

CITY OF INGRAM, TEXAS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

CITY OF INGRAM, TEXAS

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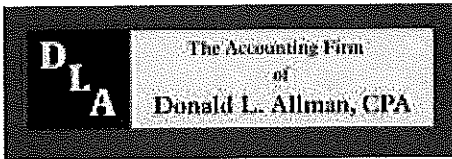
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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Ingram, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ingram, Texas as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Ingram, Texas' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ingram, Texas, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 City of Ingram, Texas 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.

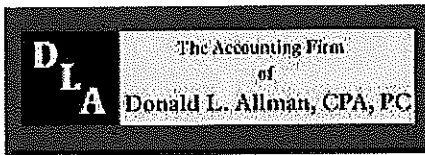
Responsibilities of Management for the Financial Statements

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 City of Ingram, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 judgment made by a reasonable user based on the financial statements.



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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT (Continued)

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 City of Ingram, Texas' 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 City of Ingram, Texas' ability to continue as a going concern for a reasonable period of time.

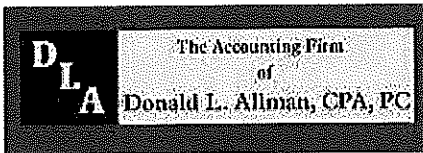
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 11 and 39 - 40 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 City of Ingram, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 financial statements 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.



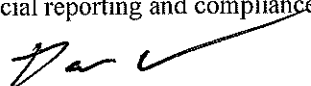
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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2026, on our consideration of the City of Ingram, Texas' 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 the City of Ingram, Texas' 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 City of Ingram, Texas' internal control over financial reporting and compliance.


Donald L. Allman, CPA, PC

Liberty Hill, TX
September 15, 2026

MEMBER TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS & AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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Management's Discussion and Analysis City of Ingram, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Ingram's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the independent Auditors' Report on page 1, and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's government-wide net position increased by \$769,524 as a result of the year's operations.
- The City's business-type activities net position increased by \$93,297 as a result of this year's operations. The City's general fund activities net position increased by \$676,227 as a result of this year's operations.
- Total revenues from all sources were \$3,041,563, a decrease of \$(520,239) from the prior year. This was primarily due to decreases in grant income.
- During the year, the City's cost of all programs was \$2,272,039 which represents a decrease of \$(161,518) from the prior year.
- At September 30, 2025, the City's governmental funds reported an ending balance of \$1,342,761 which represents an increase of \$300,773 from the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position (on page 9). These provide information about the activities of the City as a whole and present a longer-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 12) report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. For governmental activities, these statements tell how services were financed in short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and appropriations budget. Proprietary statements provide the same type of information as the government-wide financial statements, only in more detail.

The notes to the financial statements (starting on page 19) provide narrative explanations or additional data needed for full disclosure in the government-wide statements and the fund financial statements.

Management's Discussion and Analysis City of Ingram, Texas

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the City's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the City is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These statements are presented using the accrual basis of accounting, which means that all of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the City's net position and changes in them. The City's net position (the difference between assets and liabilities) provide one measure of the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider non financial factors as well, such as changes in property tax base and condition of the City's facilities.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities.

Governmental activities – Most of the City's basic services are reported here, including police, and general government. Property taxes, sales taxes, and franchise fees finance most of these activities.

Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sewer system activity are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. The City's two kinds of funds – governmental and proprietary – utilize different accounting approaches.

Management's Discussion and Analysis

City of Ingram, Texas

Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the city's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions.

Proprietary funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in Statement of Net Position and the Statement of Activities. In fact, The City's enterprise funds are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was \$11,701,179 of September 30, 2025. When analyzing the net position and net expenses of governmental and business-type activities separately, the business type activities net position is \$9,010,533. The analysis focuses on net position (Table I) and general revenues and significant expenses of the City's governmental and business-type activities (Table II).

**Management's Discussion and Analysis
City of Ingram, Texas**

Table I

NET POSITION

	Governmental Activities		Business-type Activities		Total Government	Primary
	2025	2024	2025	2024	2025	2024
Current and other assets	1,435,530	1,163,835	1,011,844	906,303	2,447,374	2,070,138
Noncurrent and capital assets	1,523,644	1,117,354	10,424,643	10,564,819	11,948,287	11,682,173
Total Assets	2,959,174	2,281,189	11,436,487	11,471,122	14,395,661	13,752,311
Deferred Outflows of Resources	135,165	156,324	15,773	15,773	150,938	172,097
Current Liabilities	33,460	69,581	69,389	108,321	102,849	177,902
Long-term Liabilities	57,181	72,038	2,348,000	2,437,000	2,405,181	2,509,038
Total Liabilities	90,641	141,619	2,417,389	2,545,321	2,508,030	2,686,940
Deferred Inflows of Resources	313,052	281,475	24,338	24,338	337,390	305,813
Net Position:						
Net Investment in Capital Assets	1,466,463	1,045,316	8,076,643	8,127,819	9,543,106	9,173,135
Restricted for:						
Special Purpose	-	-			-	-
Debt Service	19,997	19,998	140,300	140,779	160,297	160,777
Unrestricted	1,204,186	949,105	793,590	648,638	1,997,776	1,597,743
Total Net Position	\$2,690,646	\$2,014,419	\$9,010,533	\$8,917,236	\$11,701,179	\$10,931,655

**Management's Discussion and Analysis
City of Ingram, Texas**

**Table II
CHANGE IN NET POSITION**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for Services	\$35,715	52,471	\$558,369	\$588,498	\$594,084	\$640,969
Fines & forfeitures	65,505	\$109,428			65,505	\$109,428
Operating grants and contributions	326,029	41,581	261,711	1,055,420	587,740	\$1,097,001
General Revenues:						
Property tax	657,195	634,933			657,195	\$634,933
Sales & other taxes	1,003,971	847,499			1,003,971	\$847,499
Franchise fees	98,512	91,744			98,512	\$91,744
Investment earnings	31,529	19,433	950	210	32,479	\$19,643
Miscellaneous	2,077	120,585	0	0	2,077	\$120,585
Transfers	0	0	0	0	0	\$0
Total Revenue	2,220,533	1,917,674	821,030	1,644,128	3,041,563	3,561,802
Expenses:						
General government	509,036	587,269			509,036	587,269
Public Safety	713,979	773,961			713,979	773,961
Court Expenses	99,001	85,216			99,001	85,216
Public Works	211,435	307,909			211,435	307,909
Hotel/Tourism	5,715	-			5,715	-
Interest on long-term debt	5,140	5,917	51,779	53,228	56,919	59,145
Water and Sewer	-		675,954	620,057	675,954	620,057
Total Expenses	1,544,306	1,760,272	727,733	673,285	2,272,039	2,433,557
Change in net position	676,227	157,402	93,297	970,843	769,524	1,128,245
Net position - beginning	2,014,419	1,857,017	8,917,236	7,946,393	10,931,655	9,803,410
Net position - ending	2,690,646	2,014,419	9,010,533	8,917,236	11,701,179	10,931,655

Management's Discussion and Analysis City of Ingram, Texas

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

A large portion of the City's net position (82%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (1%) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position*, \$1,997,776 or 17%, may be used to meet the government's ongoing obligations to citizens and suppliers.

For the fiscal year 2025, revenues from governmental activities totaled \$2,220,533. Property taxes and sales taxes are the largest components of revenues 75%.

For fiscal year 2025, expenses for governmental activities totaled \$1,544,306. The City's two largest funded programs are public safety and general government.

Revenues of the city's business-type activities were \$821,030 for the fiscal year ending September 30, 2025. Expenses for the City's business-type activities were \$727,733. The City's largest expenses are wastewater treatment and depreciation.

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$1,342,761 which is more than last year's total of \$1,041,988.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the city has invested \$10,424,643 in capital assets, including equipment and land. This amount represents a net decrease of \$(140,176) due to current year additions and depreciation.

	Governmental Activities		Business-Type Activities	
	Year Ended		Year Ended	
	9/30/2025	9/30/2024	9/30/2025	9/30/2024
Land	147,139	147,139		
Buildings, net	283,356	283,356		
Vehicles, net	772,517	751,997		
Equipment, net	577,335	564,146	3,610	3,610
Infrastructure, net	1,084,695	532,428		
Wastewater System, net			13,072,915	8,901,476
Construction in Progress	-	79,800	-	3,996,614
Less: Accumulated Depr	(1,341,398)	(1,241,512)	(2,651,882)	(2,336,881)
Total	1,523,644	1,117,354	10,424,643	10,564,819

More detailed information about the City's capital assets is presented in the Notes to the Financial Statements starting on page 26.

Debt

At year-end, the City had \$2,405,181 in long-term debt outstanding, versus \$2,509,038 last year. This decrease is due to principal payments made in fiscal year 2025.

	Governmental Activities		Business-Type Activities	
	Year Ended 9/30/2025	9/30/2024	Year Ended 9/30/2025	9/30/2024
Notes and Loans Payable	57,181	72,038	-	-
Certificates of Obligation	-	-	2,348,000	2,437,000
Net Pension Liability	-	-	-	-
Total	57,181	72,038	2,348,000	2,437,000

More detailed information about the City's long-term liabilities is presented in the Notes to the Financial Statements starting on page 27.

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered population growth and available resources from state revenues and tax revenues when setting the fiscal year budget and tax rate.

For the 2025 fiscal year, the City adopted a \$1,409,333 budget for the General Fund and a \$351,650 budget for the Enterprise Fund. It will be funded through property taxes via a \$0.4019 property tax rate and water and sewer revenue.

If the City does not incur any unforeseen expenditures or reductions in revenue, it should accomplish the task of providing services in the City within its available resources and not further reduce the current fund balance.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City's business office, at City of Ingram, 230 Highway 39 Ingram, Texas 78025.

BASIC FINANCIAL STATEMENTS

CITY OF INGRAM, TEXAS
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	1,173,833	906,914	2,080,747
Property taxes, net of allowance for uncollectibles	\$59,309		59,309
Other Receivables, net of allowance for uncollectibles	202,388	101,963	304,351
Prepaid Insurance	-	-	-
Net Pension Position	146,229	2,967	149,196
Capital assets not being depreciated:			
Land	147,139	-	147,139
Capital assets, net of accumulated depreciation			
Machinery and Equipment	1,349,852	3,610	1,353,462
Buildings & Improvements	1,368,051		1,368,051
Utility system	-	13,072,915	13,072,915
Construction in progress	-	-	-
Less: Accumulated depreciation	(1,341,398)	(2,651,882)	(3,993,280)
Total Capital Assets	1,523,644	10,424,643	11,948,287
Total Assets	2,959,174	11,436,487	14,692,828
Deferred Outflows - Pension Plan	135,165	15,773	150,938
<u>LIABILITIES</u>			
Accounts payable	33,460	43,334	76,794
Accrued liabilities	-	26,055	26,055
Due to Other Funds		-	-
Noncurrent liabilities:			
Net Pension Liability	-	-	-
Due within one year	14,903	90,000	104,903
Due within more than one year	42,278	2,258,000	2,300,278
Total Liabilities	90,641	2,417,389	2,508,030
Deferred Inflows of Resources	313,052	24,338	337,390
<u>NET POSITION</u>			
Net Investment in Capital Assets	1,466,463	8,076,643	9,543,106
Restricted for:			
Debt Service	19,997	140,300	160,297
Unrestricted	1,204,186	793,590	1,997,776
Total Net Position	2,690,646	9,010,533	11,701,179

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

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CITY OF INGRAM, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

<u>Functions / Programs</u>	<u>Expenses</u>		<u>Services and Contributions</u>		<u>Primary Government</u>	
					<u>Activities</u>	<u>Activities</u>
						<u>Total</u>
<u>Primary government:</u>						
<u>Governmental activities:</u>						
General Government	\$	509,036	\$35,715	\$350	(473,321)	(473,321)
Public safety		713,979	12,552	4,700	(696,727)	(696,727)
Court expenses		99,001	52,953		(46,048)	(46,048)
Public works		211,435	0		(211,435)	(211,435)
Hotel/Tourism		5,715			(5,715)	(5,715)
Interest on long-term debt		56,919	0		(51,779)	(56,919)
Total governmental activities		1,596,085	101,220	5,050	(1,438,386)	(1,490,165)
<u>Business-type activities:</u>						
Water, Sewer and Sanitation		675,954	558,369	261,711	144,126	144,126
Total business-type activities		675,954	558,369	261,711	144,126	144,126
Total primary government		2,272,039	659,589	0	(1,438,386)	(1,346,039)
<u>General Revenues:</u>						
Property tax					657,195	657,195
Sales & Mixed Beverage taxes					997,846	997,846
Hotel Occupancy taxes					6,125	6,125
Franchise fees					98,512	98,512
Investment earnings					31,529	32,479
Miscellaneous					2,077	2,077
Grant income					321,329	321,329
Transfers					-	-
Total General Revenues					2,114,613	2,115,563
Change in net position					676,227	769,524
- Net Position - Beginning					2,014,419	10,931,655
Net Position - Ending					2,690,646	11,701,179

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

**CITY OF INGRAM, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025**

<u>ASSETS</u>	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Cash	1,153,836	19,997	1,173,833
Taxes receivable	\$59,309		59,309
Prepaid Insurance	-		-
Other receivables, net of allowance for uncollectibles	202,388		202,388
Total Assets	1,415,533	19,997	1,435,530
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	33,460		33,460
Accrued expenses	-		-
Due to other funds	-		-
Unearned revenues	\$59,309		59,309
Total Liabilities	92,769		92,769
Fund Balances:			
Nonspendable	-		-
Restricted for Debt Service		19,997	19,997
Assigned	-		
Unassigned	1,322,764		1,322,764
Total Fund Balances	1,322,764	19,997	1,342,761
Total Liabilities and Fund Balances	1,415,533	19,997	1,435,530

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

CITY OF INGRAM, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2025

Total fund balances-governmental funds		1,342,761
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Construction in progress	-	-
Land	\$147,139	
Buildings and Improvements	1,368,051	
Furniture and Equipment	1,349,852	
Accumulated Depreciation	(1,341,398)	
Total capital assets	<u>1,523,644</u>	\$1,523,644
Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected.		
Deferred outflows Pension Plan	135,165	135,165
Unearned Property taxes not collected	<u>\$59,309</u>	<u>\$59,309</u>
Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Net Pension Liability	-	
Longterm Liabilities	(57,181)	
Deferred Inflows Pension Plan	(313,052)	(370,233)
Net position of governmental activities		<u>2,690,646</u>

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

CITY OF INGRAM, TEXAS
STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	General	Debt Service	Total
<u>Revenues</u>			
Ad valorem tax	650,152	\$0	\$650,152
Sales tax & mixed beverage tax	997,846		997,846
Franchise fees	98,512		98,512
Fine and forfeitures	65,505		65,505
Hotel occupancy tax	6,125		6,125
Licenses and permits	35,715		35,715
Donations income	4,700		4,700
Grant income	326,029		326,029
Miscellaneous & other services	2,077	0	2,077
Interest income	31,529		31,529
Total Revenues	2,218,190	0	2,218,190
<u>Expenditures</u>			
Current:			
General government:			
Administration	460,967		460,967
Public Safety	708,797		708,797
Court expenses	85,216		85,216
Public Works	304,094		304,094
Hotel & tourism	0		0
Debt Service:			0
Principal	0	14,857	14,857
Interest and fiscal cost	0	5,140	5,140
Bond issuance cost	0		0
Capital Outlay	338,346		338,346
Total Expenditures	1,897,420	19,997	1,917,417
Surplus of Revenues Over Expenditures	320,770	(19,997)	300,773
Other Financing Sources:			
Transfers in	0	19,996	19,996
Transfers out	(19,996)	0	(19,996)
Loan proceeds	0		0
Total Other Financing Sources	(19,996)	19,996	0
Net Change in Fund Balance	300,774	(1)	300,773
Fund Balances - beginning of year	1,021,990	19,998	1,041,988
Fund Balances - end of year	\$1,322,764	\$19,997	\$1,342,761

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

CITY OF INGRAM, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances ----- total governmental funds	\$300,773
--	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	9,622	
Capital outlay expenditures	\$338,346	
Depreciation expense	(99,886)	
	\$238,460	\$238,460

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

	14,857	
Debt Service		
Property taxes not collected	\$59,309	
Less prior year	(52,266)	
	\$7,043	\$7,043

Total Pension Expense is not recognized in Governmental funds	17,162
---	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	\$88,310	
Increase in Net Pension position	\$35,574	
Decrease in deferred outflows/inflows	52,736	
	\$88,310	\$88,310

Change in net position of governmental activities	\$676,227
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The accompanying notes are an integral part of the financial statements.

CITY OF INGRAM, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2025

	Business-type Activities Enterprise Fund
	Water, Sewer and Sanitation Fund
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 906,914
Accounts receivable	\$101,963
Total Current Assets	1,008,877
Capital assets:	
Net Pension Asset	2,967
Land	-
Utility System	13,072,915
Furniture and Equipment	3,610
Construction in Progress	-
Less accumulated depreciation	(2,651,882)
Total capital assets	10,424,643
Total Assets	11,436,487
Deferred Outflows of Resources	15,773
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	43,334
Accrued expenses	-
Customer deposits	26,055
Net Pension liability	-
Current portion of long-term debt	90,000
Total Current liabilities	159,389
Non-Current liabilities	
Bonds payable	2,258,000
Total Liabilities	2,417,389
<u>NET POSITION</u>	
Net Investment in Capital Assets	8,076,643
Restricted for debt service	140,300
Unrestricted	793,590
Total Net Position	\$ 9,010,533
Deferred Inflows of Resources	24,338

The accompanying notes are an integral part of the financial statements

CITY OF INGRAM, TEXAS
STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET POSITION – PROPRIETARY FUND
Year Ended September 30, 2025

	Business-type Activities Enterprise Fund
	Water, Sewer and Sanitation Fund
<u>Operating Revenues</u>	
Water, Sewer, and Sanitation	\$558,369
Miscellaneous	0
Total Operating Revenues	558,369
<u>Operating Expenses</u>	
Personnel Services	0
Wastewater Treatment	321,216
Contract Services & related exp	18,109
Equipment repairs and maintenance	3,127
Depreciation	315,001
Materials & supplies	-
Office expenses and administration	18,501
Total Operating Expenses	675,954
Operating Income	(117,585)
<u>Nonoperating Revenues</u>	
Grant Funds received	261,711
Interest Income	950
Interest expense	(51,779)
Total Nonoperating Revenues (Expenses)	210,882
Income Before Transfers	93,297
Transfers (Out)/In	0
Change in Net Position	93,297
Net Position - beginning	8,917,236
	0
Net Position - ending	9,010,533

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

CITY OF INGRAM, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
September 30, 2025

	Business-type Activities Enterprise Fund
	Water, Sewer and Sanitation Fund
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$520,012
Cash paid to suppliers	(399,885)
Cash paid to employees	0
Net Cash Provided by Operating Activities	120,127
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfer (out)/In - cash only	0
Net Cash used by Noncapital Financing Activities	0
<u>Cash Flows from Capital and Related Financing Activities</u>	
Grant funds received	261,711
Capital asset expenditures	(174,825)
Principal proceeds received	0
Principal paid	(89,000)
Interest paid	(51,779)
Net Cash Used by Capital and Related Financing Activities	(53,893)
<u>Cash Flows from Investing Activities</u>	
Decrease in invested cash	0
Interest received	950
Net Cash Provided by Investing Activities	950
Net Increase in Cash and Cash Equivalents	67,184
Cash and cash equivalents - beginning of year	839,730
Cash and cash equivalents - end of year	\$906,914
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	(117,585)
Adjustments to reconcile operating loss to net cash provided by Operating Activities:	0
Depreciation expense	315,001
Increase in accounts receivable	(38,357)
Decrease in prepaid insurance	0
Increase in accounts payable	(38,932)
Decrease in accrued liabilities	0
Decrease in customer deposits	0
Total Adjustments	237,712
Net Cash Provided by Operating Activities	\$120,127

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

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY

The City of Ingram, Texas (the City), was incorporated in June of 1981. The City operates under a Council form of government and has a mayor and five city council members that appoints a City Manager. The City provides such services as public safety (police and EMS), highways and streets, wastewater, public improvements, planning and zoning, judicial, general administrative and other services as are authorized by its code of ordinances and its citizens.

The City Council consists of a Mayor and five council members, constituting an ongoing entity and is the level of government which has governing responsibilities over all activities related to the City. The City is not included in any other government reporting entity. The Mayor and Council members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

In evaluating the City's financial reporting entity, management has considered all potential component units. The decision to include a potential component unit was made set forth in GASB Statement No. 14. The component units discussed below have been included based on this criteria.

B. FINANCIAL REPORTING MODEL

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement known as the "Reporting Model" statement, affects the way the City prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports more useful to the people who use governmental financial information to make decisions.

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING MODEL (Continued)

Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities (MD&A). This analysis is similar to the analysis the private sector provides in the annual reports.

Government-wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and general obligation debt). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position – The Statement of Net Position is designed to display the financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense- the cost of "using up" capital assets – in the Statement of Activities. The net position of the government will be broken down in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities – The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

C. MEASUREMENT OF FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 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 are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fines and miscellaneous revenues are considered to be measurable and available only when cash is received by the City.

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. FUND ACCOUNTING

The City reports the following major governmental fund:

General Fund – The general fund is the City’s primary operating fund. It is used to account for all financial resources of the general government except those required to be accounted for in another fund.

The City reports the following major proprietary fund:

Wastewater Fund – The wastewater fund accounts for the activities of the wastewater system, the sewage treatment plant, sewage pumping stations and collections systems.

Additionally, the government reports the following fund type:

Debt Service Fund – accounts for the servicing of general long-term debt not being financed by proprietary funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are following in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, all general revenues include all taxes.

Proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water and sewer enterprise funds are charges to customers for sales and services. The water and sewer funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Pensions:

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City’s Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and municipal court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET POSITION

a. Deposits and Investments

The City's cash and cash equivalents for purposes of reporting cash flows of the proprietary fund consist of cash on hand and demand deposits.

State statutes authorize the City to invest in obligations of the United States or its agencies and instrumentalities and state or local governments, fully insured certificates of deposit, commercial paper, guaranteed investment contracts, repurchase agreement, and certain governmental investment pools. The City's local investment policy limits the City to invest in obligations of the United States or its agencies and instrumentalities, fully insured certificates of deposit, fully collateralized repurchase agreements by obligations of the United States or its agencies and instrumentalities, money market mutual funds, and local government investment pools.

b. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds."

All accounts receivables are shown net of an allowance for uncollectibles.

c. Restricted Assets

Certain resources of the City's enterprise fund are set aside for the repayment of its revenue bonds and are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

d. Capital Assets

Capital assets, which include land, buildings and improvement, machinery and equipment, infrastructure, and water and sewer facilities are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City has elected not to report major general infrastructure assets retroactively as permitted by GASB Statement No. 34 for smaller governments. The City will report newly acquired or constructed general infrastructure assets subsequent to October 1, 2003 in the statement of net assets in the period they acquire or construct those assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs or normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET POSITION (Continued)

d. Capital Assets (Continued)

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-40
Pool and park improvements	10-15
Machinery and equipment	5-10
Water system	10-40
Sewer system	15-40
Software	3-5

e. General Obligation Enterprise Bonds

The Enterprise Fund provides the annual debt service requirements on certain obligations enterprise bonds (not secured by system revenues) issued to finance system improvements. Accordingly, these obligations have been recorded on the balance sheet of the Enterprise Fund.

f. Compensated Absences

The City accrues a liability for compensated absences which meet the following criteria:

- (a) The City's obligation relating to employees' rights to receive compensation for future absences is attributable to the employees' services already rendered.
- (b) The obligation relates to rights that vest or accumulate.
- (c) Payment of the compensation is probable.
- (d) The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for vacation pay which has been earned but not taken by employees. As of the balance sheet date, the City expected that all of the liability for accrued vacation would be liquidated with expendable resources. Therefore, the liability for accrued vacation and sick leave is reflected as a current liability in the financial statements for the year ended September 30, 2019.

g. Fund Equity

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

h. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET POSITION (Continued)

h. Estimates (continued)

date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to August 1 of each fiscal year, the Mayor submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data from the preceding year.

Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage by majority vote of the City Council. The Council may authorize supplemental appropriations during the year.

The final amended budget is used in the report. Unused appropriations lapse at the end of the year unless carried forward to the next year by Council action. No encumbrances are recognized or recorded. The operating budget includes proposed expenditures for the General Fund. The City adopted the current year budget on a line item basis.

Receivables as of September 30, 2025 including allowance for uncollectible amounts were as follows:

	General	Water and Sewer
Receivables:		
Property Taxes	\$59,309	\$0
Accounts and other receivables	114,147	101,963
Less: allowance for uncollectibles	0	0
Sales Tax	86,302	0
Franchise fees	1,939	
Net total receivables	<u>\$261,697</u>	<u>\$101,963</u>

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

3. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS

As of September 30, 2025, cash deposits were with a Security State Bank & Trust depository bank in interest bearing accounts. The carrying amounts of the City's General Funds and Utility Funds deposits in the bank accounts were \$2,080,747 and the bank balances were \$2,080,747 of which \$1,580,747 is not insured by the Federal Deposit Insurance Corporation. These assets are valued at cost which approximates market value. Restricted cash from the general fund and proprietary fund are \$19,997 and \$140,300, respectively, and are restricted for debt service.

As of September 30, 2025, the City's depository bank for these funds had pledged securities sufficient to cover the amount above FDIC limits.

3. DETAILED NOTES ON ALL FUNDS (Continued)

B. RESTRICTED TEMPORARY INVESTMENTS

Governmental Activities Assets Restricted

Temporary investments consist of cash and other highly liquid investments that are dedicated to the following:

Debt Service	\$ 19,997
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Business Type Activities Assets Restricted

Temporary investments consist of cash and other highly liquid investments that are dedicated to the following:

Debt Service	\$ 140,300
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C. PROPERTY TAXES AND RECEIVABLES

The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and personal property located in the City. The lien date is January 1 of that year and they become delinquent on February 1. The tax levy for October, 2024 (fiscal year ended September 30, 2025) was \$626,818.

The tax assessment of October 1, 2024 tax sets a tax levy at \$.04019 per \$100 of assessed valuation at 100 percent of market value.

Delinquent property taxes estimated to be collected within the next fiscal year are recognized as revenues. Other delinquent property taxes receivable at year end that are deemed uncollectible are recorded as deferred revenues in the governmental fund balance sheet. Current property taxes receivable at 9/30/25 were \$11,549 and delinquent property taxes receivable were \$47,760 for a total due of \$59,309.

	General Fund
Current Taxes Receivable	\$11,549
Delinquent Taxes Receivable	47,760
	\$59,309

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

3. DETAILED NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS

Changes in capital assets during the year ended September 30, 2025, were as follows:

	Beginning Balance	Increase	(Decrease)	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Construction in progress	79,800	-	(79,800)	-
Land	147,139	-		147,139
Total capital assets, not being depreciated	226,939	0	(79,800)	147,139
Capital assets, being depreciated:				
Buildings and Improvements	283,356	0		283,356
Infrastructure	532,428	552,267		1,084,695
Vehicles	751,997	20,520		772,517
Furniture & Equipment	564,146	13,189		577,335
Total capital assets, being depreciated	2,131,927	585,976	0	2,717,903
Less accumulated depreciation	(1,241,512)	(99,886)	0	(1,341,398)
Total capital assets, being depreciated net	890,415	486,090	0	1,376,505
Governmental capital assets, net	1,117,354	486,090	(79,800)	1,523,644

	Beginning Balance	Increase	(Decrease)	Ending Balance
Business-type activities				
Land	-			-
Total capital assets, not being depreciated	-	-		-
Capital assets, being depreciated:				
Water & Wastewater System	8,901,476	4,171,439		13,072,915
Furniture and Equipment	3,610	-		3,610
Construction in progress	3,996,614	-	(3,996,614)	-
Less accumulated depreciation	(2,336,881)	(315,001)		(2,651,882)
Total capital assets, being depreciated	10,564,819	(315,001)	(3,996,614)	10,424,643
Business-type capital assets, net	10,564,819	(315,001)	(3,996,614)	10,424,643

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

3. DETAILED NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	30,907
Public Safety	65,164
Public Works	3,815
Total depreciation expense - governmental activities	\$99,886
Business-type activities:	
Water, sewer and sanitation	\$315,001
Total depreciation expense - business-type activities	\$315,001

E. LONG-TERM DEBT

The following is a summary of long-term debt transactions in the general fund and business-type activities for the year ended September 30, 2025:

	Governmental- Type Activities
Note payable, 8% interest, maturing in monthly installments Of \$971, matures December 2031 secured by land	\$57,181
Note payable, 3.25% interest, maturing in 5 annual installments of \$8,339, matures January 2025, secured by equipment	-
Total Debt	\$57,181

	Business-Type Activities
Combination Tax and Revenue Certificates of Obligation, Series 2009, no interest maturing in annual installments of \$27,000 to \$28,000 through February 2040.	385,000
Combination Tax and Revenue Certificates of Obligation, Series 2011, 1.875% interest maturing in annual installments of \$36,482 to \$61,577 through 2051	983,000
Combination Tax and Revenue Certificates of Obligation, Series 2013, 0% to 2% maturing in annual installments of \$16,642 to \$21,468, through 2023	-
Combination Tax and Revenue Certificates of Obligation Series 2014, 1.875% interest maturing in annual installments of \$20,000 to \$85,000 through 2043.	980,000
Total Debt	\$2,348,000

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

3. DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Long-term debt for business-type activities at September 30, 2025 consists of the following:

	Amounts Outstanding 10/1/24	Additions	Retirements	Amounts Outstanding 9/30/2025	Current Portion
General Fund:					
General Obligation					
Note Payable-Land	65,172	0	7,991	57,181	14,903
Note Payable- Equipment	6,866	-	6,866	-	-
					-
Long-term liabilities	72,038	-	14,857	57,181	14,903

The annual requirements to amortize the long term debt outstanding in the business-type activities as of September 30, 2025, are as follows:

Long-term debt for governmental activities at September 30, 2025 consists of the following:

Utility Fund:					
Bonds Payable 2009	414,000	-	29,000	385,000	30,000
Bonds Payable 2011	1,013,000	-	30,000	983,000	30,000
Bonds Payable 2013	-	-	-	-	-
Bonds Payable 2014	1,010,000	-	30,000	980,000	30,000
Long-term liabilities	2,437,000	-	89,000	2,348,000	90,000

Fiscal Year Ending September 30, 2025	Principal	Interest	Total
2026	14,903	5,094	19,997
2027	14,957	5,040	19,997
2028	15,021	4,976	19,997
2029	12,300	631	12,931
Total	57,181	\$15,741	\$72,922

Fiscal Year Ending September 30, 2025	Principal	Interest	Total
2026	90,000	50,300	140,300
2027	91,000	48,751	139,751
2028	92,000	47,122	139,122
2029	93,000	45,413	138,413
Thereafter	1,982,000	440,526	2,422,526
Total	2,348,000	632,112	2,980,112

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

3. DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

3. DETAILED NOTES ON ALL FUNDS (Continued)

4. OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other governments in the State of Texas to form the Texas Municipal League Intergovernmental Risk Pool (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for liability, property, and workmen's compensation coverage. The City pays a quarterly contribution to the Pool for its insurance coverage. The agreement for formation of the Pool provides that the Pool will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of specific limits.

The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool coverage for any of the last three years.

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 202

4. OTHER INFORMATION (Continued)

Contingencies The City is a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that the resolution of these matters will not have a material adverse effect on the financial condition of the City. COVID-19 In early 2020, the COVID-19 virus caused a global pandemic which resulted in an overall decline in economic activity which has persisted into 2024. Although it is reasonably possible that the virus could have a negative effect on the City's future operations, the specific impact is not readily determinable as of the date of these financial statements. Accordingly, the financial statements as of and for the year ended September 30, 2025 have not been adjusted to reflect the impact that may result from the outcome of this uncertainty.

F. PENSION PLAN

Plan Description

The City of Ingram participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

CITY OF INGRAM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. PENSION PLAN (Continued)

Employees covered by benefit terms.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	39
Active employees	<u>10</u>
Total	64

C. Contributions

The contribution rate for the employees in TMRS is 5%, 6% and 7% of employee gross earnings, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is annually determined by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Ingram were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City of Ingram were 5% and 5% in calendar years 2024 and 2025 respectively. The city's contributions to TMRS for the year ended September 30, 2025 were 41,245 and were equal to the required contributions.

D. Net Pension asset

The city's Net Pension asset (NPA) was measured as of December 31, 2024, and the Total Pension asset (TPA) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Asset in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation 2.5% per year

Overall payroll growth 3.5-10.5% per year

Investment Rate of Return 6.75% net of pension plan investment expense, including inflation

CITY OF INGRAM, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB o account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2024, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2010 through December 31, 2014, first used in the December 31, 2017 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2020 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

CITY OF INGRAM, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. PENSION PLAN (Continued)

City of Ingram	
Schedule of Changes in Net Pension Liability and Related Ratios	
Current Period	
A. Total pension liability	
1. Service Cost	88,416
2. Interest (on the Total Pension Liability)	66,017
3. Changes of benefit terms	-
4. Difference between expected and actual experience	(296)
5. Changes of assumptions	-
6. Benefit payments, including refunds of employee contributions	(93,052)
7. Net change in total pension liability	\$ 61,085
8. Total pension liability - beginning	980,350
9. Total pension liability - ending	<u>1,041,435</u>
B. Plan fiduciary net position	
1. Contributions - employer	41,245
2. Contributions - employee	35,917
3. Net investment income	113,295
4. Benefit payments, including refunds of employee contributions	(93,052)
5. Administrative Expense	(729)
6. Other	(17)
7. Net change in plan fiduciary net position	\$ 96,659
8. Plan fiduciary net position - beginning	1,093,972
9. Plan fiduciary net position - ending	<u>1,190,631</u>
C. Net pension liability [A.9-B.9]	<u>(149,196)</u>
D. Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]	114.33%
E. Covered-employee payroll	\$ 598,617
F. Net pension liability as a percentage of covered employee payroll [C / E]	-24.92%

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$(20,685)	\$(149,196)	\$(254,549)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com

CITY OF INGRAM, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. PENSION PLAN (Continued)

CITY OF INGRAM
SCHEDULE OF PENSION EXPENSE
SEPTEMBER 30, 2025

1. Total Service Cost	\$ 88,416
2. Interest on the Total Pension Liability	66,017
3. Current Period Benefit Changes	-
4. Employee Contributions (Reduction of Expense)	(35,917)
5. Projected Earnings on Plan Investments (Reduction of Expense)	(73,843)
6. Administrative Expense	729
7. Other Changes in Fiduciary Net Position	17
8. Recognition of Current Year Outflow (Inflow) of Resources - Liabilities	(280)
9. Recognition of Current Year Outflow (Inflow) of Resources - Assets	(7,891)
10. Amortization of Prior Year Outflows (Inflows) of Resources - Liabilities	(27,038)
11. Amortization of Prior Year Outflows (Inflows) of Resources - Assets	6,952
12. Total Pension Expense	\$ 17,162

CITY OF INGRAM
SCHEDULE OF OUTFLOWS AND INFLOWS - CURRENT AND FUTURE EXPENSE
SEPTEMBER 30, 2025

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2024 Recognized in current pension expense	Deferred (Inflow) Outflow in future expense
Due to Liabilities:				
Difference in expected and actual experience [actuarial (gains) or losses]	1.0600	\$ (296)	\$ (280)	\$ (16)
Difference in assumption changes [actuarial (gains) or losses]	1.0600	\$ -	\$ -	\$ -
			<u>\$ (280)</u>	<u>\$ (16)</u>
Due to Assets:				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.0000	\$ (39,452)	\$ (7,891)	\$ (31,561)
			<u>\$ (7,891)</u>	<u>\$ (31,561)</u>
Total:				<u>\$ (31,577)</u>

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	Net deferred outflows (inflows) of resources
2025	\$ 514
2026	12,527
2027	(17,533)
2028	(7,888)
2029	-
Thereafter	-
Total	\$ (12,380)

Subsequent Events/Pending Litigation - No items of audit significance or audit materiality note.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INGRAM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSETS – BUDGET TO ACTUAL – GENERAL FUND
For the year ended September 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget
<u>Revenues</u>				
Ad valorem tax	\$535,732	\$535,732	\$650,152	\$114,420
Sales & Mixed Beverage tax	784,000	784,000	997,846	213,846
Franchise fees	-	-	98,512	98,512
Fine and forfeitures	23,700	23,700	65,505	41,805
Miscellaneous income	3,000	3,000	2,077	(923)
Licenses and permits	10,150	10,150	35,715	25,565
Hotel Occupancy tax	-	-	6,125	6,125
Interest income	830	830	31,529	30,699
Grant income	-	-	326,029	326,029
Donations	900	900	4,700	3,800
Total Revenue	\$1,358,312	\$1,358,312	2,218,190	\$859,878
<u>Expenditures</u>				
Current:				
General government	422,169	422,169	460,967	(38,798)
Public Safety	617,968	617,968	708,797	(90,829)
Court Expenses	74,529	74,529	85,216	(10,687)
Public Works	294,667	294,667	304,094	(9,427)
Hotel & Tourism	-	-	0	-
Debt Service:	-	-	-	-
Principal	-	-	14,857	(14,857)
Interest and fiscal charges	-	-	5,140	(5,140)
Capital Outlay:	-	-	338,346	(338,346)
Total Expenditures	1,409,333	1,409,333	1,917,417	(508,084)
Excess (Deficiency) of Revenues Over Expenditures:	(51,021)	(51,021)	300,773	351,794
Other Financing Sources (Uses):				
Loan Proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(51,021)	(51,021)	300,773	\$351,794
Fund Balances - beginning of year	1,041,988	1,041,988	1,041,988	
Fund Balances - end of year	\$990,967	\$990,967	\$1,342,761	\$351,794

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

CITY OF INGRAM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSETS – BUDGET TO ACTUAL
For the year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
<u>Operating Revenues</u>				
Wastewater usage	400,000	400,000	\$408,455	8,455
Admin fees	-	-	24,667	24,667
CIP/DS Revenue	-	-	21,029	21,029
Debt Service revenue	-	-	49,081	49,081
System access fees	-	-	80	80
Tap Fees	-	-	225	225
Interest income	-	-	950	950
service access fees	8,900	8,900	42,070	33,170
late fees	-	-	7,437	7,437
disconnect fees & miscellaneous	-	-	5,325	5,325
Total Operating Revenues	408,900	408,900	559,319	150,419
<u>Operating Expenses</u>				
Wastewater Treatment	300,000	300,000	321,216	(21,216)
Personnel expenses	-	-	-	-
Contracts and related expenses	25,000	25,000	18,109	6,891
Equipment repairs & maintenance	8,000	8,000	3,127	4,873
Office expenses & Administration	18,650	18,650	18,501	149
Depreciation/Capital outlay	-	-	315,001	(315,001)
Materials and Supplies	-	-	-	-
Total Operating Expenses	351,650	351,650	675,954	(324,304)
Operating Income	57,250	57,250	(116,635)	173,885
Nonoperating Revenues (Expenses)				
Grant income	-	-	261,711	261,711
Interest expense/Debt service	-	-	(51,779)	(51,779)
Total nonoperating revenues (expenses)	-	-	209,932	209,932
Excess (Deficiency) of Revenues				
Over Expenditures:	57,250	57,250	93,297	36,047
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	57,250	57,250	93,297	36,047
Fund Balances - beginning of year	8,917,236	8,917,236	8,917,236	
Fund Balances - end of year	8,974,486	8,974,486	9,010,533	36,047

City of Ingram, Texas
Note to Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
General Fund

For the Year Ended September 30, 2025

1. Budgetary Highlights

The City's original budget was not amended during the year ended September 30, 2025.

The City's overall actual general fund revenue was \$2,218,190 or \$859,878 more than budgeted. This was primarily generated from more than expected revenues in Grant income, Sales Taxes and Property Tax. The City's overall actual expenses were \$1,917,417 or \$508,084 more than budgeted.

The City's overall enterprise fund actual revenue was \$559,319 or \$150,419 more than budgeted. This was primarily due to more wastewater usage revenues. The City's overall enterprise fund expenses were \$675,954 or \$324,304 more than budgeted. The increases in proprietary fund expenses were primarily due to depreciation.

CITY OF INGRAM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS (WILL ULTIMATELY BE DISPLAYED)

A.	Total pension liability	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	1. Service Cost	47,356	47,099	48,561	49,265	64,587	65,547	64,066	59,831	61,922	88,416
	2. Interest (on the Total Pension Liability)	48,808	50,148	52,165	54,662	61,419	65,938	66,083	64,048	66,132	66,017
	3. Changes of benefit terms	(26,196)	(2,822)	-	-	(9,351)	-	-	-	16,292	-
	4. Difference between expected and actual e	24,671	-	(781)	(311)	6,015	(57,815)	(86,657)	(43,245)	(56,856)	(296)
	5. Changes of assumptions	(36,729)	-	-	-	43,333	-	-	-	(3,455)	-
	6. Benefit payments, including refunds	-	(60,915)	(69,637)	(56,994)	(52,001)	(60,412)	(81,162)	(61,863)	(72,334)	(93,052)
	7. Net change in total pension liability	\$57,910	33,510	30,308	46,622	114,002	13,258	(37,670)	18,771	11,701	61,085
	8. Total pension liability - beginning	691,938	749,848	783,358	813,666	860,288	974,290	987,548	949,878	968,649	980,350
	9. Total pension liability - ending	749,848	783,358	813,666	860,288	974,290	987,548	949,878	968,649	980,350	1,041,435
B.	Plan fiduciary net position										
	1. Contributions - employer	23,322	25,622	25,590	30,708	28,738	32,238	48,573	45,564	27,691	41,245
	2. Contributions - employee	23,724	24,951	23,549	25,435	25,342	28,081	29,367	28,729	23,192	35,917
	3. Net investment income	33,522	952	44,583	95,902	(23,177)	115,514	66,073	124,360	115,739	113,295
	4. Benefit payments, including refunds	(20,960)	(36,729)	(60,915)	(69,637)	(56,994)	(52,001)	(60,412)	(81,162)	(72,334)	(93,052)
	5. Administrative Expense	(350)	(580)	(503)	(498)	(448)	(653)	(427)	(575)	(737)	(729)
	6. Other	(29)	(29)	(27)	(25)	(23)	(19)	(17)	2	(5)	(17)
	7. Net change in plan fiduciary net position	59,229	\$14,187	32,277	81,885	(26,562)	123,160	83,157	116,918	93,546	96,659
	8. Plan fiduciary net position - beginning	585,973	645,202	659,389	691,666	773,551	746,989	870,149	953,306	1,000,426	1,093,972
	9. Plan fiduciary net position - ending	645,202	659,389	691,666	773,551	746,989	870,149	953,306	1,070,224	1,093,972	1,190,631
C.	Net pension liability [A.9-B.9]	104,646	123,969	122,000	86,737	227,301	117,399	(3,428)	(101,575)	(113,622)	(149,196)
D.	Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]	1	87.90%	88.30%	95.10%	86.80%	89.30%	96.53%	112.67%	111.59%	114.33%
E.	Covered-employee payroll	474,489	#####	470,985	507,959	506,843	586,672	587,340	574,580	463,834	598,617
F.	Net pension liability as a percentage of covered employee payroll [C / E]	22.05%	18.13%	19.47%	7.90%	22.35%	17.75%	5.83%	-20.95%	-24.50%	-24.92%

CITY OF INGRAM
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS (WILL ULTIMATELY BE DISPLAYED)
SEPTEMBER 30, 2025

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actually Determined Contribution	\$25,590	\$25,590	\$28,757	31,291	\$43,413	\$48,573	\$45,564	\$43,319	\$50,883	\$41,245
Contributions in relation to the actuarially determined contribution	26,154	26,154	28,757	31,291	43,413	48,573	45,564	43,319	50,883	41,245
Contribution deficiency (Excess)	564	564	-	-	-	-	-	-	-	0
Covered employee payroll	470,985	470,985	509,868	548,167	586,672	587,340	574,580	533,731	463,834	598,617
Contributions as a percentage of covered employee payroll	5.55%	5.55%	5.64%	5.71%	7.40%	8.27%	7.93%	8.12%	10.97%	6.89%
Noes to Schedule of Contributions										
Valuation Date	determined									
Notes										

Actuarial Information

2017

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Amortization period	25 years-closed period
Amortization period for new Gains/Losses	15 years
Asset valuation method	10 year smoothed market 15% soft corridor
Actuarial assumptions	
Investment return	6.75%
Projected salary increases	Varies by age and service
Inflation	3%
Cost-of-living Adjustments	0%

Government Auditing Standards Report on Internal Control over Financial Reporting and on Compliance and Other Matters—with No Material Weaknesses, Significant Deficiencies, or Reportable Instances of Noncompliance or Other Matters Identified

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 City Council
City of 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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ingram, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Ingram, Texas' basic financial statements, and have issued our report thereon dated September 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Ingram, Texas' internal control over financial reporting (internal control) as a basis for designing 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 City of Ingram, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Ingram, Texas' 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with

Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donald L. Allman, CPA PC



Liberty Hill, TX
September 15, 2026
