

City of Crawford, Texas
Financial Statements and
Supplementary Information
September 30, 2025
(With Independent Auditor's Report Thereon)

City of Crawford, Texas

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INDEPENDENT AUDITOR'S REPORT

The Honorable Members of City Council
City of Crawford, Texas:

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Crawford, Texas (the "City") as of September 30, 2025 and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City 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 ("GAAS"). 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 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

The City's 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's ability to continue as a going concern for the 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 GAAS 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.

In performing an audit in accordance with GAAS, 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’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 City’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 on pages iv through xiv, the budgetary comparison information on pages 38 and 39, and other required supplementary information on pages 40 and 41 (collectively, “the required supplementary information”) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consisted of 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’s basic financial statements. The schedule of revenues, expenditures, and changes in fund balance – budget and actual – water and sewer fund – budget basis on page 42 (the “supplementary information”) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

February 17, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Crawford, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Crawford, Texas for the fiscal year ended September 30, 2025. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$4,440,019 (*net position*). Of this amount, \$2,044,160 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Effective October 1, 2024, the City adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, which resulted in a decrease to beginning net position for governmental activities of \$17,113. The adoption of this new accounting pronouncement did not have a material impact on beginning net position for business-type activities and the water and sewer fund.
- The government's total net position increased by \$386,470 during the year ended September 30, 2025 as compared to an increase in net position of \$435,748 in the prior year due to an increase in total revenues of \$175,784, offset by an increase in total expenses of \$225,062, primarily due to (1) an increase in public safety of \$129,261 due to hiring two additional officers during the current year and an increase in depreciation expense due to the acquisition of a new police vehicle during the year; and (2) an increase in water and sewer expenses of \$67,837 due to an increase in electricity and other operating expenses as a result of bringing the new water well online at the beginning of the current year.
- As of the close of the current fiscal year, the City's governmental funds reported ending fund balances of \$1,320,367, an increase of \$249,005 from the prior year. Approximately 87% of the fund balances, \$1,145,653 (unassigned fund balance), is available for spending at the government's discretion.
- Net position for the City's combined discretely presented component units amounted to \$294,567, a decrease of \$17,785 from the prior year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the City include water and sewer operations.

The government-wide financial statements can be found on pages 1 – 2 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

The City maintains two governmental funds – the general fund and a debt service fund. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, which is always considered to be a major fund, and the debt service fund.

The basic governmental funds financial statements can be found on pages 3 through 5 of this report.

Proprietary fund. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. The proprietary fund provides the same type of information as the business-type activities government wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 6 - 8 of this report.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 – 37 of this report.

Supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary data for the general fund and information related to the net pension liability (asset). Required supplementary information can be found on pages 38 through 41 of this report. Additionally, the schedule of revenues, expenditures and changes in fund balances – budget and actual – water and sewer fund – budget basis is presented as *supplementary information* on page 42.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,440,019 at the close of the most recent fiscal year.

City of Crawford Net Position September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,382,810	1,116,137	972,596	1,110,497	2,355,406	2,226,634
Capital assets, net	864,761	818,007	5,815,193	5,952,115	6,679,954	6,770,122
Total assets	<u>2,247,571</u>	<u>1,934,144</u>	<u>6,787,789</u>	<u>7,062,612</u>	<u>9,035,360</u>	<u>8,996,756</u>
Deferred outflows of resources	<u>5,072</u>	<u>9,270</u>	<u>1,689</u>	<u>3,088</u>	<u>6,761</u>	<u>12,358</u>
Other current liabilities	51,078	39,771	59,763	356,999	110,841	396,770
Noncurrent liabilities	<u>1,233,753</u>	<u>1,189,258</u>	<u>3,247,153</u>	<u>3,342,775</u>	<u>4,480,906</u>	<u>4,532,033</u>
Total liabilities	<u>1,284,831</u>	<u>1,229,029</u>	<u>3,306,916</u>	<u>3,699,774</u>	<u>4,591,747</u>	<u>4,928,803</u>
Deferred inflows of resources	<u>7,767</u>	<u>7,237</u>	<u>2,588</u>	<u>2,412</u>	<u>10,355</u>	<u>9,649</u>
Net position:						
Net investment in capital assets	(346,994)	(364,974)	2,568,040	2,821,944	2,221,046	2,456,970
Restricted	174,813	166,025	-	-	174,813	166,025
Unrestricted	<u>1,132,226</u>	<u>906,097</u>	<u>911,934</u>	<u>541,570</u>	<u>2,044,160</u>	<u>1,447,667</u>
Total net position	<u>\$ 960,045</u>	<u>707,148</u>	<u>3,479,974</u>	<u>3,363,514</u>	<u>4,440,019</u>	<u>4,070,662</u>

A portion of the City's net position (50%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, vehicles, and equipment) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used 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 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,044,160 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate government activities and business-type activities, except for its net investment in capital assets for governmental activities which is a negative balance due to the series 2008 combination tax and revenue bonds (which were refunded with the series 2021 refunding bonds) for which the bond proceeds were utilized for improvements to the water and sewer systems but the debt service for the bonds is being paid through a levy of property taxes. The same situation held true for the prior year.

City of Crawford
Changes in Net Position
For the Years Ended September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services:						
Water and sewer	\$ -	-	588,842	552,523	588,842	552,523
Tonkawa Park	176,672	129,702	-	-	176,672	129,702
Sanitation	82,876	83,416	-	-	82,876	83,416
Fines, licenses and permits	79,900	53,514	-	-	79,900	53,514
Capital grants and contributions	36,574	68,708	111,389	40,486	147,963	109,194
General revenues:						
Property taxes	521,821	477,131	-	-	521,821	477,131
Sales taxes	124,763	131,139	-	-	124,763	131,139
Franchise taxes	29,901	31,073	-	-	29,901	31,073
Gain on disposal of capital assets	14,000	32,806	-	10,994	14,000	43,800
Investment earnings and other general revenues	24,755	3,773	8,923	9,367	33,678	13,140
Total revenues	<u>1,091,262</u>	<u>1,011,262</u>	<u>709,154</u>	<u>613,370</u>	<u>1,800,416</u>	<u>1,624,632</u>
Expenses:						
General government	307,636	290,517	-	-	307,636	290,517
Public safety	300,526	171,265	-	-	300,526	171,265
Highways and streets	15,848	14,912	-	-	15,848	14,912
Sanitation	70,396	67,876	-	-	70,396	67,876
Economic development	9,801	22,979	-	-	9,801	22,979
Culture and recreation	141,148	118,583	-	-	141,148	118,583
Interest on long-term debt	27,424	29,422	-	-	27,424	29,422
Water and sewer	-	-	541,167	473,330	541,167	473,330
	<u>872,779</u>	<u>715,554</u>	<u>541,167</u>	<u>473,330</u>	<u>1,413,946</u>	<u>1,188,884</u>
Increase (decrease) in net position before transfers	218,483	295,708	167,987	140,040	386,470	435,748
Transfers	<u>51,527</u>	<u>51,033</u>	<u>(51,527)</u>	<u>(51,033)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>270,010</u>	<u>346,741</u>	<u>116,460</u>	<u>89,007</u>	<u>386,470</u>	<u>435,748</u>
Net position, beginning of period, as previously reported	707,148	360,407	3,363,514	3,274,507	4,070,662	3,634,914
Restatement	<u>(17,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,113)</u>	<u>-</u>
Net position, beginning of period, as restated	<u>690,035</u>	<u>360,407</u>	<u>3,363,514</u>	<u>3,274,507</u>	<u>4,053,549</u>	<u>3,634,914</u>
Net position, end of the period	<u>\$ 960,045</u>	<u>707,148</u>	<u>3,479,974</u>	<u>3,363,514</u>	<u>4,440,019</u>	<u>4,070,662</u>

Governmental activities. Governmental activities increased the City’s net position by \$270,010 during the current fiscal year as compared to an increase of \$346,741 during the prior year, primarily as a result of the following:

- Property taxes increased by \$44,690 during the year, primarily due to increased assessed property values.
- Investment earnings increased \$20,982 due to the City investing in TexPool, which generates interest income that was not being generated in the prior year.
- Capital grants and contributions decreased by \$32,134 due to the prior year receipt of a contribution from the Crawford Economic Development Corporation for the purchase of a building during the prior fiscal year.
- The gain on the sale of a police vehicle was \$14,000 in the current year as compared to the recognition of a gain from insurance proceeds of \$32,806 received for damage to police vehicles during the prior year.
- The cost of all governmental activities this year was \$872,779, an increase of \$157,225 from the prior year. Public safety increased \$129,261 due to hiring two additional officers during the current year and an increase in depreciation expense due to the acquisition of a new police vehicle during the year. Culture and recreation increased \$22,565 due to an increase in the cost of electricity due to general inflation and an increase in depreciation due to the purchase and renovation of a building for a museum to be leased to and operated by the Crawford Community Historical Society, Inc.

Business-type activities. Business-type activities increased the City’s net position by \$116,460 during the current year as compared to the increase in net position of \$89,007 in the prior year. Key elements of this change are as follows.

- Charges for services increased \$36,319 from the prior year due to increases in gallons sold due to increased capacity from bringing the new well online in October 2024.
- Capital grants and contributions increased \$70,903 due to expenditure of COVID funding in the amount of \$111,389 for the construction of the new well.
- The cost of all business-type activities this year was \$541,167, an increase of \$67,837 from the prior year. Utilities increased \$29,818 for an increase in electricity due to bringing the new water well online in October 2024. Depreciation expense increased \$40,079 due to the new water well being placed in service in October 2024.
- Transfers out were \$51,527 in the current year compared to \$51,033 in the prior year. Transfers out represent payments in lieu of taxes and are determined annually by management.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

The general fund is the chief operating fund of the City. As of the end of the current fiscal year, the City's general fund reported ending fund balance of \$1,164,821, an increase of \$244,455 from the prior period. Approximately 2% (\$19,168) of the fund balance is classified as restricted. Restricted fund balance represents balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. The remaining 98% of the fund balance (\$1,145,653) is reported as unassigned and represents the net residual resources. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 132% of the current year general fund expenditures.

The fund balance of the City's general fund increased by \$244,455 during the current fiscal year as compared to \$212,240 in the prior year. Key factors in this increase are as follows:

- Property taxes increased \$41,387, which resulted from increases in assessed values.
- Charges for services – Tonkawa Park increased \$46,970 due to increases in rental rates.
- Total expenditures was \$868,125, an increase of \$86,729 from the prior year. Public safety expenditures increased \$182,277 due to capital outlay of \$75,534 for the lease of a new police vehicle and increases in salaries and benefits due to the hiring of two new police officers. Capital outlay decreased \$119,603 due to the purchase of a building and street improvements for \$69,688 and \$34,037, respectively, in the prior year.
- Transfers in were \$51,527 in the current year compared to \$51,033 in the prior year. Transfers in represent payments in lieu of taxes from the water and sewer fund and are determined solely by management.

The debt service fund of the City is used to account for property taxes levied for the payment of principal and interest on long-term obligations of governmental activities. Restricted fund balance represents balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. As of the end of the current fiscal year, the City's debt service fund reported restricted ending fund balance of \$155,546, an increase of \$4,550 from the prior period.

Proprietary funds. The City’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the water and sewer fund at the end of the year amounted to \$3,479,974. The net position increased by \$116,460 in the current year as compared to an increase of \$89,007 in the prior year, primarily due to an increase in charges for services of \$36,319 and offset by an increase in electricity due to increased capacity and operating costs as a result of bringing the new water well online in October 2024. Other factors concerning the finances of this fund have already been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

There were no significant differences between the original budget and the final amended budget for general fund appropriations. Significant variances from the amended budget for the year ended September 30, 2025 were as follows:

- Property taxes were lower than budgeted amounts by \$49,749 due to a decline in the increases in assessed values during the year.
- Sales taxes exceeded budgeted amounts by \$21,763 due to conservative budget amounts.
- Charges for services – Tonkawa Park exceeded budgeted amounts by \$27,172 due to rental rate increases that were not budgeted.
- Fines exceeded budgeted amounts by \$13,146 due to the hiring of two new police officers.
- Interest income exceeded budgeted amounts by \$12,960 due to the City investing in TexPool, which generates interest income that was not budgeted in the current year.
- General government expenditures exceeded budgeted amounts by \$55,463 due to salaries and benefits that exceeded budgeted amounts due to approved significant raises for the City Manager and City Secretary given mid-year, and \$12,180 in legal and other fees related to the creation of the Crawford Municipal Development District (“MDD”) that were not budgeted.
- Highways and streets were below budgeted amounts by \$42,052 due to budgeted street improvements that did not occur in the current year.
- Capital outlay was below budgeted amounts by \$123,753 due to budgeted capital projects that did not occur in the current year.

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets for its governmental and business type activities as of September 30, 2025, amounts to \$6,679,954 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure, water and sewer system facilities, vehicles and equipment, and construction in progress.

City of Crawford Capital Assets September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 94,448	94,448	14,200	14,200	108,648	108,648
Buildings and improvements	177,052	155,003	11,135	11,803	188,187	166,806
Infrastructure	488,587	502,370	-	-	488,587	502,370
Water and sewer system facilities	-	-	5,740,375	2,789,659	5,740,375	2,789,659
Vehicles and equipment	104,674	66,186	49,483	57,188	154,157	123,374
Construction in progress	-	-	-	3,079,265	-	3,079,265
	<u>\$ 864,761</u>	<u>818,007</u>	<u>5,815,193</u>	<u>5,952,115</u>	<u>6,679,954</u>	<u>6,770,122</u>

Significant capital asset activity included placing in service the new water well with a total cost of \$3,079,265 and entering into a new capital financing lease of \$75,534 for a police vehicle. Additional information on the City’s capital assets can be found in Note 7 on pages 24 - 26 of this report.

Long-term debt. At the end of the current fiscal year, the City had total long-term bonded debt outstanding of \$4,385,874. Of this amount, \$1,430,000 comprises debt backed by the full faith and credit of the government. The remainder of the bonded debt in the amount of \$2,715,000 represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

City of Crawford
Outstanding Long-Term Liabilities
September 30, 2025 and 2024

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 1,072,500	1,113,750	357,500	371,250	1,430,000	1,485,000
Certificates of obligation	-	-	2,715,000	2,790,000	2,715,000	2,790,000
Premiums	66,221	69,231	174,653	181,525	240,874	250,756
Total bonded debt	1,138,721	1,182,981	3,247,153	3,342,775	4,385,874	4,525,756
Capital financing leases	73,034	-	-	-	73,034	-
Compensated absences	21,998	23,390	-	-	21,998	23,390
	<u>\$ 1,233,753</u>	<u>1,206,371</u>	<u>3,247,153</u>	<u>3,342,775</u>	<u>4,480,906</u>	<u>4,549,146</u>

The City’s total long-term debt decreased by \$68,240 during the current fiscal year, which resulted primarily from entering into a new capital financing lease of \$75,534 for a police vehicle and scheduled debt payments.

The Texas Attorney General limits the amount of general obligation debt a governmental entity may issue to an amount no greater than that which can be serviced by a debt service tax of \$1.50 per \$100 assessed valuation, based on 90% collections. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.00 of the \$1.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance. The City’s adopted debt service rate for tax collections during the current year is \$0.065571 per \$100 assessed valuation. This represents only 7%, or \$0.934429 below the rate allowable by the Attorney General’s imposed limit.

Additional information on the City’s long-term debt can be found in Note 8 on pages 26 - 29 of this report.

Economic Factors and Next Year’s Budgets and Rates

The City has adopted an original budget for 2026 in the amount of \$1,007,016 for the general fund, and the budget for the general fund is a balanced budget. At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,145,653. The City made no changes to water and sewer rates for 2026.

On November 4, 2025, voters of the City approved the establishment of the Crawford Municipal Development District (“MDD”) within the Extraterritorial Jurisdiction of the City. Once approved, the MDD will impose a sales and use tax of one-half of one percent within the MDD for the purpose of financing development projects beneficial to the MDD and the City.

On December 17, 2025, the City Council approved an Ordinance that changed the benefits, contributions, and other plan provisions of the City’s defined benefit cash-balance pension plan administered by TMRS, as more fully described in Note 10. Effective January 1, 2026, the City adopted a 20-year retirement eligibility provision, the employee contribution rate to TMRS was increased to 7% of compensation, and the City’s matching ratio was increased to 2:1, which increased the City’s contribution rate to 28.96% of compensation. Additionally, the City adopted new plan provisions for updated service credits and cost-of-living adjustments (“COLAs”). The funded ratio for the TMRS pension plan dropped from 108.4% to 38.8% effective January 1, 2026. Finally, the City added the Supplemental Death Benefit, a defined benefit term life insurance plan administered by TMRS.

Requests for Information

This financial report is designed to provide a general overview of the City of Crawford’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Secretary, City of Crawford, P.O. Box 7, Crawford, Texas 76638.

Basic Financial Statements

City of Crawford, Texas

Statement of Net Position

September 30, 2025

	Governmental Activities	Business-type Activities	Total Primary Government	Combined Component Units
Assets				
Cash and cash equivalents	\$ 1,331,115	893,564	2,224,679	284,821
Accounts receivable, net	30,849	48,927	79,776	9,776
Net pension asset	20,846	6,948	27,794	-
Restricted cash and cash equivalents	-	23,157	23,157	-
Capital assets not being depreciated:				
Land	94,448	14,200	108,648	-
Capital assets, net of accumulated depreciation:				
Buildings and improvements	177,052	11,135	188,187	-
Infrastructure	488,587	-	488,587	-
Water and sewer facilities	-	5,740,375	5,740,375	-
Vehicles and equipment	104,674	49,483	154,157	-
Total assets	<u>2,247,571</u>	<u>6,787,789</u>	<u>9,035,360</u>	<u>294,597</u>
Deferred Outflows of Resources				
Deferred outflows of resources	<u>5,072</u>	<u>1,689</u>	<u>6,761</u>	<u>-</u>
Liabilities				
Accounts payable	37,800	10,589	48,389	30
Accrued liabilities	13,278	28,933	42,211	-
Customer deposits payable	-	20,241	20,241	-
Noncurrent liabilities:				
Due within one year	71,953	88,750	160,703	-
Due in more than one year	1,161,800	3,158,403	4,320,203	-
Total liabilities	<u>1,284,831</u>	<u>3,306,916</u>	<u>4,591,747</u>	<u>30</u>
Deferred Inflows of Resources				
Deferred inflows of resources	<u>7,767</u>	<u>2,588</u>	<u>10,355</u>	<u>-</u>
Net Position				
Net investment in capital assets	(346,994)	2,568,040	2,221,046	-
Restricted:				
Public safety	19,168	-	19,168	-
Debt service	155,645	-	155,645	-
Unrestricted	<u>1,132,226</u>	<u>911,934</u>	<u>2,044,160</u>	<u>294,567</u>
Total net position	<u>\$ 960,045</u>	<u>3,479,974</u>	<u>4,440,019</u>	<u>294,567</u>

See accompanying notes to financial statements.

City of Crawford, Texas
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units Combined
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 307,636	-	-	-	(307,636)	-	(307,636)	
Public safety	300,526	70,846	-	-	(229,680)	-	(229,680)	
Highways and streets	15,848	-	-	-	(15,848)	-	(15,848)	
Sanitation	70,396	82,876	-	-	12,480	-	12,480	
Economic development	9,801	9,054	-	6,674	5,927	-	5,927	
Culture and recreation	141,148	176,672	-	29,900	65,424	-	65,424	
Interest on long-term debt	27,424	-	-	-	(27,424)	-	(27,424)	
Total governmental activities	<u>872,779</u>	<u>339,448</u>	<u>-</u>	<u>36,574</u>	<u>(496,757)</u>	<u>-</u>	<u>(496,757)</u>	
Business-type activities:								
Water and sewer	541,167	588,842	-	111,389	-	159,064	159,064	
Total business-type activities	<u>541,167</u>	<u>588,842</u>	<u>-</u>	<u>111,389</u>	<u>-</u>	<u>159,064</u>	<u>159,064</u>	
Total	<u>\$ 1,413,946</u>	<u>928,290</u>	<u>-</u>	<u>147,963</u>	<u>(496,757)</u>	<u>159,064</u>	<u>(337,693)</u>	
Component Units:								
Economic development	\$ 89,381	-	-	-				(89,381)
General revenues:								
Property taxes, levied for general purposes					451,271	-	451,271	-
Property taxes, levied for debt service					70,550	-	70,550	-
Sales taxes					124,763	-	124,763	62,381
Franchise taxes					29,901	-	29,901	-
Interest income					19,030	8,923	27,953	9,215
Gain on disposition of equipment					14,000	-	14,000	-
Miscellaneous					5,725	-	5,725	-
Transfers					51,527	(51,527)	-	-
Total general revenues and transfers					<u>766,767</u>	<u>(42,604)</u>	<u>724,163</u>	<u>71,596</u>
Change in net position					<u>270,010</u>	<u>116,460</u>	<u>386,470</u>	<u>(17,785)</u>
Net position - beginning of period, as previously reported					707,148	3,363,514	4,070,662	312,352
Restatement					(17,113)	-	(17,113)	-
Net position - beginning of period, as restated					<u>690,035</u>	<u>3,363,514</u>	<u>4,053,549</u>	<u>312,352</u>
Net position - end of period					<u>\$ 960,045</u>	<u>3,479,974</u>	<u>4,440,019</u>	<u>294,567</u>

See accompanying notes to financial statements.

City of Crawford, Texas

Balance Sheet –
Governmental Funds

September 30, 2025

	General	Debt Service	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 1,175,569	155,546	1,331,115
Accounts receivable, net	30,750	99	30,849
Total assets	\$ 1,206,319	155,645	1,361,964
<u>Liabilities</u>			
Accounts payable	\$ 37,800	-	37,800
Accrued liabilities	3,275	-	3,275
Total liabilities	41,075	-	41,075
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	423	99	522
<u>Fund Balances</u>			
Restricted for public safety	19,168	-	19,168
Restricted for debt service	-	155,546	155,546
Unassigned	1,145,653	-	1,145,653
Total fund balances	1,164,821	155,546	1,320,367
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,206,319	155,645	
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.			864,761
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.			522
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.			(1,225,605)
Net position of governmental activities			\$ 960,045

See accompanying notes to financial statements.

City of Crawford, Texas

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds

For the Year Ended September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenue:			
Taxes:			
Property	\$ 451,548	70,652	522,200
Sales	124,763	-	124,763
Franchise	29,901	-	29,901
License and permits	9,054	-	9,054
Charges for services - Tonkawa Park	176,672	-	176,672
Charges for services - Sanitation	82,876	-	82,876
Fines	70,846	-	70,846
Contributions and donations	6,674	-	6,674
Interest	13,460	5,570	19,030
Miscellaneous	5,725	-	5,725
Total revenue	<u>971,519</u>	<u>76,222</u>	<u>1,047,741</u>
Expenditures:			
Current:			
General government	292,104	-	292,104
Public safety	359,421	-	359,421
Highways and streets	10,448	-	10,448
Sanitation	70,396	-	70,396
Economic development	9,801	-	9,801
Cultural and recreation - Tonkawa Park	112,221	-	112,221
Debt service:			
Principal	2,500	41,250	43,750
Interest and other fees	150	30,422	30,572
Capital outlay	11,084	-	11,084
Total expenditures	<u>868,125</u>	<u>71,672</u>	<u>939,797</u>
Excess of revenue over expenditures	<u>103,394</u>	<u>4,550</u>	<u>107,944</u>
Other financing sources:			
Issuance of lease	75,534	-	75,534
Proceeds from sale of capital assets	14,000	-	14,000
Transfers in	51,527	-	51,527
Total other financing sources	<u>141,061</u>	<u>-</u>	<u>141,061</u>
Net change in fund balance	244,455	4,550	249,005
Fund balance, beginning of period	<u>920,366</u>	<u>150,996</u>	<u>1,071,362</u>
Fund balance, at end of period	<u>\$ 1,164,821</u>	<u>155,546</u>	<u>1,320,367</u>

See accompanying notes to financial statements.

City of Crawford, Texas

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2025

Net changes in fund balances - total governmental funds	\$ 249,005
Amounts reported for governmental activities in the statement of activities are different because:	
The governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital additions (\$113,434) exceeded depreciation expense (\$66,680) in the current period.	46,754
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(379)
The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(28,636)
Certain 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.	1,392
Governmental funds report contributions to pension plans as expenditures, whereas pension expense is recognized in the statement of activities. This is the amount by which pension benefit (\$3,826) exceeded contributions to the plan (\$1,952) in the current period.	<u>1,874</u>
Change in net position of governmental activities	\$ <u><u>270,010</u></u>

See accompanying notes to financial statements.

City of Crawford, Texas
Statement of Net Position –
Proprietary Fund
September 30, 2025

	Business-type Activities- Enterprise Fund
	Water and Sewer
Assets	
Current assets:	
Cash and cash equivalents	\$ 893,564
Accounts receivable, net	48,927
Total current assets	942,491
Noncurrent assets:	
Restricted cash	23,157
Capital assets:	
Land	14,200
Buildings and improvements	28,224
Water and sewer system facilities	8,386,795
Equipment	138,440
Total capital assets	8,567,659
Less: accumulated depreciation	(2,752,466)
Total capital assets, net	5,815,193
Net pension asset	6,948
Total noncurrent assets	5,845,298
Total assets	6,787,789
Deferred Outflows of Resources	
Deferred outflows on net pension asset	1,689

(Continued)

	<u>Business-type Activities- Enterprise Fund</u>
	<u>Water and Sewer</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 10,589
Accrued liabilities	28,933
Payable from restricted assets:	
Customer deposits	20,241
Revenue bonds, current portion	<u>88,750</u>
Total current liabilities	<u>148,513</u>
Noncurrent liabilities:	
Revenue bonds	<u>3,158,403</u>
Total noncurrent liabilities	<u>3,158,403</u>
Total liabilities	<u>3,306,916</u>
Deferred Inflows of Resources	
Deferred inflows on net pension asset	<u>2,588</u>
Net Position	
Net investment in capital assets	2,568,040
Unrestricted	<u>911,934</u>
Total net position	<u>\$ 3,479,974</u>

See accompanying notes to financial statements.

City of Crawford, Texas

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund

For the Year Ended September 30, 2025

	Business-type activities - Enterprise Fund
	Water and Sewer
Operating revenue:	
Charges for services	\$ 588,602
Tap fees	240
	588,842
Operating expenses:	
Personnel services	93,571
Maintenance, operations, and contractual services	132,623
Materials and supplies	24,591
Depreciation	208,544
	459,329
Operating income	129,513
Nonoperating revenue (expenses):	
Interest income	8,923
Interest charges	(81,838)
Total nonoperating revenues (expenses)	(72,915)
Income before contributions and transfers	56,598
Capital contributions	111,389
Transfers out	(51,527)
Change in net position	116,460
Net position, at beginning of period	3,363,514
Net position, at end of period	\$ 3,479,974

See accompanying notes to financial statements.

City of Crawford, Texas

Statement of Cash Flows -
Proprietary Fund

For the Year Ended September 30, 2025

	Business-type activities- Enterprise Fund
	<u>Water and Sewer</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 593,229
Payments to suppliers	(356,501)
Payments to employees	(80,462)
Net cash provided by operating activities	<u>156,266</u>
Cash flows from noncapital and related financing activities:	
Transfers to other funds	<u>(51,527)</u>
Net cash used in noncapital and related financing activities	<u>(51,527)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(71,622)
Principal paid on bonds	(88,750)
Interest paid on bonds	(89,004)
Net cash used in capital and related financing activities	<u>(249,376)</u>
Cash flows from investing activities:	
Interest income	<u>8,923</u>
Net cash provided by investing activities	<u>8,923</u>
Net decrease in cash	(135,714)
Cash, at beginning of year	<u>1,052,435</u>
Cash, at end of year	<u>\$ 916,721</u>
Cash flows from operating activities:	
Operating income	\$ 129,513
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	208,544
Change in assets and liabilities:	
Decrease in accounts receivable	4,387
Increase in net pension asset	(2,200)
Decrease in pension related deferred outflows	1,399
Decrease in accounts payable	(186,138)
Increase in customer deposits	585
Increase in pension related deferred inflows	<u>176</u>
Net cash provided by operating activities	<u>\$ 156,266</u>

See accompanying notes to financial statements.

**Combining Statements –
Discretely Presented Component Units**

City of Crawford, Texas

Combining Statement – Statement of Net Position
Discretely Presented Component Units

September 30, 2025

	<u>Crawford Economic Development Corporation</u>	<u>Crawford Health Facilities Development Corporation</u>	<u>Crawford Education Facilities Corporation</u>	<u>Crawford Cultural Facilities Corporation</u>	<u>Total Component Units</u>
Assets					
Cash	\$ 246,028	3,008	24,305	11,480	284,821
Accounts receivable - sales taxes	<u>9,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,776</u>
Total assets	<u>\$ 255,804</u>	<u>3,008</u>	<u>24,305</u>	<u>11,480</u>	<u>294,597</u>
Liabilities					
Accounts payable	<u>\$ 30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Total liabilities	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Net Position					
Unrestricted	<u>255,774</u>	<u>3,008</u>	<u>24,305</u>	<u>11,480</u>	<u>294,567</u>
Total liabilities and net position	<u>\$ 255,804</u>	<u>3,008</u>	<u>24,305</u>	<u>11,480</u>	<u>294,597</u>

See accompanying notes to financial statements.

City of Crawford, Texas

Combining Statement – Statement of Activities
Discretely Presented Component Units

For the Year Ended September 30, 2025

	<u>Crawford Economic Development Corporation</u>	<u>Crawford Health Facilities Development Corporation</u>	<u>Crawford Education Facilities Corporation</u>	<u>Crawford Cultural Facilities Corporation</u>	<u>Total Component Units</u>
Revenues:					
Sales taxes	\$ 62,381	-	-	-	62,381
Interest income	<u>7,982</u>	<u>96</u>	<u>772</u>	<u>365</u>	<u>9,215</u>
Total revenues	<u>70,363</u>	<u>96</u>	<u>772</u>	<u>365</u>	<u>71,596</u>
Expenses:					
Economic development	<u>89,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,381</u>
Change in net position	(19,018)	96	772	365	(17,785)
Net position, beginning of period	<u>274,792</u>	<u>2,912</u>	<u>23,533</u>	<u>11,115</u>	<u>312,352</u>
Net position, end of period	<u>\$ 255,774</u>	<u>3,008</u>	<u>24,305</u>	<u>11,480</u>	<u>294,567</u>

See accompanying notes to financial statements.

City of Crawford, Texas

Notes to Financial Statements

September 30, 2025

(1) Nature of Operations and Reporting Entity

The City of Crawford, Texas (the “City”) is a general-law municipal corporation organized and existing under the provisions of the Constitution of the State of Texas. The City operates under a Council-Mayor form of government and provides the following services: public safety (police), highways and streets, sanitation, economic and physical development, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statements present the City and its component units, entities for which the government is considered financially accountable. The combined component units of the City are discretely presented and are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. The combined component units of the City are comprised of the following entities:

Crawford Economic Development Corporation – The Crawford Economic Development Corporation (the “EDC”) is a governmental nonprofit corporation organized for the purpose of promoting, assisting, and enhancing economic development activities of the City of Crawford, Texas. The City Council appoints a governing body that must include two members from the City Council. Budgets of the EDC and debt to be incurred must be approved by the Council. The EDC does not issue separate financial statements.

Crawford Health Facilities Development Corporation – The Crawford Health Facilities Development Corporation (the “CHFDC”) was created under the Health Facilities Development Act as a public, nonprofit corporation for the purpose of issuing obligations in order to finance all or part of the cost of one or more health facilities to assist with the maintenance of public health. The CHFDC is governed by five members who are appointed by the City Council and may only be removed with cause. Additionally, the CHFDC is prohibited from issuing bonded debt without the approval of the City Council. The CHFDC does not issue separate financial statements.

Crawford Education Facilities Corporation – The Crawford Education Facilities Corporation (the “CEFC”) was created under the Higher Education Authority Act as a public, nonprofit corporation for the purpose of issuing obligations in order to finance all or part of the cost of one or more educational and housing facilities. The CEFC is governed by seven members who are appointed by the City Council and may only be removed with cause. Additionally, the CEFC is prohibited from issuing bonded debt without the approval of the City Council. The CEFC does not issue separate financial statements.

City of Crawford, TexasNotes to Financial Statements
(Continued)(1) Nature of Operations and Reporting Entity (continued)

Crawford Cultural Facilities Corporation – The Crawford Cultural Facilities Corporation (the “CCFC”) was created under the Cultural Education Facilities Finance Corporation Act as a public, nonprofit corporation for the purpose of issuing obligations in order to finance all or part of the cost of one or more cultural facilities to assist with the health, education and welfare of the citizens of Texas. The CCFC is governed by seven members who are appointed by the City Council and may only be removed with cause. Additionally, the CCFC is prohibited from issuing bonded debt without the approval of the City Council. The CCFC does not issue separate financial statements.

(2) Summary of Significant Accounting Policies(a) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City’s water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

City of Crawford, TexasNotes to Financial Statements
(Continued)(2) Summary of Significant Accounting Policies (continued)(b) Measurement focus, basis of accounting
and financial statement presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus*, and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

The governmental funds 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

The proprietary fund is reported using the *economic resources measurement focus*, and the *accrual basis of accounting*.

City of Crawford, TexasNotes to Financial Statements
(Continued)(2) Summary of Significant Accounting Policies (continued)(b) Measurement focus, basis of accounting and financial statement presentation (continued)

The City reports the following major governmental funds:

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.

Debt Service Fund – The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

The City reports the following major proprietary fund:

Water and Sewer Fund - The water and sewer fund accounts for the activities of the water distribution system, the sewage treatment plant, sewage pumping stations and collection systems.

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, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally 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.

City of Crawford, TexasNotes to Financial Statements
(Continued)(2) Summary of Significant Accounting Policies (continued)(c) Deposits and investments

State statutes authorize the City to invest in U.S. Treasury and agency securities, commercial paper, guaranteed investment contracts, repurchase agreements, and certain governmental investment pools. The City's local investment policy limits the City to invest in U.S. Treasury and agency securities, certificates of deposit, fully collateralized repurchase agreements secured by U.S. Treasury and agency securities, and public funds investment pools.

The City's cash and cash equivalents for purposes of reporting cash flows of the proprietary fund consist of cash on hand, demand deposits, and investments in a public funds investment pool.

(d) Receivables and payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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 trade and property tax receivables are shown net of an allowance for uncollectibles.

(e) Restricted assets

Restricted cash accounts in the water and sewer fund are used to report (1) customer deposits and (2) unspent bond proceeds of the enterprise fund.

(f) Capital assets

Capital assets, which include land, buildings and improvements, infrastructure, water and sewer facilities, vehicles and equipment, and right-of-use assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City has elected to report general infrastructure assets prospectively from October 1, 2003 as permitted by Governmental Accounting Standards Board Statement No. 34. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years and are recorded at acquisition cost. Donated capital assets are recorded at acquisition value at the date of donation.

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies (continued)

(f) Capital assets (continued)

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 40
Water and sewer systems	10 - 40
Infrastructure	10 - 40
Vehicles and equipment	4 - 10

(g) Compensated absences

It is the City's policy to permit employees to accumulate earned but unused personal time off ("PTO") and vacation leave. Accumulated but unused PTO carries over each year but cannot exceed 120 hours at any time. Accumulated but unused vacation leave of 40 hours may be carried over to the following calendar year but must be used within that year. In the government-wide financial statements, the City has recognized a liability for unused PTO and vacation leave earned as of the end of the fiscal year. The liability represents the portion of accumulated leave that is expected to be used or paid in future periods.

(h) Pensions

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

City of Crawford, TexasNotes to Financial Statements
(Continued)(2) Summary of Significant Accounting Policies (continued)(i) Deferred outflows and 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 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.

In addition to liabilities, the statement 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(j) Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund 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 and discounts 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. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

City of Crawford, TexasNotes to Financial Statements
(Continued)(2) Summary of Significant Accounting Policies (continued)(k) Fund balance

In the fund financial statements, governmental fund balance is classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through a resolution. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments may be made by City management based upon City Council direction. The order of spending available resources is as follows: restricted, committed, assigned, and unassigned.

(l) Net position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent bond proceeds.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. 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.

(m) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the City to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the net pension liability (asset) and related deferred inflows and deferred outflows. Actual results could differ from those estimates.

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(3) Reconciliation of Government-wide and Fund Financial Statements

(a) Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$1,225,605 difference are as follows:

General obligation bonds payable	\$ (1,072,500)
Premiums	(66,221)
Accrued interest payable	(10,003)
Capital financing lease	(73,034)
Compensated absences	(21,998)
Net pension asset, and related deferred inflows of \$7,767 and deferred outflows of \$5,072	<u>18,151</u>
Net adjustment to reduce <i>fund balance - total government funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (1,225,605)</u></u>

(b) Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds’ statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(3) Reconciliation of Government-wide and Fund Financial Statements (continued)

(b) Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (continued)

the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$28,636 difference are as follows:

Issuance of capital financing lease	\$ (75,534)
Principal repayments:	
Refunding bonds	41,250
Capital financing leases	2,500
Amortization of premiums	3,010
Change in accrued interest payable	<u>138</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (28,636)</u></u>

(4) Budgets and Budgetary Accounting

The following procedures are implemented by the City in establishing budgetary data:

- Prior to the beginning 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 those expenditures.
- Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
- The budgets are then legally enacted by the City Council. Formal budgetary integration is employed for the general fund.
- Budget revisions are made during the year.
- Actual expenditures and operating transfers out may not legally exceed budget appropriations at the individual fund level. However, budgetary control is maintained at the department level.

City of Crawford, TexasNotes to Financial Statements
(Continued)(4) Budgets and Budgetary Accounting (continued)

The City prepares its budget on a basis of accounting that differs from generally accepted accounting principles (“GAAP”). In order to provide a meaningful comparison of actual results with the budget, the actual and budget amounts are presented in accordance with the City’s budgetary basis of accounting. The major differences between the budgetary basis and GAAP is that all leases of the City are deemed to be operating leases for budgetary purposes. For the general fund, there are no differences between the net change in fund balance – GAAP and the net change in fund balance – budget basis for the year ended September 30, 2025.

Significant variances from the amended budget for the general fund for the year ended September 30, 2025 were as follows:

- Property taxes were lower than budgeted amounts by \$49,749 due to a decline in the increases in assessed values during the year.
- Sales taxes exceeded budgeted amounts by \$21,763 due to conservative budget amounts.
- Charges for services – Tonkawa Park exceeded budgeted amounts by \$27,172 due to rental rate increases that were not budgeted.
- Fines exceeded budgeted amounts by \$13,146 due to the hiring of two new police officers.
- Interest income exceeded budgeted amounts by \$12,960 due to the City investing in TexPool, which generates interest income that was not budgeted in the current year.
- General government expenditures exceeded budgeted amounts by \$55,463 due to salaries and benefits that exceeded budgeted amounts due to approved significant raises for the City Manager and City Secretary given mid-year, and \$12,180 in legal and other fees related to the creation of the Crawford Municipal Development District (“MDD”) that were not budgeted.
- Highways and streets were below budgeted amounts by \$42,052 due to budgeted street improvements that did not occur in the current year.
- Capital outlay was below budgeted amounts by \$123,753 due to budgeted capital projects that did not occur in the current year.

City of Crawford, TexasNotes to Financial Statements
(Continued)(5) Deposits and Investments

The City's cash and cash equivalents at September 30, 2025 for the primary government include \$758,222 in demand deposits and investments of \$1,489,614 in Texas Local Government Investment Pool ("TexPool"), a public funds investment pool. Cash balances for the combined component units consist of demand deposits in the amount of \$284,821.

The public funds investment pools have been created pursuant to the Interlocal Corporation Act of the State of Texas. The City has delegated the authority to hold legal title to TexPool, as custodian, to make investment purchases with the City's funds.

TexPool. The Comptroller of Public Accounts (the "Comptroller") is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. There are no maximum transaction amounts and withdrawals from TexPool may be made daily. TexPool uses amortized cost rather than fair value to report net assets share price.

Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the maturity of its investments. The maximum weighted average maturity on a total portfolio basis is 540 days and the maximum maturity for an individual security or certificate of deposit is three years. At September 30, 2025, the weighted average maturity of TexPool was 52 days.

Credit Risk: It is the City's policy to limit its investments in a manner that ensures the preservation of capital in the overall portfolio. Diversification by investment type is primarily intended to reduce the credit risk inherent to a particular issuer or investment type. On a quarterly basis, the City reviews the credit rating on investments in the portfolio based upon independent information from a nationally recognized rating agency. At September 30, 2025, TexPool was rated AAAM by Standard & Poor's.

Custodial Credit Risk - Deposits. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be fully secured in accordance with the Texas Government Code, Chapter 2257, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian.

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(6) Receivables

Receivables as of September 30, 2025 for the City's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Water and Sewer</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 3,852	895	-	4,747
Sales taxes	19,552	-	-	19,552
Accounts	6,464	-	48,927	55,391
Other	4,311	-	-	4,311
	<u>34,179</u>	<u>895</u>	<u>48,927</u>	<u>84,001</u>
Gross receivables				
Less: allowance for uncollectibles	<u>(3,429)</u>	<u>(796)</u>	<u>-</u>	<u>(4,225)</u>
	<u>\$ 30,750</u>	<u>99</u>	<u>48,927</u>	<u>79,776</u>

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The net assessed value upon which the 2025 levy was based was \$104,389,448.

Taxes are due by January 31 following the October 1 levy date. Current tax collections for the year ended September 30, 2025 were 99.34% of the tax levy.

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(7) Capital Assets

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
<u>Governmental activities:</u>				
Capital assets, not depreciated:				
Land	\$ 94,448	-	-	94,448
Total capital assets not being depreciated	94,448	-	-	94,448
Capital assets, being depreciated:				
Buildings and improvements	369,185	29,900	-	399,085
Infrastructure	772,614	8,000	-	780,614
Vehicles and equipment	434,732	75,534	(48,496)	461,770
Total capital assets being depreciated	1,576,531	113,434	(48,496)	1,641,469
Less: accumulated depreciation for:				
Buildings and improvements	(214,182)	(7,851)	-	(222,033)
Infrastructure	(270,244)	(21,783)	-	(292,027)
Vehicles and equipment	(368,546)	(37,046)	48,496	(357,096)
Total accumulated depreciation	(852,972)	(66,680)	48,496	(871,156)
Total capital assets, being depreciated, net	723,559	46,754	-	770,313
Governmental activities capital assets, net	\$ 818,007	46,754	-	864,761

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(7) Capital Assets (continued)

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Business-type activities:</u>				
Capital assets, not depreciated:				
Land	\$ 14,200	-	-	14,200
Construction in progress	<u>3,079,265</u>	<u>-</u>	<u>(3,079,265)</u>	<u>-</u>
Total capital assets not being depreciated	<u>3,093,465</u>	<u>-</u>	<u>(3,079,265)</u>	<u>14,200</u>
Capital assets, being depreciated:				
Buildings and improvements	28,224	-	-	28,224
Water and sewer system facilities	5,240,966	3,145,829	-	8,386,795
Vehicles and equipment	<u>133,382</u>	<u>5,058</u>	<u>-</u>	<u>138,440</u>
Total capital assets being depreciated	<u>5,402,572</u>	<u>3,150,887</u>	<u>-</u>	<u>8,553,459</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,421)	(668)	-	(17,089)
Water and sewer system facilities	(2,451,307)	(195,113)	-	(2,646,420)
Vehicles and equipment	<u>(76,194)</u>	<u>(12,763)</u>	<u>-</u>	<u>(88,957)</u>
Total accumulated depreciation	<u>(2,543,922)</u>	<u>(208,544)</u>	<u>-</u>	<u>(2,752,466)</u>
Total capital assets, being depreciated, net	<u>2,858,650</u>	<u>2,942,343</u>	<u>-</u>	<u>5,800,993</u>
Business-type activities capital assets, net	<u>\$ 5,952,115</u>	<u>2,942,343</u>	<u>(3,079,265)</u>	<u>5,815,193</u>

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(7) Capital Assets (continued)

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

Governmental activities:	
General government	\$ 12,233
Public safety	20,120
Highways and streets	5,400
Culture and recreation	28,927
Total depreciation expense - governmental activities	\$ 66,680
Business-type activities:	
Water and sewer	\$ 208,544

(8) Long-Term Liabilities

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, including water and sewer systems. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Additionally, revenue bonds have been issued for the water and sewer system, and the City pledges income derived from the acquired or constructed assets to pay debt service. Also, the City has entered into capital financing lease agreements for the purchase of police vehicles and related police equipment.

Long-term liability activity for the year ended September 30, 2025, was as follows:

	October 1, 2024	Additions	Retirements	September 30, 2025	Due Within One Year
Governmental activities:					
General obligation bonds \$	1,113,750	-	(41,250)	1,072,500	41,250
Premiums	69,231	-	(3,010)	66,221	-
Total bonded debt	1,182,981	-	(44,260)	1,138,721	41,250
Capital financing leases	-	75,534	(2,500)	73,034	19,703
Compensated absences	23,390	-	(1,392)	21,998	11,000
	\$ 1,206,371	75,534	(48,152)	1,233,753	71,953
Business-type activities:					
Revenue bonds \$	3,161,250	-	(88,750)	3,072,500	88,750
Premiums	181,525	-	(6,872)	174,653	-
	\$ 3,342,775	-	(95,622)	3,247,153	88,750

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(8) Long-Term Liabilities (continued)

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

\$1,226,250 - 2021 general obligation refunding bonds; due in annual installments of \$41,250 to \$63,750 through June 2047; interest at 3.0% \$ 1,072,500

Annual debt service requirements to maturity for governmental activities are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 41,250	30,009
2027	41,250	29,597
2028	41,250	29,030
2029	45,000	28,463
2030	45,000	27,113
2031-2035	243,750	114,637
2036-2040	288,750	75,263
2041-2045	236,250	33,750
2046-2047	<u>90,000</u>	<u>4,050</u>
	<u>\$ 1,072,500</u>	<u>371,912</u>

For business-type activities, revenue bonds outstanding at September 30, 2025 are comprised of the following individual issues:

\$408,750 - 2021 general obligation refunding bonds; due in annual installments of \$13,750 to \$21,250 through June 2047; interest at 3.0% \$ 357,500

\$3,010,000 - 2021 certificates of obligation; due in annual installments of \$70,000 to \$145,000 through June 2051; interest at 3.0% 2,715,000

\$ 3,072,500

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(8) Long-Term Liabilities (continued)

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 88,750	87,516
2027	88,750	86,628
2028	88,750	85,408
2029	90,000	84,188
2030	95,000	81,488
2031-2035	511,250	363,412
2036-2040	596,250	281,737
2041-2045	663,750	187,950
2046-2050	705,000	85,350
2051	<u>145,000</u>	<u>4,350</u>
	<u>\$ 3,072,500</u>	<u>1,348,027</u>

The City is required under provisions of certain bond ordinances to maintain interest and sinking funds adequate for payments of principal and interest and has pledged certain net operating revenues (after the payment of operation and maintenance expenses) of the water and sewer fund to repay \$2.7 million in revenue bonds issued in 2021. Proceeds from the bonds provided financing for improvements to the City's waterworks and sewer system. The total principal and interest remaining to be paid on the bonds is \$3.9 million. Principal and interest paid for the current year and total of pledged net operating revenues of the water and sewer fund were \$153,262 and \$338,057, respectively. The City is in compliance with all significant financial limitations and restrictions mentioned above.

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(8) Long-Term Liabilities (continued)

Capital Financing Lease

The City has entered into a capital financing lease for a police vehicle for which ownership passes to the City at the end of the lease term. The agreement requires annual payments ranging from \$24,450 to \$34,450 over the lease term of three years at an interest rate of 6.5%. As of September 30, 2025, the principal and interest requirements to maturity for the capital financing lease are as follows:

Year Ended September 30,	Principal	Interest
2026	\$ 19,703	4,747
2027	20,984	3,466
2028	32,347	2,103
	\$ 73,034	10,316

(9) Interfund Transfers

The City made payments from the water and sewer fund to the general fund in lieu of taxes in the amount of \$51,527. The City reported these payments as transfers.

(10) Defined Benefit Pension Plan

Plan Description - The City participates as one of 938 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (“TMRS”). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (“Annual Report”) that can be obtained at tmrs.com.

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

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(10) Defined Benefit Pension Plan (continued)

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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member's contributions and interest.

Employees covered by benefit terms: At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	5
Active employees	<u>6</u>
	<u>12</u>

Contributions – Member contribution rates TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 5% of their annual compensation during the fiscal year. The contribution rates for the City were 0.87% and 0.96% in calendar years 2025 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2025 were \$3,447 and were \$244 in excess of the required contributions.

Net Pension Liability (Asset) - The City's net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(10) Defined Benefit Pension Plan (continued)

Actuarial assumptions: The total pension liability (asset) in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on fully generational basis by Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and a 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

City of Crawford, Texas

Notes to Financial Statements (Continued)

(10) Defined Benefit Pension Plan (continued)

The target allocation and best estimates of the expected return for each major asset class in fiscal year 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global equity	35%	7.1%
Core fixed income	6%	5.0%
Non-core fixed income	6%	6.8%
Hedge funds	5%	6.4%
Private equity	13%	8.5%
Private debt	13%	8.2%
Real estate	12%	6.7%
Infrastructure	6%	6.0%
Other private markets	4%	7.3%
Totals	<u>100%</u>	

Discount Rate: The discount rate used to measure the total pension liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that member 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 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.

Changes in the Net Pension Liability (Asset)

		<u>Increase (Decrease)</u>		
		<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balance at December 31, 2023	\$	<u>233,475</u>	<u>252,467</u>	<u>(18,992)</u>
Changes for the year:				
Service cost		18,569	-	18,569
Interest		15,853	-	15,853
Difference between expected and actual experience		757	-	757
Contributions - employer		-	2,875	(2,875)
Contributions - employee		-	14,975	(14,975)
Net investment income		-	26,302	(26,302)
Benefit payments, including refunds of employee contributions		(15,793)	(15,793)	-
Administrative expense		-	(168)	168
Other changes		-	(3)	3
Net changes		<u>19,386</u>	<u>28,188</u>	<u>(8,802)</u>
Balance at December 31, 2024	\$	<u>252,861</u>	<u>280,655</u>	<u>(27,794)</u>

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(10) Defined Benefit Pension Plan (continued)

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

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset) \$	13,452	(27,794)	(61,471)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

*Pension Expense and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to Pensions*

For the year ended September 30, 2025, the City recognized pension expense of \$1,745. At September 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,602	-
Differences between expected and actual experience	4,113	6,672
Change in assumptions	46	74
Net differences between projected and actual earnings on pension plan investments	-	3,609
Total	\$ 6,761	10,355

City of Crawford, Texas

Notes to Financial Statements
(Continued)

(10) Defined Benefit Pension Plan (continued)

The \$2,602 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31:	
2025	\$ (587)
2026	1,689
2027	(4,786)
2028	(2,519)
2029	24
Thereafter	<u>(17)</u>
	<u>\$ (6,196)</u>

(11) Deferred Outflows and Inflows of Resources

The statement of financial position and the balance sheet includes the following deferred outflows and inflows of resources at September 30, 2025:

	<u>Statements of Net Position</u>		<u>Balance Sheets</u>	
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Deferred outflows of resources:				
Net pension liability (asset)	\$ <u>5,072</u>	<u>1,689</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,072</u>	<u>1,689</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable property tax revenues	\$ -	-	423	99
Net pension liability (asset)	<u>7,767</u>	<u>2,588</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,767</u>	<u>2,588</u>	<u>423</u>	<u>99</u>

City of Crawford, TexasNotes to Financial Statements
(Continued)(11) Deferred Outflows and Inflows of Resources (continued)

Deferred Outflows of Resources: Post-measurement date contributions will be recognized as a reduction of the net pension liability (asset) in the following fiscal year. Other pension related deferred amounts will be amortized into pension expense.

Deferred Inflows of Resources: The general and debt service funds, under the modified accrual basis of accounting, report unavailable revenues from property taxes, which are deferred and recognized as an inflow of resources in the period that the amounts become available. The pension related deferred amounts will be amortized into pension expense.

(12) 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 Texas to form the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program for liability, property, and workmen's compensation coverages. The City pays a quarterly contribution to the pool for its insurance coverage. The agreement for formation of the Texas Municipal League Intergovernmental Risk 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 Texas Municipal League Intergovernmental Risk Pool has published its own financial report, which can be obtained by writing the Texas Municipal League Intergovernmental Risk Pool, 1821 Rutherford Lane, Austin, Texas 78754.

(13) Commitments and Contingencies

The City has contracted with private companies for the collection and disposal of refuse. The City negotiated a collection contract, and the contract has been extended until March 31, 2027, at which time the contract will automatically renew for another five years unless either party, at least 120 days prior to the expiration date, gives written notice of its intent to not renew the contract. Under the terms of the contract, the City will be responsible for billing and collection of all waste collection fees and will pay collection fees to the companies on a monthly basis as authorized in the contract regardless of the amount collected from residents.

Amounts received from federal and state agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City of Crawford, TexasNotes to Financial Statements
(Continued)(14) Tax Abatements

The City negotiates property tax abatements on an individual basis. All abatements are governed by Section 312 of the Texas Tax Code and the City of Crawford Economic Incentives Statement which are revised and adopted every two years in accordance with state law. These guidelines permit the City to abate property taxes for a variety of economic development purposes such as business relocation, retention, and expansion and include abatements for real and personal property improvements.

The City had not granted any tax abatements as of September 30, 2025.

(15) Restatement

Effective October 1, 2024, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and disclosure requirements for leave for which employees may receive cash payments when the leave is used for time off or upon termination, or that may be settled through non-cash payments. The implementation of this standard resulted in additional recognition of a liability for compensated absences attributable to services already rendered by employees. Accordingly, the City recognized a decrease of \$17,113 to net position of governmental activities as of October 1, 2024. The adoption of this accounting pronouncement did not have a material impact on beginning net position for business-type activities and the water and sewer fund.

(16) Subsequent Events

On November 4, 2025, voters of the City approved the establishment of the Crawford Municipal Development District (“MDD”) within the Extraterritorial Jurisdiction of the City. Once approved, the MDD will impose a sales and use tax of one-half of one percent within the MDD for the purpose of financing development projects beneficial to the MDD and the City.

On December 17, 2025, the City Council approved an Ordinance that changed the benefits, contributions, and other plan provisions of the City’s defined benefit cash-balance pension plan administered by TMRS, as more fully described above in Note 10. Effective January 1, 2026, the City adopted a 20-year retirement eligibility provision, the employee contribution rate to TMRS was increased to 7% of compensation, and the City’s matching ratio was increased to 2:1, which increased the City’s contribution rate to 28.96% of compensation. Additionally, the City adopted new plan provisions for updated service credits and cost-of-living adjustments (“COLAs”). The funded ratio for the TMRS pension plan dropped from 108.4% to 38.8% effective January 1, 2026. Finally, the City added the Supplemental Death Benefit, a defined benefit term life insurance plan administered by TMRS.

City of Crawford, TexasNotes to Financial Statements
(Continued)(17) Authoritative Pronouncements Not Yet Effective

A summary of pronouncements issued by the Governmental Accounting Standards Board (“GASB”) which may impact the City but are not yet effective follows. The City has not yet determined the effects of the adoption of these pronouncements on the financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements* (issued April 2024) – the objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (issued September 2024) – the objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2025.

Required Supplementary Information

City of Crawford, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund – Budget Basis

For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue:				
Taxes:				
Property	\$ 501,297	501,297	451,548	(49,749)
Sales	103,000	103,000	124,763	21,763
Franchise	32,080	32,080	29,901	(2,179)
License and permits	15,000	15,000	9,054	(5,946)
Charges for services - Tonkawa Park	149,500	149,500	176,672	27,172
Charges for services - Sanitation	82,000	82,000	82,876	876
Fines	57,700	57,700	70,846	13,146
Contributions	-	-	6,674	6,674
Interest	500	500	13,460	12,960
Miscellaneous	3,000	3,000	5,725	2,725
Total revenue	<u>944,077</u>	<u>944,077</u>	<u>971,519</u>	<u>27,442</u>
Expenditures:				
Current:				
General government	236,641	236,641	292,104	(55,463)
Public safety	286,541	286,541	286,537	4
Highways and streets	52,500	52,500	10,448	42,052
Sanitation	69,500	69,500	70,396	(896)
Economic development	15,000	15,000	9,801	5,199
Cultural and recreation - Tonkawa Park	124,142	124,142	112,221	11,921
Capital outlay	134,837	134,837	11,084	123,753
Total expenditures	<u>919,161</u>	<u>919,161</u>	<u>792,591</u>	<u>126,570</u>
Excess of revenue over expenditures	<u>24,916</u>	<u>24,916</u>	<u>178,928</u>	<u>154,012</u>
Other financing sources:				
Proceeds from disposition of capital assets	-	-	14,000	14,000
Transfers in	-	-	51,527	51,527
Total other financing sources	<u>-</u>	<u>-</u>	<u>65,527</u>	<u>65,527</u>
Change in fund balance	24,916	24,916	244,455	219,539
Fund balance, at beginning of period	<u>920,366</u>	<u>920,366</u>	<u>920,366</u>	<u>-</u>
Fund balance, at end of period	<u>\$ 945,282</u>	<u>945,282</u>	<u>1,164,821</u>	<u>219,539</u>

See accompanying independent auditor's report.

City of Crawford, TexasNote to Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual –
General Fund – Budget Basis

For the Year Ended September 30, 2025

(1) Budgetary Information

The City prepares its budget on a basis of accounting that differs from generally accepted accounting principles (“GAAP”). In order to provide a meaningful comparison of actual results with the budget, the actual and budget amounts are presented in accordance with the City’s budgetary basis of accounting. The major difference between the budgetary basis and GAAP is that all leases of the City are deemed to be operating leases for budgetary purposes. For the general fund, there are no differences between the net change in fund balance – GAAP and the net change in fund balance – budget basis for the year ended September 30, 2025.

Significant variances from the amended budget for the general fund for the year ended September 30, 2025 were as follows:

- Property taxes were lower than budgeted amounts by \$49,749 due to a decline in the increases in assessed values during the year.
- Sales taxes exceeded budgeted amounts by \$21,763 due to conservative budget amounts.
- Charges for services – Tonkawa Park exceeded budgeted amounts by \$27,172 due to rental rate increases that were not budgeted.
- Fines exceeded budgeted amounts by \$13,146 due to the hiring of two new police officers.
- Interest income exceeded budgeted amounts by \$12,960 due to the City investing in TexPool, which generates interest income that was not budgeted in the current year.
- General government expenditures exceeded budgeted amounts by \$55,463 due to salaries and benefits that exceeded budgeted amounts due to approved significant raises for the City Manager and City Secretary given mid-year, and \$12,180 in legal and other fees related to the creation of the Crawford Municipal Development District (“MDD”) that were not budgeted.
- Highways and streets were below budgeted amounts by \$42,052 due to budgeted street improvements that did not occur in the current year.
- Capital outlay was below budgeted amounts by \$123,753 due to budgeted capital projects that did not occur in the current year.

City of Crawford, Texas

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Last Ten Measurement Dates

	December 31,			
	2024	2023	2022	2021
Total Pension Liability				
Service cost	\$ 18,569	16,861	15,973	15,397
Interest (on the Total Pension Liability)	15,853	14,239	12,688	11,184
Difference between expected and actual experience	757	3,639	(1,097)	2,221
Change of assumptions	-	(1,267)	-	-
Benefit payments, including refunds of employee contributions	<u>(15,793)</u>	<u>(5,025)</u>	<u>(5,025)</u>	<u>(8,616)</u>
Net change in Total Pension Liability	19,386	28,447	22,539	20,186
Total Pension Liability - Beginning	<u>233,475</u>	<u>205,028</u>	<u>182,489</u>	<u>162,303</u>
Total Pension Liability - Ending (a)	<u><u>\$ 252,861</u></u>	<u><u>233,475</u></u>	<u><u>205,028</u></u>	<u><u>182,489</u></u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,875	3,032	2,780	2,305
Contributions - employee	14,975	13,297	12,325	11,753
Net investment income	26,302	25,087	(16,254)	25,052
Benefit payments, including refunds of employee contributions	(15,793)	(5,025)	(5,025)	(8,616)
Administrative expense	(168)	(159)	(140)	(116)
Other	<u>(3)</u>	<u>(1)</u>	<u>168</u>	<u>1</u>
Net Change in Plan Fiduciary Net Position	28,188	36,231	(6,146)	30,379
Plan Fiduciary Net Position - Beginning	<u>252,467</u>	<u>216,236</u>	<u>222,382</u>	<u>192,003</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 280,655</u></u>	<u><u>252,467</u></u>	<u><u>216,236</u></u>	<u><u>222,382</u></u>
Net Pension Liability (Asset) - ending (a) - (b)	<u><u>\$ (27,794)</u></u>	<u><u>(18,992)</u></u>	<u><u>(11,208)</u></u>	<u><u>(39,893)</u></u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	110.99%	108.13%	105.47%	121.86%
Covered payroll	\$ 299,497	265,944	246,503	235,067
Net Pension Liability (Asset) as a percentage of Covered Payroll	-9.28%	-7.14%	-4.55%	-16.97%

December 31,					
2020	2019	2018	2017	2016	2015
13,821	12,427	10,468	11,188	12,538	10,934
11,280	10,637	9,826	9,019	8,000	7,157
(11,170)	600	(2,511)	(698)	4,471	(2,082)
-	1,222	-	-	-	4,028
<u>(23,652)</u>	<u>(8,476)</u>	<u>(5,025)</u>	<u>(9,359)</u>	<u>(9,112)</u>	<u>-</u>
(9,721)	16,410	12,758	10,150	15,897	20,037
<u>172,024</u>	<u>155,614</u>	<u>142,856</u>	<u>132,706</u>	<u>116,809</u>	<u>96,772</u>
<u><u>162,303</u></u>	<u><u>172,024</u></u>	<u><u>155,614</u></u>	<u><u>142,856</u></u>	<u><u>132,706</u></u>	<u><u>116,809</u></u>
1,810	2,022	1,369	1,521	390	350
11,146	9,974	8,243	9,052	9,857	9,297
14,326	24,815	(4,816)	19,432	8,810	178
(23,652)	(8,476)	(5,025)	(9,359)	(9,112)	-
(93)	(140)	(93)	(101)	(99)	(108)
<u>(2)</u>	<u>(5)</u>	<u>(4)</u>	<u>(6)</u>	<u>(5)</u>	<u>(5)</u>
3,535	28,190	(326)	20,539	9,841	9,712
<u>188,468</u>	<u>160,278</u>	<u>160,604</u>	<u>140,065</u>	<u>130,224</u>	<u>120,512</u>
<u><u>192,003</u></u>	<u><u>188,468</u></u>	<u><u>160,278</u></u>	<u><u>160,604</u></u>	<u><u>140,065</u></u>	<u><u>130,224</u></u>
<u><u>(29,700)</u></u>	<u><u>(16,444)</u></u>	<u><u>(4,664)</u></u>	<u><u>(17,748)</u></u>	<u><u>(7,359)</u></u>	<u><u>(13,415)</u></u>
118.30%	109.56%	103.00%	112.42%	105.55%	111.48%
222,922	199,473	164,851	181,035	197,132	185,948
-13.32%	-8.24%	-2.83%	-9.80%	-3.73%	-7.21%

See accompanying independent auditor's report.

City of Crawford, Texas

Schedule of Pension Contributions

Fiscal Years Ended

	September 30,			
	2025	2024	2023	2022
Actuarially determined contribution	\$ 3,203	2,848	2,819	2,684
Contributions in relation to the actuarially determined contribution	3,447	2,894	2,933	2,684
Contribution deficiency (excess)	\$ (244)	(46)	(114)	-
Covered payroll	\$ 359,056	287,238	257,274	244,616
Contributions as a percentage of covered payroll	0.89%	0.99%	1.10%	1.10%

Notes to Schedule of Pension Contributions

Valuation Date:

Note Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Not applicable
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study for the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent scale MP-2021 (with intermediate convergence). Pre-retirement: PUB(10) mortality tables, with 110% of the Public Safety table used for males and 100% of the General Employees table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other	There were no benefit changes during the year.

September 30,					
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
2,130	1,674	1,898	1,437	1,316	369
<u>2,130</u>	<u>1,674</u>	<u>1,898</u>	<u>1,437</u>	<u>1,316</u>	<u>369</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>228,702</u>	<u>198,519</u>	<u>196,945</u>	<u>164,729</u>	<u>180,292</u>	<u>197,649</u>
<u>0.93%</u>	<u>0.84%</u>	<u>0.96%</u>	<u>0.87%</u>	<u>0.73%</u>	<u>0.19%</u>

See accompanying independent auditor's report.

Supplementary Information

City of Crawford, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Water and Sewer Fund - Budget Basis

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue:				
Charges for services	486,300	486,300	588,602	102,302
Tap fees	8,500	8,500	240	(8,260)
Intergovernmental	-	-	111,389	111,389
Interest income and other	60	60	8,923	8,863
Total revenue	<u>494,860</u>	<u>494,860</u>	<u>709,154</u>	<u>214,294</u>
Expenditures:				
Current:				
Personnel services	152,101	152,101	93,571	58,530
Maintenance, operations, and contractual services	150,766	150,766	139,707	11,059
Materials and supplies	33,289	33,289	24,591	8,698
Debt service:				
Principal	88,704	88,704	88,750	(46)
Interest	-	-	81,838	(81,838)
Capital outlay	70,000	70,000	124,921	(54,921)
Total expenditures	<u>494,860</u>	<u>494,860</u>	<u>553,378</u>	<u>(58,518)</u>
Excess of revenue over expenditures	-	-	155,776	155,776
Other financing uses:				
Transfers out	-	-	(51,527)	(51,527)
Change in fund balance	-	-	104,249	104,249
Fund balance, at beginning of period	<u>802,049</u>	<u>802,049</u>	<u>802,049</u>	<u>-</u>
Fund balance, at end of period	<u>\$ 802,049</u>	<u>802,049</u>	<u>906,298</u>	<u>104,249</u>

See accompanying independent auditor's report.