Activities	
	2025	2024
Current assets:		
Cash and cash equivalents	$ 12,433,765	$ 14,341,094
Property taxes and receivables	551,981	412,769
(allowance for uncollectible)	(5,520)	(4,128)
Due from other governments	2,101,350	1,896,463
Other receivable (net)	738	206,879
Inventories	27,274	36,827
Prepaid items	1,955	16,343
Noncurrent assets:		
Land	1,047,096	1,089,941
Construction in progress	7,696,419	7,967,495
Building, furniture and equipment, and right to use assets, net	29,535,228	24,836,395
Total assets	53,390,286	50,800,078
Deferred outflows of resources:		
Deferred charge for refunding	11,930	13,123
Deferred outflow related to TRS pension	1,746,359	2,612,535
Deferred outflow related to TRS OPEB	2,088,069	1,408,517
Total deferred outflows of resources	3,846,358	4,034,175
Current liabilities:		
Accounts payable	1,291,821	285,905
Accrued liabilities	652,951	583,847
Due to other governments	59,021	63,531
Deferred revenue	1,326,188	17,193
Noncurrent liabilities:		
Due within one year	1,396,497	1,144,577
Due in more than one year	34,344,499	34,911,416
Net pension liability	5,305,705	5,582,668
Net OPEB liability	3,461,423	2,453,761
Total liabilities	47,838,105	45,042,898
Deferred inflows of resources:		
Deferred inflow related to TRS pension	117,578	292,956
Deferred inflow related to TRS OPEB	3,134,435	3,954,768
Total deferred inflows of resources	3,252,013	4,247,724
Net position:		
Net investment in capital assets	7,755,077	7,160,438
Restricted for:		
Federal and state programs	140,107	282,648
Debt service	1,900,234	1,572,004
Other purposes	276,443	214,481
Unrestricted	(3,925,335)	(3,685,940)
Total net position	$ 6,146,526	$ 5,543,631

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, 2025 and 2024.

CHANGES IN NET POSITION
For fiscal years ended August 2025 and 2024

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Operating grants and contributions	$ 2,455,877	$ 3,777,660
Capital grants and contributions	108,028	-
Charges for services	519,453	601,582
General revenues:		
Property taxes	7,938,547	7,664,850
Grants and contributions not restricted	11,242,952	10,979,226
Investment earnings	676,149	1,079,444
Other	81,945	268,925
Loss on disposals	(961,221)	-
Total revenues	22,061,730	24,371,687
Expenses:		
Instruction	11,524,765	11,386,549
Instructional resources and media services	67,805	81,461
Curriculum development and instructional staff development	160,143	171,151
Instructional leadership	261,309	245,496
School leadership	1,101,930	1,110,127
Guidance, counseling and evaluation services	782,362	745,585
Health services	140,692	134,834
Student (pupil) transportation	543,054	642,623
Food services	1,187,364	1,259,907
Curricular/extracurricular activities	1,086,629	1,164,374
General administration	1,231,582	974,609
Plant maintenance and operations	2,219,811	2,139,048
Security and monitoring services	439,604	574,543
Data processing services	404,855	503,089
Interest on long-term debt	1,298,443	1,345,193
Bond issuance costs and fees	2,250	2,200
Capital outlay	661,366	433,272
Other intergovernmental charges	136,127	134,590
Total expenses	23,250,091	23,048,651
Increase (decrease) in net position	(1,188,361)	1,323,036
Extraordinary item	2,596,611	-
Net position, beginning of year	5,543,631	4,220,595
Restatement of net position	(805,355)	-
Net position, end of year	$ 6,146,526	$ 5,543,631

Property taxes in the amount of $7,938,547 and unrestricted grant revenues and contributions of $11,242,952 accounted for 86.94% of the District's total revenue of $22,061,730.

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 in tax dollars. As reflected in the statement of activities, total expenses for governmental activities were $23,250,091. Of the total expenses, $519,453 was financed by charges for services and $2,455,877 by operating grants and contributions. The net cost of $20,166,733 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 $321,810 due mainly to an increase in state programs.

REVENUES BY SOURCE
For the years ended August 31, 2025 and 2024

	2025	2024	Increase (Decrease)
Local and tax revenues	$ 6,289,590	$ 6,491,378	$ (201,788)
State programs	11,084,018	10,456,905	627,113
Federal programs	1,002,873	1,106,388	(103,515)
Total	$ 18,376,481	$ 18,054,671	$ 321,810

General fund expenditures – Overall general fund expenditures increased by $2,968,437. The increase is mainly attributed to the increase in capital outlay. However, the general fund also had substantial increases in general administration, and plant maintenance, security and data processing.

EXPENDITURES BY FUNCTIONS
For the years ended August 31, 2025 and 2024

	2025	2024	Increase (Decrease)
EXPENDITURES			
Instruction, curriculum and media services	$ 9,416,339	$ 8,794,081	$ 622,258
Instructional and school leadership	1,166,760	1,146,611	20,149
Student support services	1,276,269	1,176,316	99,953
Food service	1,038,668	1,158,329	(119,661)
Cocurricular activities	779,799	879,522	(99,723)
General administration	1,063,431	838,003	225,428
Plant maintenance, security and data processing	3,590,669	2,793,361	797,308
Debt service	192,124	213,756	(21,632)
Capital outlay	2,135,384	692,564	1,442,820
Other intergovernmental charges	136,127	134,590	1,537
Total expenditures	$ 20,795,570	$ 17,827,133	$ 2,968,437

The District's debt service fund reported a fund balance of $1,900,234, which is $328,230 more than last year's total of $1,572,004. The increase is due to property taxes exceeding expectations during the year. The purpose of the debt service fund is to provide for the payment of bond principal and interest payments as it becomes due.

The District's capital projects fund reported a fund balance of $4,067,219 which is $4,983,069 less than last year's total of $9,050,288. The decrease in fund balance is attributable to the District's ongoing construction costs related to the issuance of the Ingram Independent School District Unlimited Tax Building Bonds, Series 2022.

The District's other governmental funds reported combined ending fund balances of $276,433. This combined balance is $61,612 more than the previous year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – At August 31, 2025, the District had invested $64,916,722 in a broad range of capital assets including land, equipment, buildings, vehicles, and right to use assets. This is a $6,189,777 increase from the prior year.

CAPITAL ASSETS
August 31, 2025 and 2024

	2025	2024	Increase (Decrease)
Land	$ 1,047,096	$ 1,089,941	$ (42,845)
Buildings and improvements	43,125,028	39,194,819	3,930,209
Furniture and equipment	12,376,571	9,740,313	2,636,258
Right to use lease assets	65,273	80,062	(14,789)
Right to use subscription assets	606,335	654,315	(47,980)
Construction in progress	7,696,419	7,967,495	(271,076)
	64,916,722	58,726,945	6,189,777
Less: accumulated depreciation	(26,637,979)	(24,833,114)	(1,804,865)
Total	$ 38,278,743	$ 33,893,831	$ 4,384,912

LONG-TERM DEBT

At year end the District had $32,615,000 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 2025, the District originally adopted a deficit general fund 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. The Trustees increased appropriations by $3,973,030 primarily in the capital outlay function in preparation for capital asset purchases made during the fiscal year. These amendments were offset by anticipated local money to assist in the funding of the projects. Expenditures were under amended appropriations by $422,869 and revenues were over for the fiscal year.

ECONOMIC FACTORS

The October enrollment in the 2024-25 fiscal year increased by 4%. This increase is attributed to fact that Ingram ISD is growing with area population growth and the implementation of our P-TECH College Readiness Program and the District is also an "A" rated school district by the Texas Education Agency (TEA).

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 ISD

INGRAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

August 31, 2025

EXHIBIT A-1

Data Control Codes		1 Primary Government Governmental Activities
	Assets:	
1110	Cash and cash equivalents	$ 12,433,765
1220	Property taxes receivable (delinquent)	551,981
1230	Allowance for uncollectible taxes	(5,520)
1240	Due from other governments	2,101,350
1290	Other receivables (net)	738
1300	Inventories	27,274
1410	Prepaid items	1,955
	Capital assets:	
1510	Land	1,047,096
1520	Buildings, (net)	22,176,069
1530	Furniture and equipment (net)	7,219,290
1553	Right to use subscription asset (net)	123,456
1559	Right to use lease asset (net)	16,413
1580	Construction in progress	7,696,419
1000	Total assets	53,390,286
	Deferred outflows of resources:	
1701	Deferred charge for refunding	11,930
1705	Deferred outflows related to TRS pension	1,746,359
1706	Deferred outflows related to TRS OPEB	2,088,069
1700	Total deferred outflows of resources	3,846,358
	Liabilities:	
2110	Accounts payable	1,291,821
2140	Interest payable	59,021
2160	Accrued wages payable	631,891
2200	Accrued expenses	21,060
2300	Unearned revenue	1,326,188
	Noncurrent liabilities:	
2501	Due within one year	1,396,497
2502	Due in more than one year	34,344,499
2540	Net pension liability (District's share)	5,305,705
2545	Net OPEB liability (District's share)	3,461,423
2000	Total liabilities	47,838,105
	Deferred inflows of resources:	
2605	Deferred inflows related to TRS pension	117,578
2606	Deferred inflows related to TRS OPEB	3,134,435
	Total deferred inflows of resources	3,252,013
	Net position:	
3200	Net investment in capital assets	7,755,077
3850	Restricted - federal and state programs	140,107
3850	Restricted - debt service	1,900,234
3890	Restricted - other	276,443
3900	Unrestricted	(3,925,335)
3000	Total net position	$ 6,146,526

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

INGRAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the year ended August 31, 2025

EXHIBIT B-1

Data Control Codes	Functions / Programs	1 Expenses	Program Revenues: 3 Charges for Services	Program Revenues: 4 Operating Grants and Contributions	Program Revenues: 5 Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: 6 Primary Government Governmental Activities
	Governmental activities:					
11	Instruction	$ 11,524,765	$ 207,181	$ 919,782	$ -	$ (10,397,802)
12	Instructional resources and media services	67,805	-	50,589	-	(17,216)
13	Curriculum and staff development	160,143	-	5,535	-	(154,608)
21	Instructional leadership	261,309	-	13,653	-	(247,656)
23	School leadership	1,101,930	-	26,722	-	(1,075,208)
31	Guidance, counseling, and evaluation services	782,362	-	38,173	-	(744,189)
33	Health services	140,692	-	1,875	-	(138,817)
34	Student (pupil) transportation	543,054	-	8,306	-	(534,748)
35	Food services	1,187,364	51,935	876,367	-	(259,062)
36	Extracurricular activities	1,086,629	257,457	62,349	-	(766,823)
41	General administration	1,231,582	-	23,489	-	(1,208,093)
51	Facilities maintenance and operations	2,219,811	2,880	32,599	-	(2,184,332)
52	Security and monitoring services	439,604	-	61,181	-	(378,423)
53	Data processing services	404,855	-	4,710	-	(400,145)
61	Community services	-	-	-	-	-
72	Debt service - interest on long-term debt	1,298,443	-	330,547	-	(967,896)
73	Debt service - bond issuance costs and fees	2,250	-	-	-	(2,250)
81	Capital outlay	661,366	-	-	108,028	(553,338)
99	Other intergovernmental charges	136,127	-	-	-	(136,127)
TP	Total primary government	$ 23,250,091	$ 519,453	$ 2,455,877	$ 108,028	(20,166,733)

	General revenues:	
MT	Property taxes, levied for general purposes	5,716,888
DT	Property taxes, levied for debt service	2,221,659
GC	Grants and contributions not restricted	11,242,952
IE	Investment earnings	676,149
MI	Miscellaneous local and intermediate revenue	81,945
S1	Special item - loss on disposal of assets	(961,221)
E1	Extraordinary item - insurance proceeds	2,596,611
TR	Total general revenues	21,574,983
CN	Change in net position	1,408,250
NB	Net position - beginning	5,543,631
PA	Prior period adjustment	(805,355)
NE	Net position - ending	$ 6,146,526

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

INGRAM INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

August 31, 2025

EXHIBIT C-1

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
	Assets:					
1110	Cash and cash equivalents	$ 4,982,605	$ 1,913,403	$ 5,082,223	$ 283,649	$ 12,261,880
1220	Property taxes - delinquent	422,351	129,630	-	-	551,981
1230	Allowance for uncollectible taxes (credit)	(4,224)	(1,296)	-	-	(5,520)
1240	Receivables from other governments	1,934,611	-	-	166,739	2,101,350
1260	Due from other funds	80,317	519	-	-	80,836
1290	Other receivables	738	-	-	-	738
1300	Inventories	27,274	-	-	-	27,274
1410	Prepaid items	1,955	-	-	-	1,955
1000	Total assets	$ 7,445,627	$ 2,042,256	$ 5,082,223	$ 450,388	$ 15,020,494
	Liabilities:					
2110	Accounts payable	$ 244,816	$ -	$ 1,015,004	$ 30,355	$ 1,290,175
2160	Accrued wages payable	553,785	-	-	56,925	610,710
2170	Due to other funds	519	-	-	80,317	80,836
2200	Accrued expenditures	14,309	-	-	6,348	20,657
2300	Deferred revenue	1,312,500	13,688	-	-	1,326,188
2000	Total liabilities	2,125,929	13,688	1,015,004	173,945	3,328,566
	Deferred inflows of resources:					
2601	Deferred inflows - property taxes	418,127	128,334	-	-	546,461
	Fund balances:					
3410	Non-spendable - inventory	27,274	-	-	-	27,274
3430	Non-spendable - prepaid	1,955	-	-	-	1,955
3450	Restricted - grant funds	140,107	-	-	-	140,107
3470	Restricted - capital acquisitions and contractual obligations	-	-	4,067,219	-	4,067,219
3480	Restricted - debt service	-	1,900,234	-	-	1,900,234
3490	Restricted - other	-	-	-	276,443	276,443
3600	Unassigned fund balance	4,732,235	-	-	-	4,732,235
3000	Total fund balances	4,901,571	1,900,234	4,067,219	276,443	11,145,467
4000	Total liabilities, deferred inflows of resources, and fund balances	$ 7,445,627	$ 2,042,256	$ 5,082,223	$ 450,388	$ 15,020,494

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, 2025

EXHIBIT C-1R

Total fund balances - governmental funds balance sheet		$ 11,145,467
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.		37,966,505
Property tax receivable unavailable to pay for current period expenditures is deferred in the funds.		546,461
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.		460,893
Long-term liabilities and loss on refundings which are not due in the current period are not reported in the funds:		
Bonds and other debt payables	$ (32,830,000)	
Right to use leased asset liability	(17,205)	
Right to use subscription asset liability	(174,978)	
Unamortized premiums on bonds	(1,580,632)	
Deferred charge on refunding	11,930	(34,590,885)
Payables for bond interest which are not due in the current period are not reported in the funds.		(59,021)
Net pension liability and related deferred inflows and outflows which are not due in the current period are not reported in the funds:		
Net pension liability	(5,305,705)	
Deferred outflows related to TRS pension	1,746,359	
Deferred inflows related to TRS pension	(117,578)	(3,676,924)
OPEB liability and related deferred inflows and outflows which are not due in the current period are not reported in the funds:		
OPEB liability	(3,461,423)	
Deferred outflows related to TRS OPEB	2,088,069	
Deferred inflows related to TRS OPEB	(3,134,435)	(4,507,789)
Payables for compensated absences which are not due in the current period are not reported in the funds.		(1,138,181)
Net position of governmental activities - statement of net position		$ 6,146,526

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, 2025

EXHIBIT C-2

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
	Revenues:					
5700	Local and intermediate sources	$ 6,289,590	$ 2,303,558	$ 315,317	$ 222,310	$ 9,130,775
5800	State program revenues	11,084,018	330,547	-	81,994	11,496,559
5900	Federal program revenues	1,002,873	-	-	664,723	1,667,596
5020	Total revenues	18,376,481	2,634,105	315,317	969,027	22,294,930
	Expenditures:					
	Current:					
0011	Instruction	9,270,208	-	-	612,729	9,882,937
0012	Instructional resources and media services	9,945	-	-	47,045	56,990
0013	Curriculum and instructional staff development	136,186	-	-	1,898	138,084
0021	Instructional leadership	217,863	-	-	6,710	224,573
0023	School leadership	948,897	-	-	-	948,897
0031	Guidance, counseling, and evaluation services	653,985	-	-	21,185	675,170
0033	Health services	122,284	-	-	-	122,284
0034	Student (pupil) transportation	500,000	-	-	-	500,000
0035	Food services	1,038,668	-	-	-	1,038,668
0036	Extracurricular activities	779,799	-	-	160,348	940,147
0041	General administration	1,063,431	-	-	-	1,063,431
0051	Facilities maintenance and operations	2,898,367	-	-	-	2,898,367
0052	Security and monitoring services	328,996	-	-	57,500	386,496
0053	Data processing services	363,306	-	-	-	363,306
	Debt service:					
0071	Principal on long-term debt	182,873	915,000	-	-	1,097,873
0072	Interest on long-term debt	9,251	1,388,625	-	-	1,397,876
0073	Bond issuance costs and fees	-	2,250	-	-	2,250
	Capital outlay:					
0081	Facilities acquisition and construction	2,135,384	-	5,298,386	-	7,433,770
	Intergovernmental:					
0099	Other intergovernmental charges	136,127	-	-	-	136,127
6030	Total expenditures	20,795,570	2,305,875	5,298,386	907,415	29,307,246
1100	Excess (deficiency) of revenues over (under) expenditures	(2,419,089)	328,230	(4,983,069)	61,612	(7,012,316)
	Other financing sources and (uses):					
7912	Sale of real or personal property	71,899	-	-	-	71,899
8911	Transfers out	(150,000)	-	-	-	(150,000)
7080	Total other financing sources and (uses)	(78,101)	-	-	-	(78,101)
7919	Extraordinary item - insurance proceeds	2,596,611	-	-	-	2,596,611
1200	Net change in fund balances	99,421	328,230	(4,983,069)	61,612	(4,493,806)
0100	Fund balance - September 1 (beginning)	4,802,150	1,572,004	9,050,288	214,831	15,639,273
3000	Fund balance - August 31 (ending)	$ 4,901,571	$ 1,900,234	$ 4,067,219	$ 276,443	$ 11,145,467

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, 2025

EXHIBIT C-3

Net change in fund balances - total governmental funds	$	(4,493,806)
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. In addition, contributed capital is not reported in the funds.		7,762,936
The depreciation of capital assets used in governmental activities is not reported in the funds.		(2,281,539)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		137,820
Repayment of bond, note, lease and SBITA principal is an expenditure in the funds but is not an expense in the statement of activities.		1,097,873
Amortization of bond premiums and losses on refundings are amortized over the life of the bonds in the statement of activities and not in the funds.		94,923
Loss on the disposal of capital assets are reported as amounts received in the statement of activities but not in the funds.		(1,033,120)
The net revenue (expense) of internal service funds is reported with governmental activities.		113,902
Changes in net pension and OPEB liabilities are reported as amounts expensed in the statement of activities but not in the funds.		78,388
Compensated absences are reported as amounts expensed in the statement of activities but not in the funds.		(73,637)
Accrued interest is reported in the statement of activities but not in the funds.		4,510
Change in net position of governmental activities - statement of activities	$	1,408,250

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

INGRAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

August 31, 2025

EXHIBIT D-1

	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Cash	$ 171,885
Total current assets	171,885
Noncurrent assets:	
Capital assets:	
Buildings and improvements	$ 137,639
Depreciation on buildings	(137,639)
Furniture and equipment	1,502,092
Depreciation on furniture and equipment	(1,189,854)
Total noncurrent assets	312,238
Total assets	484,123
Liabilities:	
Current liabilities:	
Accounts payable	1,646
Accrued wages payable	21,181
Accrued expenses	403
Total current liabilities	23,230
Net position:	
Net investment in capital assets	312,238
Unrestricted net position	148,655
Total net position	$ 460,893

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, 2025

EXHIBIT D-2

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Local and intermediate sources	$ 676,720
State program revenues	34,637
Total operating revenues	711,357
Operating expenses:	
Payroll costs	525,057
Professional and contracted services	39,112
Supplies and materials	102,705
Other operating costs	17,216
Depreciation expense	63,365
Total operating expenses	747,455
Operating income (loss)	(36,098)
Income (loss) before transfers	(36,098)
Transfer in	150,000
Change in net position	113,902
Total net position - beginning	346,991
Total net position - ending	$ 460,893

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, 2025

EXHIBIT D-3

	Governmental Activities
	Internal Service Fund
Cash flows from operating activities:	
Cash received from user charges	$ 676,720
Cash payments to employees for services	(494,990)
Cash payments for suppliers	(143,353)
Cash payments for other operating expenses	(17,216)
Net cash provided (used) by operating activities	21,161
Cash flows from capital and related financing activities:	
Capital contributed by other funds	150,000
Net cash provided (used) by capital and related financing activities	150,000
Net increase (decrease) in cash and cash equivalents	171,161
Cash and cash equivalents at beginning of year	724
Cash and cash equivalents at end of year	$ 171,885
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	$ (36,098)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	63,365
Effect of increases and decreases in current assets and liabilities:	
Increase (decrease) in accounts payable	(1,447)
Increase (decrease) in accrued wages payable	(4,570)
Increase (decrease) in accrued expenses	(89)
Net cash provided (used) by operating activities	$ 21,161

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

INGRAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

August 31, 2025

EXHIBIT E-1

DATA CONTROL CODES		CUSTODIAL FUNDS
	Assets:	
1110	Cash and cash equivalents	$ 178,412
1000	Total assets	178,412
	Liabilities:	
	Current liabilities:	
2110	Accounts payable	9,222
2000	Total liabilities	9,222
	Net position:	
3000	Total net position	$ 169,190

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

INGRAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

For the year ended August 31, 2025

EXHIBIT E-2

DATA CONTROL CODES		CUSTODIAL FUNDS
	ADDITIONS	
5700	Fundraising activity	$ 270,179
	Total additions	270,179
	DEDUCTIONS	
6400	Student activities	257,707
	Total deductions	257,707
1200	Change in net position	12,472
0100	Total net position, beginning	156,718
3000	Total net position, ending	$ 169,190

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

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INGRAM INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2025

(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 System 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, basis of accounting

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.

(1) Summary of significant accounting policies (continued)

Basis of presentation, basis of accounting (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.

(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

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 its transportation operations.

Financial statement amounts

Cash and cash equivalents

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.

(1) Summary of significant accounting policies (continued)

Financial statement amounts (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 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.

Inventories and prepaids

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital assets

Capital assets, which include land, construction in progress, buildings, furniture and equipment are reported in the applicable governmental column 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 acquisition 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.

(1) Summary of significant accounting policies (continued)

Financial statement amounts (continued)

Capital assets (continued)

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

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

Receivable and payable balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of the year ended August 31, 2025.

Long-term liabilities

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.

Implementation of new accounting standard

Effective July 1, 2024, the District adopted GASB Statement No. 101 "*Compensated Absences*", which supersedes GASB Statement No. 16, "*Accounting for Compensated Absences*". Under GASB Statement No. 101, the liability for compensated absences is recognized in the government-wide financial statements (which use the economic resources measurement focus) and includes the estimated amount of unused leave amounts earned to date by employees that are more likely than not to be used or otherwise paid/settled, and leave that has been used but not paid or settled. Salary-related payments (such as payroll taxes and employer retirement contributions) that are directly and incrementally associated with the leave are also required to be included in the measurement.

(1) Summary of significant accounting policies (continued)

Financial statement amounts (continued)

Data control codes

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.

Fund balance – governmental funds

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 (such as inventory or prepaid items) or are legally required to be maintained intact (such as notes receivable or principal of a permanent fund).

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 in the general fund. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

(1) Summary of significant accounting policies (continued)

Financial statement amounts (continued)

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS'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.

Other postemployment benefits liability

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.

Deferred outflows and deferred inflows of resources

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.

Estimates

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 debt service fund budget report appears in Exhibit J-2.

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

- Prior to August 20th the District prepares a budget for the next succeeding fiscal year beginning September 1st. The operating budget includes proposed expenditures and the means of financing them.

- A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

- Prior to September 1st, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year, however, none of these were significant changes.

- Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

(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, 2025, the carrying amount of the District's deposits (cash accounts) was $5,022,961 and the bank balance was $5,338,978. The District's cash deposits at August 31, 2025 and during the year ended August 31, 2025 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, 2025, the District had $306 of cash on hand.

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

Cash and cash equivalents (continued)

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.

Lone Star Investment Pool's (the Pool) liquidity fund operates in a manner consistent with the SEC Rule 2a7 of the Investment Company Act of 1940, which allows the fund to use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the District's position in the Pool is the same as the value of the Pool's shares and does not include any unrealized gains and losses.

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.

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, 2025 is shown below:

	August 31, 2025
Cash equivalents measured at amortized cost:	
External investment pools - Lonestar	$ 7,588,910
Total cash equivalents at amortized cost	7,588,910
Cash with depository	5,022,961
Cash on hand	306
Total cash and cash equivalents	$ 12,612,177

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

Cash and cash equivalents (continued)

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.

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	$ 7,588,910	44
Total investment pools	$ 7,588,910	
Portfolio weighted average maturity		44

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

Cash and cash equivalents (continued)

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:

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

Concentration of credit risk

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

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

Interfund receivables and payables

The District had interfund receivables or payables at August 31, 2025 as follows:

	Due From	Due To
General operating fund:		
Nonmajor funds	$ 80,317	$ -
Debt service	-	519
Debt service:		
General operating fund	519	-
Nonmajor fund:		
General operating fund	-	80,317
Total	$ 80,836	$ 80,836

(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, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 1,089,941	$ 108,028	$ 150,873	$ 1,047,096
Construction in progress	7,967,495	7,466,520	7,737,596	7,696,419
Total capital assets not being depreciated	9,057,436	7,574,548	7,888,469	8,743,515
Capital assets being depreciated:				
Buildings and improvements	39,194,819	5,289,726	1,359,517	43,125,028
Furniture and equipment	9,740,313	2,636,258	-	12,376,571
Right to use lease asset	80,062	-	14,789	65,273
Right to use subscription asset	654,315	-	47,980	606,335
Total capital assets being depreciated	49,669,509	7,925,984	1,422,286	56,173,207
Less accumulated depreciation for:				
Buildings and improvements	20,211,824	1,219,411	482,276	20,948,959
Furniture and equipment	4,096,650	1,060,631	-	5,157,281
Right to use lease asset	31,386	27,257	9,783	48,860
Right to use subscription asset	493,254	37,605	47,980	482,879
Total accumulated depreciation	24,833,114	2,344,904	540,039	26,637,979
Total capital assets being depreciated, net	24,836,395	5,581,080	882,247	29,535,228
Governmental activities capital assets, net	$ 33,893,831	$ 13,155,628	$ 8,770,716	$ 38,278,743

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

Capital asset activity (continued)

Depreciation expense was charged to:

	Amount
Instruction	$ 1,386,015
Instructional resources	7,847
Curriculum	19,013
Instructional leadership	30,922
School leadership	130,656
Guidance, counseling, and evaluation services	92,966
Health services	16,838
Student (pupil) transportation	63,365
Food services	143,017
Co-curricular/extracurricular activities	164,936
General administration	148,481
Facilities maintenance and operations	53,218
Security and monitoring	50,025
Data processing	37,605
Total depreciation expense	$ 2,344,904

Bonds, notes payable, and right to use leased and subscription 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, 2025 is as follows:

	Interest Rates	Balance As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Bonds:						
2014 Building bonds	2.00-4.00%	$ 7,575,000	$ -	$ 425,000	$ 7,150,000	$ 440,000
2014 QSCB	0.00%	300,000	-	75,000	225,000	75,000
2015 Building and refunding bonds	2.00-4.00%	1,810,000	-	135,000	1,675,000	140,000
2022 Building bonds	4.00-5.00%	23,845,000	-	280,000	23,565,000	295,000
Total bonds		33,530,000	-	915,000	32,615,000	950,000
Note payables:						
2017 Maintenance tax note	2.13%	320,000	-	105,000	215,000	105,000
Total note payables		320,000	-	105,000	215,000	105,000
Total bonds and note payables		33,850,000	-	1,020,000	32,830,000	1,055,000
Other liabilities:						
Amortization of bond premium		1,676,748	-	96,116	1,580,632	-
Right to use leased asset liability		49,837	-	32,632	17,205	15,600
Right to use subscription asset liability		220,219	-	45,241	174,978	41,352
Compensated absences		1,064,544	73,637	-	1,138,181	284,545
Total other liabilities		3,011,348	73,637	173,989	2,910,996	341,497
Total governmental activities - long-term liabilities		$ 36,861,348	$ 73,637	$ 1,193,989	$ 35,740,996	$ 1,396,497

(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 Principal	Governmental Obligations Interest	Total Requirements
2026	$ 950,000	$ 1,352,900	$ 2,302,900
2027	1,000,000	1,315,650	2,315,650
2028	1,040,000	1,275,450	2,315,450
2029	1,100,000	1,233,450	2,333,450
2030	1,150,000	1,185,450	2,335,450
2031-2035	6,555,000	5,127,900	11,682,900
2036-2040	7,675,000	3,581,650	11,256,650
2041-2045	9,015,000	1,936,000	10,951,000
2046-2047	4,130,000	249,400	4,379,400
Total	$ 32,615,000	$ 17,257,850	$ 49,872,850

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, 2025.

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,	Principal	Interest	Total Requirements
2026	$ 105,000	$ 4,580	$ 109,580
2027	110,000	2,148	112,148
Total	$ 215,000	$ 6,728	$ 221,728

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 and subscription asset liability

The District was obligated under right to use lease for several photocopiers and postage machines. The photocopiers were leased for various District offices and campuses for a term of 3 years at an interest rate of 11%. The postage machines were leased for a term of 5 years at an interest rate of 11%. These leases are not renewable and the District will not acquire the assets at the end of the lease term.

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

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

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

Year Ended	Governmental Obligations		Total
August 31,	Principal	Interest	Requirements
2026	$ 15,600	$ 405	$ 16,005
2027	1,605	10	1,615
Total	$ 17,205	$ 415	$ 17,620

The District entered into several subscription-based information technology arrangements for software. The terms of the arrangements ranged from 36 to 156 months and interest rates from 1.55% - 4.51%. Future minimum payments on these right to use subscription assets are as follows:

Year Ended	Governmental Obligations		Total
August 31,	Principal	Interest	Requirements
2026	$ 41,352	$ 407	$ 41,759
2027	42,910	311	43,221
2028	44,523	211	44,734
2029	46,193	107	46,300
2030	-	-	-
Total	$ 174,978	$ 1,036	$ 176,014

(4) Defined benefit pension plan

Plan description

The District participates in a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension’s Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

(4) Defined benefit pension plan

Pension plan fiduciary net position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at attention Finance Division, Post Office Box 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

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 under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-time stipends

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time $7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time $2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-living adjustment

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

(4) Defined benefit pension plan (continued)

Benefits provided (continued)

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS 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.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025. Contribution rates can be found in the TRS 2024 ACFR, Note 11, on page 87.

Contribution Rates	2025	2024
Member (employees)	8.25%	8.00 - 8.25%
Non-employer contributing entity (State of Texas)	8.25%	8.00%
Employer (District)	8.25%	8.00%
Contributions		
Member (employees)	$ 952,325	$ 917,558
Non-employer contributing entity (State of Texas)	817,201	701,420
Employer (District)	508,233	489,481

Contributors to the plan include active members, employers, and the State of Texas as the only non-employer contributing entity. The State is also the employer for senior colleges and universities, medical schools, and other entities, 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 schools, junior colleges, other entities, or the State of Texas as the employer for senior colleges, universities and medical schools) are required to pay the employer contribution rate in the following instances:

(4) Defined benefit pension plan (continued)

Contributions (continued)

- 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 sources, 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:

- All public schools, charter schools, and regional educational service centers must contribute 1.9% of the member's salary beginning in fiscal year 2024, gradually increasing to 2% in fiscal year 2025.
- 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.

Actuarial assumptions

The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2023 rolled forward to August 31, 2024
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate of return*	3.87%-The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders
Last year ending August 31 in the projection period (100 years)	2123
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%, including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions, please see the actuarial valuation reported dated November 21, 2023.

(4) Defined benefit pension plan (continued)

Discount rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024 are summarized below:

Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Contributions To Long-Term Portfolio Returns
Global Equity			
U.S.	18.0%	4.4%	1.00%
Non-U.S. Developed	13.0%	4.2%	0.80%
Emerging Markets	9.0%	5.2%	0.70%
Private Equity	14.0%	6.7%	1.20%
Stable Value			
Government Bonds	16.0%	1.9%	0.40%
Absolute Return	0.0%	4.0%	0.00%
Stable Value Hedge Funds	5.0%	3.0%	0.20%
Real Return			
Real Assets	15.0%	6.6%	1.20%
Energy and Natural Resources	6.0%	5.6%	0.40%
Commodities	0.0%	2.5%	0.00%
Risk Parity			
Risk Parity	8.0%	4.0%	0.40%
Leverage			
Cash	2.0%	1.0%	0.00%
Asset Allocation Leverage	-6.0%	1.3%	-0.10%
Inflation Expectation			2.40%
Volatility Drag ****			-0.90%
TOTAL	100%		7.70%

* Absolute return includes credit sensitive investments.
** Target allocations are based on the FY2024 policy model.
*** Capital market assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).
**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

(4) Defined benefit pension plan (continued)

Discount rate sensitivity analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (7.00%) in measuring the net pension liability:

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Proportionate share of the net pension liability	$ 8,474,555	$ 5,305,705	$ 3,510,380

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

At August 31, 2025, the District reported a liability of $5,305,705 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	$	5,305,705
State's proportionate share of the net pension liability associated with the District		6,548,173
Total pension liability	$	11,853,878

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2023 thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net pension liability was 0.0086858905% which was an increase of 0.000558591% from its proportion measured as of August 31, 2023.

Changes since the prior actuarial valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

(4) Defined benefit pension plan (continued)

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

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For the year ended August 31, 2025, the District recognized pension expense of $782,616 and revenue of $604,105 for support provided by the State.

At August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	$ 292,443	$ 41,424
Changes in actuarial assumptions	273,945	36,727
Differences between projected and actual investment earnings	32,251	-
Changes in proportion and differences between the District's contributions and the proporionate share of contributions	639,488	39,427
Contributions paid to TRS subsequent to the measurement date	508,232	-
Total as of fiscal year end	$ 1,746,359	$ 117,578

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
2025	$ 187,648
2026	729,271
2027	206,136
2028	(53,682)
2029	51,176
Thereafter	-
	$ 1,120,549

(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.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

OPEB plan fiduciary net position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at http://www.trs.texas.gov/Pages/about publications.aspx; by writing to TRS at Post Office Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Benefits provided

TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic postemployment benefit changes; including automatic COLAs.

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

TRS-Care Monthly Premuim Rates		
	Medicare	Non-Medicare
Retiree*	$ 135	$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

(5) Defined other postemployment benefit plans (continued)

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions, and contributions from the state, active employees, and participating employers are based on active employee compensation. The TRS Board does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2025. The following table shows contributions to the TRS-Care plan by type of contributor.

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

Contribution Rates

Contribution Rates	**2025**	**2024**
Active employee	0.65%	0.65%
Non-employer contributing entity (State of Texas)	1.25%	1.25%
Employer (District)	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%
Contributions		
District contributions	$ 104,133	$ 96,156
Member contributions	75,032	67,895
NECE on-behalf contributions	123,818	106,669

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether they participate in the TRS-Care OPEB program). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of $535 per retiree.

(5) Defined other postemployment benefit plans (continued)

Actuarial assumptions

The actuarial valuation was performed as of August 31, 2023. Updated procedures were used to roll forward the total OPEB liability to August 31, 2024. 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. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. 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, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Rates of disability

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Additional actuarial methods and assumptions:

Valuation date	August 31, 2023 rolled forward to August 31, 2024
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	3.87% as of August 31, 2024
Amortization method and year	Level % of payroll - 30 years
Aging factors	Based on the Society of Actuaries' 2013 study
Expenses	"Health Care Costs - From Birth to Death" Third-party administrative expenses related to the delivery of health care benefits are included in age-adjusted claims costs
Salary increases	2.95% to 8.95%, including inflation
Healthcare trend rates	4.25% - 6.50%
Election rates	Normal retirement: 62% participation prior to age 65 and 25% after age 65, 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc postemployment benefit change	None

(5) Defined other postemployment benefit plans (continued)

Discount rate

A single discount rate of 3.87 percent was used to measure the total OPEB liability. There was a decrease of 0.26% in the discount rate since the previous year.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Bond Buyer's "20-Bond Index" as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount rate sensitivity analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (3.87%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the net OPEB liability	$ 4,112,333	$ 3,461,423	$ 2,935,479

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

At August 31, 2025, the District reported a liability of $3,461,423 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Distrtict's proportionate share of the net OPEB liability	$ 3,461,423
State's proportionate share of the net OPEB liability associated with the District	4,337,116
Total	$ 7,798,539

The net OPEB liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2025 the employer's proportion of the collective total OPEB liability was 0.011404%% which was an increase of 0.000320% from its proportion measured as of August 31, 2024.

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the net OPEB liability	$ 2,818,815	$ 3,461,423	$ 4,298,805

Changes since the prior actuarial valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability (TOL) since the prior measurement period:

- The single discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The table used to model the impact of aging on the underlying claims were revised.

Changes in benefit terms since the prior measurement date

There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was $310,458.

For the year ended August 31, 2025, the District recognized OPEB expense of $(563,745) and revenue of $129,799 for support provided by the State.

At August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources: (The amounts shown below will be the cumulative layers for the current and prior years combined.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	$ 663,439	$ 1,727,438
Changes in actuarial assumptions	443,021	1,129,422
Differences between projected and actual investment earnings	-	9,693
Changes in proportion and differences between the District's contributions and the proporionate share of contributions	877,476	267,882
Contributions paid to TRS subsequent ot the measurement date	104,133	-
Total as of fiscal year end	$ 2,088,069	$ 3,134,435

(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
2025	$ (478,188)
2026	(321,416)
2027	(264,497)
2028	(210,425)
2029	(65,880)
Thereafter	189,907
Total	$ (1,150,499)

(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, 2025, 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	$ 1,807	$ 1,886,494	$ 46,310	$ 1,934,611
Nonmajor fund	-	-	166,739	166,739
Total	$ 1,807	$ 1,886,494	$ 213,049	$ 2,101,350

(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	Capital Projects Fund	Special Revenue Fund	Internal Service Fund	Total
Property taxes	$ 5,558,329	$ 2,158,465	$ -	$ -	$ -	$ 7,716,794
Penalties and interest	61,558	22,375	-	-	-	83,933
Tuition and fees	208,181	-	-	-	-	208,181
Investment income	238,114	122,718	315,317	-	-	676,149
Donations	52,500	-	-	-	-	52,500
Food sales	51,935	-	-	-	-	51,935
Co-curricular activities	34,147	-	-	222,310	-	256,457
Other	84,826	-	-	-	676,720	761,546
Total	$ 6,289,590	$ 2,303,558	$ 315,317	$ 222,310	$ 676,720	$ 9,807,495

(8) Litigation

At August 31, 2025, 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, 2025 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, 2025, Ingram Independent School District 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.

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, 2025, 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 2025, 2024 and 2023 were \$76,841, \$56,228, and \$54,360 respectively.

(12) Net position deficit

At August 31, 2025, the District has a deficit unrestricted net position in the government-wide statement of net position of \$3,925,335. 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 \$8,184,713 in accordance with GASB Statement No. 68 and No. 75.

(13) Restatement of net position

Effective September 1, 2024, the District adopted and implemented GASB Statement No. 101 *"Compensated Absences"*. This statement changes the measurement of the compensated absences payable reported as of August 31, 2025. As such, the governmental activities in the government wide statement of net position has been restated. The reconciliation is as follows:

	Governmental Activities
Beginning net position	$ 5,543,631
Change in accounting principle - GASB 101	(805,355)
Beginning net position, as restated	$ 4,738,276

(14) Extraordinary item – insurance proceeds

In July 2024 and July 2025, floods significantly damaged the athletic track and the District's Central Administration Office, respectively. The insurance proceeds of $2,596,611 ($2,000,000 for the central office and $596,611 for the athletic track damage) were received and recognized as an extraordinary item in the general fund during the fiscal year end August 31, 2025.

(15) Special item – loss on disposal

During the year ended August 31, 2025, the District disposed of various fixed assets that resulted in a net loss on disposal of $961,221 as reported in the statement of activities. A significant portion of this loss was due to the July floods that damaged the central administration building.

(16) Evaluation of subsequent events

Subsequent events are evaluated by the District's management through January 29, 2026, the date which the financial statements were available to be issued. Subsequent to August 31, 2025, the District issued Maintenance Tax Notes, Series 2025 in the amount of $3,845,000 intended to be used for repairing, renovating, rehabilitating, maintaining, and equipping existing school facilities, and demolishing certain existing facilities that pose a danger to the public, and paying costs of issuing the notes.

INGRAM ISD

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 ISD

INGRAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND

For the year ended August 31, 2025

EXHIBIT G-1

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	Revenues:				
5700	Local and intermediate sources	$ 6,592,153	$ 10,231,625	$ 6,289,590	$ (3,942,035)
5800	State program revenues	9,377,294	10,285,307	11,084,018	798,711
5900	Federal program revenues	1,081,500	1,190,066	1,002,873	(187,193)
5020	Total revenues	17,050,947	21,706,998	18,376,481	(3,330,517)
	Expenditures:				
	Current:				
0011	Instruction	8,911,067	9,282,667	9,270,208	12,459
0012	Instructional resources and media services	12,700	12,700	9,945	2,755
0013	Curriculum and instructional staff development	198,522	169,000	136,186	32,814
0021	Instructional leadership	212,258	237,258	217,863	19,395
0023	School leadership	881,375	956,000	948,897	7,103
0031	Guidance, counseling, and evaluation services	546,104	661,414	653,985	7,429
0033	Health services	120,109	124,109	122,284	1,825
0034	Student (pupil) transportation	500,000	500,000	500,000	-
0035	Child nutrition	1,132,152	1,087,169	1,038,668	48,501
0036	Extracurricular activities	737,105	787,105	779,799	7,306
0041	General administrative	955,374	1,095,374	1,063,431	31,943
0051	Facilities maintenance and operations	2,021,771	2,911,661	2,898,367	13,294
0052	Security and monitoring services	327,218	345,218	328,996	16,222
0053	Data processing services	428,754	388,754	363,306	25,448
	Debt service:				
0071	Principal on long-term debt	105,000	205,000	182,873	22,127
0072	Interest on long-term debt	7,900	7,900	9,251	(1,351)
	Capital outlay:				
0081	Facilities acquisition and construction	-	2,299,110	2,135,384	163,726
	Intergovernmental:				
0099	Other intergovernmental charges	148,000	148,000	136,127	11,873
6030	Total expenditures	17,245,409	21,218,439	20,795,570	422,869
1100	Excess (deficiency) of revenues over (under) expenditures	(194,462)	488,559	(2,419,089)	(2,907,648)
	Other financing sources (uses):				
7912	Sale of real or personal property	-	-	71,899	71,899
8915	Transfers out (use)	-	-	(150,000)	(150,000)
7080	Total other financing sources (uses)	-	-	(78,101)	(78,101)
7919	Extraordinary item - insurance proceeds	-	-	2,596,611	2,596,611
1200	Net change in fund balance	(194,462)	488,559	99,421	(389,138)
0100	Fund balance - beginning	4,802,150	4,802,150	4,802,150	-
3000	Fund balance - ending	$ 4,607,688	$ 5,290,709	$ 4,901,571	$ (389,138)

INGRAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS

LAST 10 PLAN YEARS

	FOR THE PLAN YEAR ENDED AUGUST 31,			
	2024	2023	2022	2021
District's proportion of the net pension liability	0.0086859%	0.0081273%	0.0075593%	0.0065821%
District's proportionate share of net pension liability	$ 5,305,705	$ 5,582,668	$ 4,485,760	$ 1,676,220
State's proportionate share of the net pension liability associated with the District	6,548,173	7,574,734	6,852,112	3,048,489
Total	$ 11,853,878	$ 13,157,402	$ 11,337,872	$ 4,724,709
District's covered payroll	$ 11,121,912	$ 10,445,246	$ 9,755,286	$ 8,854,725
District's proportionate share of the net pension liability as a percentage of its covered payroll	47.70%	53.45%	45.98%	18.93%
Plan fiduciary net position as a percentage of the total net pension liability	77.51%	73.15%	75.62%	88.79%

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: Ten 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".

EXHIBIT G-2

FOR THE PLAN YEAR ENDED AUGUST 31,					
2020	2019	2018	2017	2016	2015
0.0065366%	0.0069759%	0.0059625%	0.0067247%	0.0064876%	0.006045100%
$ 3,500,871	$ 3,626,292	$ 3,281,912	$ 2,150,183	$ 2,451,550	$ 2,136,862
6,370,527	5,383,110	5,815,977	3,624,324	4,342,812	4,231,887
$ 9,871,398	$ 9,009,402	$ 9,097,889	$ 5,774,507	$ 6,794,362	$ 6,368,749
$ 9,448,330	$ 7,426,115	$ 7,071,394	$ 7,041,648	$ 6,922,072	$ 6,554,897
37.05%	48.83%	46.41%	30.54%	35.42%	32.60%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

INGRAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS

LAST 10 FISCAL YEARS

	FOR THE FISCAL YEAR ENDED AUGUST 31,			
	2025	2024	2023	2022
Contractually required contribution	$ 508,233	$ 489,481	$ 417,862	$ 350,168
Contribution in relation to the contractually required contribution	(508,233)	(489,481)	(417,862)	(350,168)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,543,332	$ 11,121,912	$ 10,445,246	$ 9,755,286
Contribution as a percentage of covered payroll	4.40%	4.40%	4.00%	3.59%

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: Ten 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".

EXHIBIT G-3

FOR THE FISCAL YEAR ENDED AUGUST 31,					
2021	2020	2019	2018	2017	2016
$ 281,151	$ 269,702	$ 238,665	$ 200,862	$ 220,905	$ 206,126
(281,151)	(269,702)	(238,665)	(200,862)	(220,905)	(206,126)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,854,725	$ 9,448,330	$ 7,426,115	$ 7,071,394	$ 7,041,648	$ 6,922,072
3.18%	2.85%	3.21%	2.84%	3.14% 0	2.98%

INGRAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS

LAST 10 PLAN YEARS

	FOR THE PLAN YEAR ENDED AUGUST 31,		
	2024	2023	2022
District's proportion of the net liability for other postemployment benefits	0.0114%	0.0111%	0.0106%
District's proportionate share of net other postemployment benefit liability	$ 3,461,423	$ 2,453,761	$ 2,549,226
State's proportionate share of the net other postemployment benefit liability associated with the District	4,337,116	2,960,840	3,109,655
Total	$ 7,798,539	$ 5,414,601	$ 5,658,881
District's covered payroll	$ 11,121,912	$ 10,445,246	$ 9,755,286
District's proportionate share of the net other postemployment benefit liability as a percentage of covered payroll	31.12%	23.49%	26.13%
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	13.70%	14.94%	11.52%

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 eight years for which this information is available. Additional information will be added until 10 years of data are available and reported.

EXHIBIT G-4

FOR THE PLAN YEAR ENDED AUGUST 31,				
2021	2020	2019	2018	2017
0.0094%	0.0095%	0.0096%	0.0093%	0.0109%
$ 3,645,240	$ 3,604,045	$ 4,539,062	$ 4,639,760	$ 4,740,819
4,883,809	4,842,973	6,031,399	5,754,227	5,388,109
$ 8,529,049	$ 8,447,018	$ 10,570,461	$ 10,393,987	$ 10,128,928
$ 8,854,725	$ 9,448,330	$ 7,426,115	$ 7,071,394	$ 7,041,648
41.17%	38.14%	61.12%	65.61%	67.33%
6.18%	4.99%	2.66%	1.57%	0.91%

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 FISCAL YEAR ENDED AUGUST 31,		
	2025	2024	2023
Contractually required contribution	$ 104,133	$ 103,592	$ 96,156
Contribution in relation to the contractually required contribution	(104,133)	(103,592)	(96,156)
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 11,543,332	$ 11,121,912	$ 10,445,246
Contribution as a percentage of covered payroll	0.90%	0.93%	0.92%

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

EXHIBIT G-5

FOR THE FISCAL YEAR ENDED AUGUST 31,				
2022	2021	2020	2019	2018
$ 87,056	$ 73,869	$ 72,060	$ 66,879	$ 64,104
(87,056)	(73,869)	(72,060)	(66,879)	(64,104)
$ -	$ -	$ -	$ -	$ -
$ 9,755,286	$ 8,854,725	$ 9,448,330	$ 7,426,115	$ 7,071,394
0.89%	0.83%	0.76%	0.90%	0.91%

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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, 2025

		SPECIAL			
Data Control Codes		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	67,137	84,259	-	-
1000	Total assets	$ 67,137	$ 84,259	$ -	$ -
	Liabilities				
2110	Accounts payable	$ 21,705	$ 1,444	$ -	$ -
2160	Accrued wages payable	19,530	30,735	-	-
2170	Due to other funds	23,623	48,485	-	-
2200	Accrued expenditures	2,279	3,595	-	-
2000	Total liabilities	67,137	84,259	-	-
	Restricted fund balance:				
3490	Other restrictions of fund balance	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	Total liabilities and fund balances	$ 67,137	$ 84,259	$ -	$ -

EXHIBIT H-1

REVENUE FUNDS					
255 ESEA II, A Training and Recruiting	263 English Language Enhancement	287 LEP Summer School	289 Title IV Grant	385 Visually Impaired SSVI	410 State Textbook Fund
$ -	$ -	$ -	$ -	$ -	$ -
11,022	-	-	2,595	-	-
$ 11,022	$ -	$ -	$ 2,595	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -
4,065	-	-	2,595	-	-
6,483	-	-	-	-	-
474	-	-	-	-	-
11,022	-	-	2,595	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 11,022	$ -	$ -	$ 2,595	$ -	$ -

(continued)

INGRAM INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

August 31, 2025

EXHIBIT H-1

		SPECIAL REVENUE FUNDS			
Data Control Codes		424 TCLAS Grant	428 Blended Learning Grant	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
	Assets				
1110	Cash and cash equivalents	$ -	$ -	$ 283,649	$ 283,649
1240	Receivables from other governments	-	1,726	-	166,739
1000	Total assets	$ -	$ 1,726	$ 283,649	$ 450,388
	Liabilities				
2110	Accounts payable	$ -	$ -	$ 7,206	$ 30,355
2160	Accrued wages payable	-	-	-	56,925
2170	Due to other funds	-	1,726	-	80,317
2200	Accrued expenditures	-	-	-	6,348
2000	Total liabilities	-	1,726	7,206	173,945
	Restricted fund balance:				
3490	Other restrictions of fund balance	-	-	276,443	276,443
3000	Total fund balances	-	-	276,443	276,443
4000	Total liabilities and fund balances	$ -	$ 1,726	$ 283,649	$ 450,388

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INGRAM INDEPENDENT SCHOOL DISTRICT

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

For the year ended August 31, 2025

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	259,681	319,876	4,519	1,898
5020	Total revenues	259,681	319,876	4,519	1,898
	Expenditures				
	Current:				
0011	Instruction	212,636	291,981	4,519	-
0012	Instructional resources and media services	47,045	-	-	-
0013	Curriculum and staff development	-	-	-	1,898
0021	Instructional leadership	-	6,710	-	-
0031	Guidance, counseling, and evaluation services	-	21,185	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
6030	Total expenditures	259,681	319,876	4,519	1,898
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
0100	Fund balance - beginning	-	-	-	-
3000	Fund balance - ending	$ -	$ -	$ -	$ -

EXHIBIT H-2

REVENUE FUNDS					
255 ESEA II, A Training and Recruiting	263 English Language Enhancement	287 LEP Summer School	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	410 State Textbook Fund
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	3,916	20,578
50,786	2,968	2,727	22,268	-	-
50,786	2,968	2,727	22,268	3,916	20,578
50,786	2,968	2,727	22,268	3,916	20,578
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,786	2,968	2,727	22,268	3,916	20,578
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

(continued)

INGRAM INDEPENDENT SCHOOL DISTRICT

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

For the year ended August 31, 2025

EXHIBIT H-2

Data Control Codes		SPECIAL REVENUE FUNDS 424 TCLAS Grant	428 Blended Learning Grant	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
	Revenues				
5700	Local and intermediate sources	$ -	$ -	$ 222,310	$ 222,310
5800	State program revenues	-	57,500	-	81,994
5900	Federal program revenues	-	-	-	664,723
5020	Total revenues	-	57,500	222,310	969,027
	Expenditures				
	Current:				
0011	Instruction	350	-	-	612,729
0012	Instructional resources and media services	-	-	-	47,045
0013	Curriculum and staff development	-	-	-	1,898
0021	Instructional leadership	-	-	-	6,710
0031	Guidance, counseling, and evaluation services	-	-	-	21,185
0036	Extracurricular activities	-	-	160,348	160,348
0052	Security and monitoring services	-	57,500	-	57,500
6030	Total expenditures	350	57,500	160,348	907,415
1100	Excess (deficiency) of revenues over (under) expenditures	(350)	-	61,962	61,612
0100	Fund balance - beginning	350	-	214,481	214,831
3000	Fund balance - ending	$ -	$ -	$ 276,443	$ 276,443

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INGRAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the year ended August 31, 2025

	(1)	(2)	(3)
Year Ended August 31,	Tax Rates Maintenance	Debt Service	Assessed/Appraised Value for School Tax Purposes
2016 and prior years	Various	Various	Various
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	0.872000	0.170000	728,060,026
2023	0.854600	0.280000	807,707,738
2024	0.673700	0.280000	814,610,775
2025 (school year under audit)	0.666900	0.260000	851,578,380
1000 Totals			
8000 Total taxes refunded under Section 26.115, Tax Code			

EXHIBIT J-1

(10) Beginning Balance 9/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2025
$ 66,259	$ -	$ 322	$ 35	$ (1,828)	$ 64,074
14,873	-	86	18	(422)	14,347
16,487	-	1,507	297	(419)	14,264
17,410	-	2,129	420	-	14,861
26,015	-	8,000	1,690	5,604	21,929
28,873	-	7,980	1,531	6,138	25,500
35,986	-	10,464	2,026	6,137	29,633
61,634	-	8,809	2,847	2,047	52,025
145,232	-	29,373	12,144	(11,339)	92,376
-	7,893,280	5,489,659	2,137,457	(43,192)	222,972
$ 412,769	$ 7,893,280	$ 5,558,329	$ 2,158,465	$ (37,274)	$ 551,981
		$ 85,826	$ 33,758		

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, 2025

EXHIBIT J-2

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
	Revenues				
5700	Local and intermediate sources	$ 1,967,251	$ 1,967,251	$ 2,303,558	$ 336,307
5800	State program revenues	414,096	414,096	330,547	(83,549)
5020	Total revenues	2,381,347	2,381,347	2,634,105	252,758
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	920,000	920,000	915,000	5,000
0072	Interest on long-term debt	1,388,625	1,388,625	1,388,625	-
0073	Bond issuance costs and fees	-	-	2,250	(2,250)
	Total debt service	2,308,625	2,308,625	2,305,875	2,750
6030	Total expenditures	2,308,625	2,308,625	2,305,875	2,750
1100	Excess (deficiency) of revenues over (under) expenditures	72,722	72,722	328,230	255,508
0100	Fund balance - beginning	1,572,004	1,572,004	1,572,004	-
3000	Fund balance - ending	$ 1,644,726	$ 1,644,726	$ 1,900,234	$ 255,508

INGRAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CHILD NUTRITION FUND

For the year ended August 31, 2025

EXHIBIT J-3

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
	Revenues				
5700	Local and intermediate sources	$ 55,000	$ 55,000	$ 51,935	$ (3,065)
5800	State program revenues	51,652	5,669	5,633	(36)
5900	Federal program revenues	1,025,500	1,025,500	838,307	(187,193)
5020	Total revenues	1,132,152	1,086,169	895,875	(190,294)
	Expenditures				
0035	Food services	1,132,152	1,086,169	1,038,065	48,104
6030	Total expenditures	1,132,152	1,086,169	1,038,065	48,104
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	(142,190)	(142,190)
0100	Fund balance - beginning	282,297	282,297	282,297	-
3000	Fund balance - ending	$ 282,297	$ 282,297	$ 140,107	$ (142,190)

INGRAM INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS – SELECT STATE ALLOTMENT PROGRAMS

For the year ended August 31, 2025

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.	$1,279,882
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)	$1,025,042

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.	$129,683
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	$164,233

FEDERAL AWARDS SECTION

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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, 2025, 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 29, 2026.

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.

7330 San Pedro Ave | Suite 901 | San Antonio, TX 78216 | (210) 341-2581 | Fax: (210) 341-2588 | abipcpa.com

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 29, 2026

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, 2025. 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, 2025.

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 Independent 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.

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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 29, 2026

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INGRAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended August 31, 2025

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

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
10.553 / 10.555	Child Nutrition Cluster

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, 2025

None

INGRAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended August 31, 2025

EXHIBIT K-1

(1) Federal Grantor / Pass-Through Grantor/ Program or Cluster Title	(2) Federal Assistance Listing Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	25610101133904	$ 210,168
ESEA Title I, Part A - Improving Basic Programs	84.010A	26610101133904	49,513
Total Assistance Listing Number 84.010A			259,681
IDEA - Part B, Formula *	84.027A	246600011339046600	285,547
IDEA - Part B, Formula *	84.027A	256600011339046600	34,329
Total Assistance Listing Number 84.027			319,876
IDEA - Part B, Preschool *	84.173A	246610011339046610	4,519
Total Special Education Cluster (IDEA B)			324,395
ESEA Title IV, Part A	84.424A	25680101133904	19,673
ESEA Title IV, Part A	84.424A	26680101133904	2,595
Total Assistance Listing Number 84.424A			22,268
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	25694501133904	46,248
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	26694501133904	4,538
Total Assistance Listing Number 84.367A			50,786
LEP Summer School	84.369A	22-69552002	2,727
Total passed through State Department of Education			659,857
Passed through the Education Service Center, Region 20:			
Career and Technical - Basic Grant	84.048A	24420006027904	1,898
Title III, Part A - ELA and Language Enhancement	84.365A	24671001052901	2,968
Total passed through Education Service Center, Region 20			4,866
TOTAL U.S. DEPARTMENT OF EDUCATION			664,723
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Agriculture			
School Breakfast Program *	10.553	133-904	284,593
National School Lunch Program-cash assistance *	10.555	133-904	501,524
National School Lunch Program-non-cash assistance *	10.555	133-904	52,190
Total Assistance Listing Number 10.555			553,714
Total Child Nutrition Cluster			838,307
TOTAL U.S. DEPARTMENT OF AGRICULTURE			838,307
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,503,030

INGRAM INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended August 31, 2025

Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Ingram Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of, the basic financial statements.

Note 1

A total of $1,503,030 is included in the schedule of expenditure of federal awards and is recorded in the general fund, of which $164,566 is SHARS.

Federal awards reconciliation

Total expenditures from schedule of federal awards	$	1,503,030
School Health and Related Services (SHARS)		164,566
TOTAL FEDERAL REVENUE PER EXHIBIT C-3	$	1,667,596

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. Generally, unused balances are returned to the grantor at the close of specified project periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using the current financial resource measurement focus. All federal grant funds were accounted for in the special revenue funds, a component of the governmental fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balances.

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 long-term debt, which is recognized when due, and certain compensated absences and claims and judgements, 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.

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 $53,870 for the year ended August 31, 2025.

INGRAM INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended August 31, 2025

Note 1 (continued)

The District participates in numerous state and federal grant programs that 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 or any money received may be required and the collectability of any related receivable at August 31, 2025, 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 provisions have been recorded in the accompanying combined financial statements for such contingencies.

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% deminimis 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, 2025

EXHIBIT L-1

DATA CONTROL CODES		RESPONSES
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 it website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutues, 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.	$ -