

CRAWFORD INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND  
COMPLIANCE REPORT

FOR THE YEAR ENDED  
AUGUST 31, 2023



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS



CRAWFORD INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2023

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CERTIFICATE OF BOARD

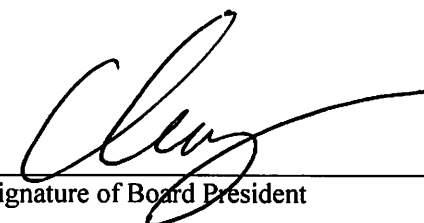
Crawford Independent School District  
Name of School District

McLennan  
County

161-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2023, at a meeting of the Board of Trustees of such school district on the 20 day of November, 2023.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Crawford Independent School District

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crawford Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Crawford Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crawford Independent School District, as of August 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes to the financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crawford Independent School District's basic financial statements. The accompanying combining schedules of non-major governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of non-major governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

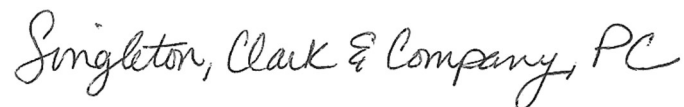
### ***Other Information***

Management is responsible for the other information included within the annual report. The other information comprises exhibits required by the Texas Education Agency which present property tax collection and receivable information, budget-to-actual comparisons for the Child Nutrition Fund and Debt Service Fund, and information related to expenditure levels of selected state funding allotments. Our opinions on the basic financial statements do not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023 on our consideration of Crawford Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crawford Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crawford Independent School District's internal control over financial reporting and compliance.



Singleton, Clark & Company, PC  
Cedar Park, Texas

October 13, 2023

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2023

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial and Compliance Report, we, the managers of Crawford Independent School District (the “District”) discuss and analyze the financial performance of the District for the fiscal year ended August 31, 2023. Please read this information in conjunction with the District’s basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District’s net position for governmental activities increased by \$281,702 as a result of this year’s current operations, to end at \$3,362,562.
- Total governmental funds of the District (the General Fund, the Debt Service Fund, the Capital Projects Fund and all Special Revenue Funds) reported an overall fund balance increase of \$8,633,820, to end at \$12,938,912.
- The General Fund of the District reported a fund balance increase of \$765,716 for the year, to end at \$4,945,832.

**OVERVIEW OF THE FINANCIAL SECTION**

The Financial Section is the most substantial part of this Annual Financial and Compliance Report. It consists of the independent auditor’s report, management’s discussion and analysis (this section), a set of basic financial statements with required note disclosures, and finally, required supplementary information and other supporting statements and schedules as applicable.

Independent Auditor’s Report

State law requires the District’s financial statements to be audited by an independent certified public accountant each year. The primary purpose of the annual audit is for the auditor to express an opinion as to whether the financial statements of the District appear to be free from material misstatement. The audit is required to be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The District received an *Unmodified* opinion on its financial statements this year.

Management’s Discussion and Analysis

The Management’s Discussion and Analysis (MD&A) section of the report is intended to introduce the financial statements and to provide discussion and analysis regarding the financial performance of the District during the year. The MD&A is written by management of the District and provides for a less formal presentation of the financial activities of the District than is found within the basic financial statements themselves.

Basic Financial Statements

The Basic Financial Statements consist of a series of financial statements and required note disclosures. These statements include government-wide financial statements which present the District in a consolidated and long-term manner using full-accrual accounting similar to that of a business enterprise, and fund financial statements which present a more detailed view of the District using a more short-term view and traditional modified-accrual governmental accounting. These financial statements are followed with detailed notes which provide narrative explanations and additional data for full disclosure of information.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2023

Required Supplementary Information

The previously discussed Management's Discussion and Analysis section is considered to be required supplementary information, however, the governmental reporting framework requires that it be presented before the financial statements. When applicable, additional required supplementary information must follow the financial statements. Within this financial report, the District presents required schedules related to its participation in the Teacher Retirement System of Texas and the Texas Public School Retired Employees Group Insurance Plan.

Combining and Individual Fund Statements and Schedules

The combining statements provide detailed information about the District's nonmajor funds. While the primary financial statements present the nonmajor funds in a consolidated manner, the combining statements list all of the nonmajor funds separately, each in its own column. In addition, this section also includes schedules required by the Texas Education Agency to report tax collection information and budget to actual information for the District's child nutrition and debt service functions.

**OVERVIEW OF THE FEDERAL AWARDS SECTION**

Report on Internal Controls and Compliance

In accordance with *Government Auditing Standards*, the auditor is required to consider the internal controls the District has in place over financial reporting and whether any noncompliance with rules, laws, and regulations was noted during the audit. This report describes the scope of the testing of internal control and compliance, however, it does not provide an opinion on the effectiveness of internal control or on compliance.

Schedule of Findings and Questioned Costs

The Schedule of Findings and Questioned Costs provides an overall summary of auditor results, including identification of the type of opinion on the financial statements, whether any significant deficiencies or material weaknesses in internal controls were observed by the audit firm, and whether any material noncompliance was noted. This schedule also lists any audit findings reported by the audit firm for the year.

**Reporting the District as a Whole**

***The Statement of Net Position and the Statement of Activities***

The analysis of the District's overall financial condition and operations begins with the government-wide financial statements which immediately follow this section. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. The primary purpose of these financial statements is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows, liabilities, and deferred inflows at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the District and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by the State of Texas in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.



CRAWFORD INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2023

The Statement of Net Position and the Statement of Activities report the District's net position and changes in net position. The District's net position (the difference between assets, deferred outflows, liabilities, and deferred inflows) provides one measure of the District's financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, school districts divide up their financial activities as follows:

- Governmental activities – School districts report basic services here, including the instruction of students, counseling, co-curricular activities, child nutrition services, transportation, maintenance, community services, and general administration. Property taxes, state block grants based on student attendance and demographics, and other state and federal grants finance most of these activities.
- Business-type activities – School districts may charge a fee to "customers" to help it cover all or most of the cost of services it provides for child care programs or other activities that closely model a business venture.

Our school district reported governmental activities this year, however, we did not engage in business-type activities.

### **Reporting the District's Most Significant Funds**

#### ***Fund Financial Statements***

The fund financial statements follow the government-wide statements and provide detailed information about the most significant funds of the District, not the District as a whole. Laws and regulations require the District to establish separate funds, such as for grants received from the state and federal government, money received from bond issues for capital projects, or for money raised specifically for debt service purposes, in order to clearly display financial accountability for use of these funds.

School districts use two different kinds of funds for operations, governmental funds and proprietary funds, which use different accounting approaches.

- A school district will use *governmental funds* to account for basic services. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- A school district will use *proprietary funds* to account for the activities for which it charges users (whether outside customers or other units of the District). Proprietary funds use the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, when a district utilizes enterprise funds, (one category of proprietary funds) these are the business-type activities reported in the government-wide statements but they contain more detail and additional information, such as cash flows. Internal service funds (the other category of proprietary funds) report activities that provide supplies and services for a district's other programs and activities, such as a district's self-insurance programs.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2023

Our District reported several governmental funds this year, however, we did not utilize proprietary funds.

**The District as Trustee**

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for money raised by student activities and alumni scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages that follow the governmental fund and proprietary fund financial statements. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is however responsible for applying sound financial internal controls over these funds and for ensuring that these resources are used for their intended purposes.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities increased from \$3,146,340 to \$3,362,562 as a result of this year's activities. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$1,497,073 at August 31, 2023.

**TABLE I  
CRAWFORD INDEPENDENT SCHOOL DISTRICT  
NET POSITION**

	Governmental Activities 2023	Governmental Activities 2022	Change
Current & Other Assets	\$ 13,407,160	\$ 5,084,144	\$ 8,323,016
Capital Assets	7,373,830	8,168,628	(794,798)
Total Assets	<u>20,780,990</u>	<u>13,252,772</u>	<u>7,528,218</u>
Deferred Outflows of Resources	<u>2,250,785</u>	<u>1,834,655</u>	<u>416,130</u>
Current Liabilities	432,557	1,035,667	(603,110)
Long-Term Liabilities	<u>16,091,774</u>	<u>8,054,999</u>	<u>8,036,775</u>
Total Liabilities	<u>16,524,331</u>	<u>9,090,666</u>	<u>7,433,665</u>
Deferred Inflows of Resources	<u>3,144,882</u>	<u>2,850,421</u>	<u>294,461</u>
Net Position:			
Net Investment in Capital Assets	1,723,616	2,270,503	(546,887)
Restricted	141,873	124,976	16,897
Unrestricted	<u>1,497,073</u>	<u>750,861</u>	<u>746,212</u>
Total Net Position	<u>\$ 3,362,562</u>	<u>\$ 3,146,340</u>	<u>\$ 216,222</u>

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2023

**TABLE II**  
**CRAWFORD INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**

	Governmental Activities 2023	Governmental Activities 2022	Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 225,269	\$ 65,797	\$ 159,472
Operating Grants & Contributions	746,879	616,604	130,275
General Revenues:			
Maintenance & Operations Taxes	3,071,934	2,528,115	543,819
Debt Service Taxes	627,547	542,162	85,385
State Aid - Formula Grants	4,126,580	4,385,468	(258,888)
Grants & Contributions not Restricted	92,377	-	92,377
Investment Earnings	98,665	16,471	82,194
Miscellaneous	169,471	1,095,780	(926,309)
Total Revenue	<u>9,158,722</u>	<u>9,250,397</u>	<u>(91,675)</u>
Expenses:			
Instruction	4,430,239	3,836,556	593,683
Instructional Resources & Media Services	148,739	111,030	37,709
Curriculum & Instructional Staff Development	1,548	-	1,548
School Leadership	370,584	457,978	(87,394)
Guidance, Counseling, & Evaluation Services	166,292	168,845	(2,553)
Health Services	89,489	79,690	9,799
Student Transportation	145,061	169,996	(24,935)
Food Services	321,744	289,166	32,578
Extracurricular Activities	647,400	456,749	190,651
General Administration	567,573	464,078	103,495
Facilities Maintenance and Operations	1,104,007	1,064,974	39,033
Security and Monitoring Services	22,786	29,669	(6,883)
Data Processing Services	249,130	254,292	(5,162)
Debt Service	364,530	180,100	184,430
Payments to Fiscal Agent of SSA	247,898	234,825	13,073
Total Expenses	<u>8,877,020</u>	<u>7,797,948</u>	<u>1,079,072</u>
Gain (Loss) on Sale of Assets	-	5,011	(5,011)
Change in Net Position	<u>281,702</u>	<u>1,457,460</u>	<u>(1,175,758)</u>
Net Position at 9/1/22 and 9/1/21	3,146,340	1,688,880	1,457,460
Prior Period Adjustment	(65,480)	-	(65,480)
Net Position at 8/31/23 and 8/31/22	<u>\$ 3,362,562</u>	<u>\$ 3,146,340</u>	<u>\$ 216,222</u>

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2023

**THE DISTRICT'S FUNDS**

As the District completed this annual period, the General Fund reported an ending fund balance of \$4,945,832, which is \$700,236 greater than last year's total of \$4,245,596. The increase is the result of a combination of a (\$65,480) prior period adjustment and a \$765,716 increase from operations. The increase in fund balance is primarily attributable to greater than originally anticipated revenues, primarily, Local & Intermediate Sources and State Program Revenues.

The District's Capital Projects Fund, a major fund for the year ended August 31, 2023, reported an ending fund balance of \$7,853,684. During the year, the District issued \$7,605,000 Series 2023 Unlimited Tax School Building Bonds for the purpose of financing construction projects.

The District's other governmental funds reported combined ending fund balances of \$139,396. This combined balance is \$14,433 greater than the previous year's ending fund balance of \$124,963.

Over the course of the year, the Board of Trustees generally revises the District's budget based on financial updates provided by management of the District. These amendments involve moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs, or to react to originally unforeseen circumstances, such as unanticipated new revenues or unavoidable new costs. Budget amendments made during the year to the Extracurricular Activities, General Administration, Facilities Maintenance & Operations, Facilities Acquisition & Construction, and Payments to Fiscal Agent of SSA Functions in the General Fund were considered significant.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of August 31, 2023, the District had \$7,373,830 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

A summary of the ending balances of capital assets by major category for both 2023 and 2022 is as follows:

	Governmental Activities 2023	Governmental Activities 2022	Change
Land	\$ 269,185	\$ 269,185	\$ -
Construction in Progress	133,583	41,818	91,765
Buildings	15,670,035	15,552,275	117,760
Furniture and Equipment	2,764,519	3,090,464	(325,945)
Right to Use Lease Assets	59,398	59,398	-
Total	<u>18,896,720</u>	<u>19,013,140</u>	<u>(116,420)</u>
Less Accumulated Depreciation	<u>(11,522,890)</u>	<u>(10,844,512)</u>	<u>(678,378)</u>
Capital Assets, Net of Depreciation	<u>\$ 7,373,830</u>	<u>\$ 8,168,628</u>	<u>\$ (794,798)</u>

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2023

**Debt**

At year-end, the District had \$13,503,898 in bonds and other long-term debt outstanding versus \$5,898,125 last year. The increase is attributable to the District issuing \$7,605,000 Series 2023 Unlimited Tax School Building Bonds during the year.

A summary of the ending balances of long-term debt by type for both 2023 and 2022 is as follows:

	Governmental Activities 2023	Governmental Activities 2022	Change
Bonds Payable	\$ 13,248,742	\$ 5,564,482	\$ 7,684,260
Loans Payable	233,219	287,164	(53,945)
RTU Lease Assets Payable	21,937	46,479	(24,542)
Total	\$ 13,503,898	\$ 5,898,125	\$ 7,605,773

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2023- 2024 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a General Fund budget of approximately \$7.67 million for the 2023-2024 fiscal year. This reflects an approximate increase of \$412 thousand in budgeted expenditures from the fiscal year 2022-2023 originally adopted budget to fiscal year 2023-2024.

For the 2023-2024 budget year, the District has decreased its maintenance and operations tax rate to \$0.7608 per hundred of taxable value. The District adopted a debt service tax rate of \$0.3358 for the 2023-2024 budget year in order to fund required debt payments in the coming year. The combined tax rate of the District for the 2023-2024 budget year is \$1.0966 per hundred of taxable value.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at Crawford Independent School District, 200 Pirate Dr., Crawford, Texas 76638, or by calling (254) 486-2381.

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## **BASIC FINANCIAL STATEMENTS**

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2023

Data Control Codes	<u>Primary Government</u> 1 Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 12,046,458
1120 Investments - Current	1,000,383
1225 Property Taxes Receivable, net	74,113
1240 Due from Other Governments	221,554
1410 Deferred Expenditures or Expenses	64,652
Capital Assets:	
1510 Land Purchase and Improvements	269,185
1520 Buildings and Improvements, net	6,551,556
1530 Furniture and Equipment, net	391,414
1550 Right to Use Assets, net	28,092
1580 Construction in Progress	133,583
1000 Total Assets	<u>20,780,990</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1705 Deferred Outflows-Pension	1,070,813
1706 Deferred Outflows-OPEB	1,179,972
Total Deferred Outflows of Resources	<u>2,250,785</u>
<b>LIABILITIES</b>	
2110 Accounts Payable	23,406
2140 Interest Payable	38,422
2150 Payroll Deductions and Withholdings	791
2160 Accrued Wages Payable	343,534
2180 Due to Other Governments	1,626
2200 Accrued Expenses	7,630
2300 Unearned Revenue	17,148
Noncurrent Liabilities:	
2501 Due Within One Year	519,871
2502 Due in More Than One Year	12,984,027
2540 Net Pension Liability	1,532,037
2545 Other Post-Employment Benefits Liability	1,055,839
2000 Total Liabilities	<u>16,524,331</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflows-Pension	676,280
2606 Deferred Inflows-OPEB	2,468,602
Total Deferred Inflows of Resources	<u>3,144,882</u>
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	1,723,616
Restricted for:	
3820 Federal & State Programs	23,455
3850 Debt Service	118,418
3900 Unrestricted	1,497,073
3000 Total Net Position	<u>\$ 3,362,562</u>

The notes to the financial statements are an integral part of this statement.



CRAWFORD INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	1 Expenses	Program Revenues		Net (Expense) Rev. & Changes in Net Position	
		3 Charges for Services	4 Operating Grants and Contributions	6 Primary Gov. Governmental Activities	
<b>Primary Government:</b>					
<b>GOVERNMENTAL ACTIVITIES:</b>					
11	Instruction	\$ 4,430,239	\$ -	\$ 249,194	\$ (4,181,045)
12	Instructional Resources & Media Services	148,739	-	33,460	(115,279)
13	Curriculum & Instructional Staff Development	1,548	-	-	(1,548)
23	School Leadership	370,584	-	4,765	(365,819)
31	Guidance, Counseling, & Evaluation Services	166,292	-	4,237	(162,055)
33	Health Services	89,489	-	1,880	(87,609)
34	Student Transportation	145,061	-	1,601	(143,460)
35	Food Services	321,744	130,948	148,871	(41,925)
36	Extracurricular Activities	647,400	88,321	6,228	(552,851)
41	General Administration	567,573	6,000	10,591	(550,982)
51	Facilities Maintenance and Operations	1,104,007	-	9,511	(1,094,496)
52	Security and Monitoring Services	22,786	-	24,604	1,818
53	Data Processing Services	249,130	-	4,039	(245,091)
72	Interest on Long-Term Debt	172,911	-	-	(172,911)
73	Bond Issuance Cost & Fees	191,619	-	-	(191,619)
93	Payments to Fiscal Agent of SSA	247,898	-	247,898	-
TG	Total Governmental Activities:	<u>8,877,020</u>	<u>225,269</u>	<u>746,879</u>	<u>(7,904,872)</u>
TP	<b>TOTAL PRIMARY GOVERNMENT:</b>	<u>\$ 8,877,020</u>	<u>\$ 225,269</u>	<u>\$ 746,879</u>	<u>(7,904,872)</u>
General Revenues:					
Taxes:					
MT	Property Taxes, Levied for General Purposes				3,071,934
DT	Property Taxes, Levied for Debt Service				627,547
SF	State Aid - Formula Grants				4,126,580
GC	Grants and Contributions, not Restricted				92,377
IE	Investment Earnings				98,665
MI	Miscellaneous Local and Intermediate Revenue				169,471
TR	Total General Revenues				<u>8,186,574</u>
CN	Change in Net Position				281,702
NB	Net Position -- Beginning				<u>3,146,340</u>
PA	Prior Period Adjustment				<u>(65,480)</u>
NE	Net Position -- Ending				<u>\$ 3,362,562</u>

The notes to the financial statements are an integral part of this statement.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2023

Data	10	60	98	Total
Control Codes	General Fund	Capital Projects Fund	Other Funds	Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 4,017,696	\$ 7,853,684	\$ 175,078	\$ 12,046,458
1120 Investments - Current	1,000,383	-	-	1,000,383
1220 Property Taxes - Delinquent	78,806	-	13,836	92,642
1230 Allowance for Uncollectible Taxes (Credit)	(15,760)	-	(2,769)	(18,529)
1240 Due from Other Governments	97,426	-	124,128	221,554
1260 Due from Other Funds	114,722	-	-	114,722
1410 Deferred Expenditures	64,652	-	-	64,652
1000 Total Assets	<u>\$ 5,357,925</u>	<u>\$ 7,853,684</u>	<u>\$ 310,273</u>	<u>\$ 13,521,882</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 11,687	\$ -	\$ 11,719	\$ 23,406
2150 Payroll Deductions and Withholdings	791	-	-	791
2160 Accrued Wages Payable	329,650	-	13,884	343,534
2170 Due to Other Funds	-	-	114,722	114,722
2180 Due to Other Governments	-	-	1,626	1,626
2200 Accrued Expenditures	6,919	-	711	7,630
2300 Unavailable Revenues	-	-	17,148	17,148
2000 Total Liabilities	<u>349,047</u>	<u>-</u>	<u>159,810</u>	<u>508,857</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2600 Deferred Inflows-Unavailable Revenues	63,046	-	11,067	74,113
Total Deferred Inflows of Resources	<u>63,046</u>	<u>-</u>	<u>11,067</u>	<u>74,113</u>
<b>FUND BALANCES</b>				
Nonspendable:				
3430 Prepaid Items	64,652	-	-	64,652
Restricted for:				
3450 Federal or State Funds Restricted	-	-	23,455	23,455
3470 Capital Acq. and Contractual Oblig.	-	7,853,684	-	7,853,684
3480 Retirement of Long-Term Debt	-	-	107,351	107,351
Committed for:				
3545 Other Committed Fund Balance	-	-	8,590	8,590
3600 Unassigned Fund Balance	4,881,180	-	-	4,881,180
3000 Total Fund Balances	<u>4,945,832</u>	<u>7,853,684</u>	<u>139,396</u>	<u>12,938,912</u>
4000 Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 5,357,925</u>	<u>\$ 7,853,684</u>	<u>\$ 310,273</u>	<u>\$ 13,521,882</u>

The notes to the financial statements are an integral part of this statement.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2023

		1
<b>Total Fund Balances - Governmental Funds</b>	\$	12,938,912
1 Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$	18,896,720
Less accumulated depreciation	<u>(11,522,890)</u>	7,373,830
2 Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable, including unamortized premiums	(13,248,742)	
Loans payable	(233,219)	
Right to use lease assets payable	(21,937)	
Net pension liability	(1,532,037)	
Net OPEB liability	<u>(1,055,839)</u>	(16,091,774)
3 Accrued interest on long-term debt related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds.		(38,422)
4 Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	1,070,813	
Deferred inflows of resources related to pensions	(676,280)	
Deferred outflows of resources related to OPEB	1,179,972	
Deferred inflows of resources related to OPEB	<u>(2,468,602)</u>	(894,097)
5 Property taxes are recognized as revenue in the governmental funds when collected, but recognized on the Statement of Activities in the year levied. Therefore, property taxes receivable, net of allowance for uncollectible accounts, is added to the Statement of Net Position for governmental activities.		74,113
<b>19 Net Position of Governmental Activities</b>	<u>\$</u>	<u>3,362,562</u>

The notes to the financial statements are an integral part of this statement.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2023

Data	10	60	98	Total
Control	General	Capital	Other	Governmental
Codes	Fund	Projects Fund	Funds	Funds
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ 3,363,353	\$ 13,640	\$ 818,243	\$ 4,195,236
5800 State Program Revenues	4,482,981	-	93,532	4,576,513
5900 Federal Program Revenues	40,642	-	558,930	599,572
5020 Total Revenues	<u>7,886,976</u>	<u>13,640</u>	<u>1,470,705</u>	<u>9,371,321</u>
<b>EXPENDITURES</b>				
0011 Instruction	3,759,569	-	160,639	3,920,208
0012 Instructional Resources & Media Services	109,698	-	31,758	141,456
0013 Curriculum & Instructional Staff Development	1,425	-	-	1,425
0023 School Leadership	355,908	-	-	355,908
0031 Guidance, Counseling & Evaluation Services	160,672	-	-	160,672
0033 Health Services	85,862	-	-	85,862
0034 Student Transportation	137,107	-	-	137,107
0035 Food Services	-	-	304,505	304,505
0036 Extracurricular Activities	585,318	-	23,552	608,870
0041 General Administration	533,412	604	3,080	537,096
0051 Facilities Maintenance and Operations	1,055,808	-	-	1,055,808
0052 Security and Monitoring Services	9,980	-	24,604	34,584
0053 Data Processing Services	236,861	-	-	236,861
0071 Debt Service - Principal	68,338	-	475,000	543,338
0072 Debt Service - Interest	10,337	-	185,236	195,573
0073 Debt Service - Bond Issuance Costs	-	191,619	-	191,619
0081 Facilities Acquisition and Construction	10,965	159,365	-	170,330
0093 Payments to Fiscal Agent of SSA	-	-	247,898	247,898
6030 Total Expenditures	<u>7,121,260</u>	<u>351,588</u>	<u>1,456,272</u>	<u>8,929,120</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>765,716</u>	<u>(337,948)</u>	<u>14,433</u>	<u>442,201</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
7911 Issuance of Bonds	-	7,605,000	-	7,605,000
7916 Premium or Discount on Issuance of Bonds	-	586,619	-	586,619
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>8,191,619</u>	<u>-</u>	<u>8,191,619</u>
1200 Net Change in Fund Balance	765,716	7,853,671	14,433	8,633,820
0100 Fund Balance - Beginning	4,245,596	13	124,963	4,370,572
1300 Prior Period Adjustment	(65,480)	-	-	(65,480)
3000 Fund Balance - Ending	<u>\$ 4,945,832</u>	<u>\$ 7,853,684</u>	<u>\$ 139,396</u>	<u>\$ 12,938,912</u>

The notes to the financial statements are an integral part of this statement.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2023

	<b>Total Net Change in Fund Balances – Governmental Funds</b>	\$ 8,633,820
1	Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.	
	Expenditures for capitalized assets	\$ 209,525
	Less current year depreciation	(678,378)
		(468,853)
2	Repayment of principal on bonds, loans, leases, and certain adjustments are an expenditure in the governmental funds, but this expenditure is removed from the Statement of Activities and these repayments instead reduce long-term liabilities on the Statement of Net Position.	553,487
3	Issuance of long-term debt increases current financial resources to governmental funds, but this increase is not shown on the Statement of Activities and instead increases long-term liabilities on the Statement of Net Position.	(8,191,619)
4	Since long-term debt is not recorded in governmental funds, amortization of related issuance premiums and discounts is also not recorded.	32,359
5	The change in accrued interest due on long-term debt issued for governmental activities does not affect current financial resources and therefore is not reported in the governmental funds.	(19,846)
6	Property taxes are recognized as revenue in the governmental funds when collected but recognized on the Statement of Activities in the year levied. Therefore the uncollected amount of the current year levy is added to current year property tax revenue on the Statement of Activities.	(2,350)
7	Governmental funds report pension contributions as expenditures. However, pension contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net pension liability measurement date. In addition, the change in the net pension liability, adjusted for changes in deferred pension items, is reported as pension expense in the Statement of Activities.	(18,239)
8	Governmental funds report OPEB contributions as expenditures. However, OPEB contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net OPEB liability measurement date. In addition, the change in the net OPEB liability, adjusted for changes in deferred OPEB items, is reported as OPEB expense in the Statement of Activities.	88,888
9	Since capital assets are not reported in governmental funds, gains or losses on disposal of capital assets are also not reported in governmental funds.	(325,945)
	<b>19 Change in Net Position of Governmental Activities</b>	<b>\$ 281,702</b>

The notes to the financial statements are an integral part of this statement.

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2023

Data	Budgeted Amounts		Actual	Variance With
Control			Amounts	Final Budget
Codes	Original	Final	(GAAP BASIS)	
<b>REVENUES</b>				
5700 Local & Intermediate Sources	\$ 3,074,911	\$ 3,074,911	\$ 3,363,353	\$ 288,442
5800 State Program Revenues	4,296,258	4,296,258	4,482,981	186,723
5900 Federal Program Revenues	-	-	40,642	40,642
5020 Total Revenues	<u>7,371,169</u>	<u>7,371,169</u>	<u>7,886,976</u>	<u>515,807</u>
<b>EXPENDITURES</b>				
Current:				
0011 Instruction	3,799,350	3,799,350	3,759,569	39,781
0012 Instructional Resources & Media Svcs.	98,381	110,381	109,698	683
0013 Curriculum & Instructional Staff Dev.	5,000	5,000	1,425	3,575
0023 School Leadership	350,503	359,003	355,908	3,095
0031 Guidance, Counseling & Evaluation Svcs.	164,391	168,391	160,672	7,719
0033 Health Services	79,168	86,168	85,862	306
0034 Student Transportation	172,500	172,500	137,107	35,393
0036 Extracurricular Activities	467,809	577,809	585,318	(7,509)
0041 General Administration	441,055	536,055	533,412	2,643
0051 Facilities Maintenance & Operations	814,226	1,103,226	1,055,808	47,418
0052 Security and Monitoring Services	20,500	20,500	9,980	10,520
0053 Data Processing Services	231,847	237,847	236,861	986
Debt Service:				
0071 Principal on Long Term Debt	54,029	54,029	68,338	(14,309)
0072 Interest on Long Term Debt	8,765	8,765	10,337	(1,572)
Capital Outlay:				
0081 Facilities Acquisition & Construction	300,000	11,000	10,965	35
Intergovernmental:				
0093 Payments to Fiscal Agent SSA	247,898	5,398	-	5,398
6030 Total Expenditures	<u>7,255,422</u>	<u>7,255,422</u>	<u>7,121,260</u>	<u>134,162</u>
1200 Net Change in Fund Balances	115,747	115,747	765,716	649,969
0100 Fund Balance-September 1 (Beginning)	4,245,596	4,245,596	4,245,596	-
1300 Prior Period Adjustment	-	-	(65,480)	(65,480)
3000 Fund Balance-August 31 (Ending)	<u>\$ 4,361,343</u>	<u>\$ 4,361,343</u>	<u>\$ 4,945,832</u>	<u>\$ 584,489</u>

The notes to the financial statements are an integral part of this statement.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2023

Data Control Codes	829	865
	Private- Purpose Trust Fund	Custodial Fund
<b>ASSETS</b>		
1110 Cash and Cash Equivalents	\$ 196,425	\$ 39,259
1000 Total Assets	<u>196,425</u>	<u>39,259</u>
<b>NET POSITION</b>		
Restricted for:		
3800 Individuals and Organizations	<u>196,425</u>	<u>39,259</u>
3000 Total Net Position	<u>\$ 196,425</u>	<u>\$ 39,259</u>

The notes to the financial statements are an integral part of this statement.



CRAWFORD INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	829	865
	Private- Purpose Trust Fund	Custodial Fund
<b>ADDITIONS</b>		
Contributions:		
5744 Foundations, Gifts, and Bequests	\$ 25,500	\$ -
5750 Fundraising Activities	-	79,332
5020 Total Contributions	<u>25,500</u>	<u>79,332</u>
Investment Earnings:		
5742 Interest, Dividends, and Other	411	-
Total Additions	<u>25,911</u>	<u>79,332</u>
<b>DEDUCTIONS</b>		
6400 Other Operating Costs	46,864	73,644
6030 Total Deductions	<u>46,864</u>	<u>73,644</u>
1200 Net Increase/(Decrease) in Fiduciary Net Position	(20,953)	5,688
0100 Net Position - Beginning	217,378	33,571
3000 Net Position - Ending	<u>\$ 196,425</u>	<u>\$ 39,259</u>

The notes to the financial statements are an integral part of this statement.

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **The Financial Reporting Entity**

This report includes those activities, organizations and functions related to Crawford Independent School District (the “District”), which are controlled by or dependent upon the District’s governing body, the Board of Trustees (the “Board”). The Board, a seven member group, is the level of government having governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental “reporting entity” as defined by Statement No. 14 of the Governmental Accounting Standards Board (GASB), since Board members are elected by the public and have decision making authority. Furthermore, there are no legally separate organizations, known as “component units”, included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency (TEA) in its Financial Accountability System Resource Guide (FASRG). These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

### **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 District. The effect of interfund activity has been removed from these statements. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Currently however, the District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Custodial funds have no measurement focus. 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. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty 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 are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include state and federal program revenues and property taxes. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources within the governmental fund financial statements.

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Major Funds and Fund Types**

The District reports the following major governmental funds:

The General Fund includes financial resources that are not required to be reported separately in another fund. It is a budgeted fund, and any unrestricted fund balances are considered to be resources available for current operations.

The Capital Projects Fund is used to account for the construction, improvement and renovation of school buildings in the District along with the acquisition of land and equipment. This fund is budgeted on a project basis rather than annually.

Additionally, the District reports the following fund types:

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

Special Revenue Funds are governmental funds which include resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds.

Private Purpose Trust Funds are fiduciary funds used to account for donations for which the donors have stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District utilizes this fund type to account for money collected and held for the purpose of awarding scholarships to selected students.

Custodial Funds are fiduciary funds used to account for resources held for others in a custodial capacity. The District utilizes this fund type to account for funds held on behalf of student clubs and organizations.

### **Budgetary Information**

Budgets are prepared annually for the General Fund, the Child Nutrition Fund, and the Debt Service Fund on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by the end of August and is adopted by the Board at a public meeting after public notice of the meeting has been given no earlier than the 30th day or later than the 10th day before the public hearing. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was monitored by the administration throughout the year and amendments were brought to the Board as needed.

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance**

Investments - The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The types of investments allowed under the Public Funds Investment Act are detailed in Note 2 - Deposits and Investments. The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. Temporary investments throughout the year consisted of investments in external investment pools, which are recognized at amortized cost, and money market accounts.

Inventories - Inventories are generally not recorded in the General Fund or Child Nutrition Fund due to amounts of expendable supplies held or purchased food not being deemed material. When inventories are recorded, they are charged to expenditures when consumed. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the inventory does not represent "available expendable resources."

Capital Assets - Capital assets, which include land, buildings and improvements, construction in progress, furniture and equipment, and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000 and a useful life of greater than one year. Such assets are recorded at historical cost, if purchased, or estimated fair value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight line method over the following estimated useful lives: buildings and improvements - fifteen to thirty years, furniture and equipment - three to twenty years, and vehicles - five to ten years.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are charged to expenditures when consumed. When prepaid items are recorded, they are charged to expenditures when the value represented by the prepaid item has been used. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the prepaid item amount does not represent "available expendable resources."

Ad Valorem Property Taxes - Delinquent taxes, when received, are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Accumulated Sick Leave Liability - The State of Texas has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local Board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum.

Pensions - The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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Other Post-Employment Benefits - The fiduciary net position of the Teacher Retirement System of Texas TRS Care Plan (TRS-Care) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent a consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Fund Balance/Deficit - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Statement of Cash Flows - For purposes of the statement of cash flows when Proprietary Funds are used, cash and cash equivalents include demand deposits.

Fair Value Measurements - The District adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows below.

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity
- Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations

#### **Data Control Codes**

The Data Control Codes shown on the financial statements refer to the account code structure prescribed by the FASRG. TEA requires school districts to display these codes in their financial statements to ensure accuracy in building a state-wide data base for policy development and funding plans.

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**2. DEPOSITS AND INVESTMENTS**

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District’s investment strategy for operating and custodial funds, in order of priority, are safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. The primary objective of the District’s investment strategy for Debt Service and Capital Projects Funds is sufficient investment liquidity to meet related obligations.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Securities lending programs
- Banker’s acceptances
- Commercial paper
- No-load money market mutual funds and no-load mutual funds
- Guaranteed investment contracts as an investment vehicle for bond proceeds
- Public funds investment pools

The District’s funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District’s agent approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance. Therefore the District is not exposed to custodial credit risk.

Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

At August 31, 2023, the carrying amount of the District’s deposits was \$12,282,142 and the bank balance was \$12,337,120. The District’s deposits with financial institutions at August 31, 2023 and during the year ended August 31, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name. The deposits were collateralized in accordance with Texas law and the District maintains copies of all safekeeping receipts in the name of the District.

The District maintains a cash pool consisting of demand deposits. The combined pool is available for use by most Special Revenue Funds. If a fund overdraws its share of the pool, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable is reported in the General Fund.

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Name of depository bank: Security Bank of Crawford, Texas
- b) The amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$15,000,000.
- c) The largest cash, savings and time deposit combined account balance amounted to \$13,106,535 and occurred during the month of April 2023.
- d) Total amount of FDIC coverage at the time of highest combined balance was \$500,000.

Investments held at August 31, 2023 consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fitch Ratings</u>
Local Government Investment Pools:			
Texas TERM	\$ 1,000,383	1	AAAf
Total Investments	\$ 1,000,383		

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The District had investments in one external local governmental investment pool at August 31, 2023, consisting of the Texas TERM Investment Pool.

Texas TERM

Texas TERM was created in 2000 to allow Texas local governments and school districts to pool their funds for investment. By pooling the funds of many government entities, the Pool can help investors achieve the investment objectives of Safety, Liquidity, Higher Potential Yield, Accounting and Safekeeping and Convenience. An Advisory Board of experienced local government officials, finance directors and treasurers direct Texas TERM and the pool is managed by a team of industry leaders that are focused on providing professional investment services to investors. TexasTERM has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the "PFIA").

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At August 31, 2023, investments were included in local governmental investment pools with ratings from Fitch Ratings in compliance with the District's investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At August 31, 2023, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At August 31, 2023, the District had 100% of its investments in money market accounts and local governmental investment pools.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the District's investment policy requires that maturities will not exceed the weighted average maturity of 180 days for any internally created pool fund group and one year from the time of purchase for any other individual investment. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District considers the holdings in the local governmental investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At August 31, 2023, investments were included in local government investment pools which have a weighted average maturity of one day.

### **3. PROPERTY TAXES**

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. The McLennan Central Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of all property in the District. Under the Code, the school board sets the tax rates on property and the McLennan County Tax Assessor/Collector provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.



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Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60 day period after the end of the District’s fiscal year. The assessed value at January 1, 2022, upon which the October 2022 levy was based was \$321,313,102. The District levied taxes based on a combined tax rate of \$1.145699 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

**4. DUE FROM/TO OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. Grants and entitlements are recorded as revenue when earned, therefore at year end amounts earned but not yet received in cash may be recorded as due from the grantor government. Amounts already received in cash but not yet earned are recorded as due to the grantor government.

A summary of amounts recorded as Due From/Due To Other Governments in the basic financial statements as of August 31, 2023 are summarized below:

Due From Other Governments:	General	Non-Major Governmental	Total
	Fund	Funds	Total
Governmental Activities:			
Foundation & Per Capita Entitlements	\$ 97,426	\$ -	\$ 97,426
State Grants	-	28,995	28,995
Federal Grants	-	95,133	95,133
Total - Governmental Activities	\$ 97,426	\$ 124,128	\$ 221,554

Due To Other Governments:	Non-Major Governmental	
	Funds	Total
Governmental Activities:		
State Grants	\$ 1,626	\$ 1,626
Total - Governmental Activities	\$ 1,626	\$ 1,626

**5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

During the course of operations, the individual funds of the District may engage in temporary borrowings of money between one another to meet liquidity needs. These interfund receivables and payables are recorded on the balance sheet of the loaning fund as “Due from Other Funds” and on the balance sheet of the borrowing fund as “Due to Other Funds”. Amounts are repaid when funds are available in the borrowing fund.

Individual funds may also make payments between one another which are intended to be permanent and therefore not repaid. These transactions are recorded on the statement of revenues, expenditures, and changes in fund balance as “Transfers Out” for the paying fund and “Transfers In” for the receiving fund.

During the year, the District did not record any interfund transfers.

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The composition of interfund balances as of August 31, 2023 was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Funds	\$ 114,722
Total General Fund		114,722
Grand Total		\$ 114,722

## 6. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2023 was as follows:

	Beginning Balance			Ending Balance
	9/1/22	Additions	Retirements	
Governmental Activities:				
Capital Assets, not Being Depreciated:				
Land	\$ 269,185	\$ -	\$ -	\$ 269,185
Construction in Progress	41,818	91,765	-	133,583
Total Capital Assets, not Being Depreciated	311,003	91,765	-	402,768
Capital Assets, Being Depreciated:				
Buildings and Improvements	15,552,275	117,760	-	15,670,035
Furniture and Equipment	3,090,464	-	(325,945)	2,764,519
Right to Use Leased Assets	59,398	-	-	59,398
Total Capital Assets, Being Depreciated	18,702,137	117,760	(325,945)	18,493,952
Less Accumulated Depreciation for:				
Buildings and Improvements	(8,576,198)	(542,281)	-	(9,118,479)
Furniture and Equipment	(2,252,661)	(120,444)	-	(2,373,105)
Right to Use Leased Assets	(15,653)	(15,653)	-	(31,306)
Total Accumulated Depreciation	(10,844,512)	(678,378)	-	(11,522,890)
Governmental Activities Capital Assets, Net	\$ 8,168,628	\$ (468,853)	\$ (325,945)	\$ 7,373,830

Depreciation expense was charged to the functions of the District as follows:

Function	Depreciation Allocation
Instruction	\$ 361,199
Instructional Resources & Media Services	12,258
Curriculum & Instructional Staff Development	123
School Leadership	30,842
Guidance, Counseling & Evaluation Services	13,923
Health Services	7,441
Student Transportation	11,881
Food Services	26,388
Extracurricular Activities	52,763
General Administration	46,543
Facilities Maintenance and Operations	91,494
Security and Monitoring Services	2,997
Data Processing Services	20,526
Totals	\$ 678,378

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**7. BONDS, LOANS, AND OTHER LONG-TERM LIABILITIES**

Governmental activities long-term debt obligations at August 31, 2023 consisted of the following:

General Long-Term Debt Description	Outstanding at August 31, 2023
\$2,440,000 Series 2014 Unlimited Tax Refunding Bonds due in remaining annual installments of \$85,000 to \$225,000 through February 15, 2030; interest at 3.500% to 4.000%.	\$ 1,285,000
\$2,160,000 Series 2017 Unlimited Tax Refunding Bonds due in remaining annual installments of \$90,000 to \$155,000 through February 15, 2038; interest at 3.500% to 4.000%.	1,835,000
\$1,830,000 Series 2019 Unlimited Tax School Building Bonds due in remaining annual installments of \$70,000 to \$125,000 through February 15, 2039; interest at 3.000% to 3.700%.	1,575,000
\$7,605,000 Series 2023 Unlimited Tax School Building Bonds due in remaining annual installments of \$110,000 to \$505,000 through February 15, 2048; interest at 4.000% to 5.000%.	7,605,000
\$255,595 Loan Payable - Simmons Bank, issued 2019, due in remaining annual installments of \$41,421 through 2027; interest at 3.800%.	153,071
\$98,867 Loan Payable - Government Capital Corporation, issued 2021, due in remaining annual installments of \$21,372 through 2027; interest at 2.631%.	80,148
\$31,100 Right to Use Lease Asset Payable - CTWP for Copier Machines due in remaining monthly installments of \$775 through 2025; interest at 5.000%.	14,844
\$25,097 Right to Use Lease Asset Payable - MGP Waco for Lawn Mowers due in remaining monthly installments of \$488 through 2024; interest at 5.000%.	4,771
\$3,201 Right to Use Lease Asset Payable - Pitney Bowes for Postage Machines due in remaining monthly installments of \$60 through 2027; interest at 5.000%.	2,322
<b>Total General Long-Term Debt</b>	<b>\$ 12,555,156</b>

The following is a summary of changes in long-term liabilities for the year ended August 31, 2023:

Type	Outstanding 9/1/22	Additions	Deletions	Adjustments	Outstanding 8/31/23	Due in One Year
<b>Bonds Payable:</b>						
General Obligation Bonds	\$ 5,170,000	\$ 7,605,000	\$ (475,000)	\$ -	\$12,300,000	\$ 450,000
Premium on Issuance of Bonds	394,482	586,619	(32,359)	-	948,742	-
<b>Total Bonds Payable</b>	<b>5,564,482</b>	<b>8,191,619</b>	<b>(507,359)</b>	<b>-</b>	<b>13,248,742</b>	<b>450,000</b>
<b>Other Long-Term Liabilities:</b>						
Loans Payable	287,164	-	(53,945)	-	233,219	55,719
Right to Use Lease Assets Payable	46,479	-	(14,393)	(10,149)	21,937	14,152
<b>Total Other Long-Term Liabilities</b>	<b>333,643</b>	<b>-</b>	<b>(68,338)</b>	<b>(10,149)</b>	<b>255,156</b>	<b>69,871</b>
<b>Total Governmental Activities</b>	<b>\$ 5,898,125</b>	<b>\$ 8,191,619</b>	<b>\$ (575,697)</b>	<b>\$ (10,149)</b>	<b>\$13,503,898</b>	<b>\$ 519,871</b>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District. The Texas Education Code generally limits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness would exceed \$0.50 per \$100 of assessed valuation of taxable property within the District.

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Annual principal installments for outstanding bonds vary each year. The debt service requirements to maturity for general obligation bonds as of August 31, 2023 are as follows:

Year Ended August 31,	Bonds Payable		Total Requirements
	Principal	Interest	
2024	\$ 450,000	\$ 606,590	\$ 1,056,590
2025	495,000	486,075	981,075
2026	530,000	464,800	994,800
2027	560,000	442,175	1,002,175
2028	585,000	418,400	1,003,400
2029-2033	2,525,000	1,762,363	4,287,363
2034-2038	2,780,000	1,225,362	4,005,362
2039-2043	2,030,000	685,075	2,715,075
2043-2048	2,345,000	242,100	2,587,100
Total	\$ 12,300,000	\$ 6,332,940	\$ 18,632,940

The debt service requirements for loans payable as of August 31, 2023 are as follows:

Year Ended August 31,	Loans Payable		Total Requirements
	Principal	Interest	
2024	\$ 55,719	\$ 7,074	\$ 62,793
2025	57,408	5,385	62,793
2026	59,149	3,644	62,793
2027	60,943	1,850	62,793
Total	\$ 233,219	\$ 17,953	\$ 251,172

Leases are defined by the general government as the right to use an underlying asset. As lessee, the District recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The District calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

The debt service requirements for right to use leased assets payable as of August 31, 2023 are as follows:

Year Ended August 31,	RTU Lease Assets Payable		Total Requirements
	Principal	Interest	
2024	\$ 14,152	\$ 755	\$ 14,907
2025	6,741	185	6,926
2026	688	37	725
2027	356	6	362
Total	\$ 21,937	\$ 983	\$ 22,920

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**8. TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN**

A. Pension Plan Description

The Teacher Retirement System of Texas (TRS or System or Plan) is a public employee retirement system (PERS) that is a multiple-employer, cost-sharing, defined benefit pension plan with a special funding situation. The Plan is administered by the Board of Trustees of TRS. Information regarding the Board of TRS and its composition can be found within the separately issued TRS Annual Comprehensive Financial Report within Note 1 to the financial statements. That report may be obtained online at [www.trs.texas.gov](http://www.trs.texas.gov); by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (512) 542-6592.

Benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits.

B. Benefits Provided

TRS provides retirement, disability, and death benefits. Membership in the Plan includes all employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempt from membership under Texas Government Code, Title 8, Section 822.002.

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

C. Contributors to the Plan

Contributors to the Plan include active members, employers, and the State of Texas as the only non-employer contributing entity. The State is also the employer for senior colleges, medical schools, and state agencies, including TRS. In each respective role, the State contributes to the plan in accordance with State Statutes and the General Appropriations Act.

The number of participating employers during fiscal year 2022 are disclosed in the following table.

<u>Participating Employers</u>	
Independent School Districts	1,021
Charter Schools (open enrollment only)	197
Community and Junior Colleges	50
Senior Colleges and Universities	48
Regional Service Centers	20
Medical Schools	9
Educational Districts	2
State Agency	1
Total	1,348

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Plan membership as of August 31, 2021 is shown in the following table. Because the actuarial valuation was based on a roll forward from fiscal year 2021 (see Section F), the Plan membership counts are as of August 31, 2021.

<u>Pension Plan Membership</u>	
Retired plan members or beneficiaries currently receiving benefits	458,133
Inactive plan members entitled to but not yet receiving benefits	501,241
Active plan members	918,545
	1,877,919

The Average Expected Remaining Service Life (AERSL) of 5.7052 years is based on membership information as of the beginning of the fiscal year.

D. Contributions

Contribution requirements are established or amended pursuant to the following state laws:

- Article 16, Section 67 of the Texas Constitution requires the legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.
- Government Code section 821.006 prohibits benefit improvements if it increases the amortization period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

As the non-employer contributing entity, the State of Texas contributes to the retirement system the current employer contribution rate times the aggregate annual compensation of all members of the Plan during the fiscal year, reduced by the employer contributions described below.

All participating employers and the State of Texas, as the employer for senior universities and medical schools, are required to pay the employer contribution rate in the following situations:

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

Employers are also required to pay surcharges in the following cases:

- All public schools, charter schools and regional education service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

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Contribution rates and amounts for active employees, participating employers, and the State of Texas for the current and prior fiscal year are shown below:

<u>Contribution Rates</u>	<u>2022</u>	<u>2023</u>
Members	8.00%	8.00%
Employer	7.75%	8.00%
State of Texas (NECE)	7.75%	8.00%
 <u>Contribution Amounts</u>		
Members	\$ 311,122	\$ 343,983
Employer	115,454	138,432
State of Texas (NECE)	266,824	292,726

E. Net Pension Liability

Components of the Net Pension Liability of the Plan as of August 31, 2022 are disclosed below.

<u>Components of Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 243,553,045,455
Less: Plan Fiduciary Net Position	<u>(184,185,617,196)</u>
Net Pension Liability	<u>\$ 59,367,428,259</u>
Net Position as Percentage of Total Pension Liability	75.62%

F. Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four year period ending August 31, 2021 and were adopted in July 2022.

The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

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

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Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized in the chart below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return*	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	75.00%
Private Equity*	14.00%	7.70%	1.50%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return*	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	18.00%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	43.00%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	(6.00)%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
Expected Return	<u>100.00%</u>		<u>8.19%</u>

\*Absolute Return includes Credit Sensitive Investments.

\*\*Target allocations are based on the FY2022 policy model.

\*\*\*Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022)

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

The following table discloses the assumptions that were applied to this measurement period.

Actuarial Methods and Assumptions

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Rate	7.00%
Municipal Bond Rate as of August 2022	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None



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The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

G. Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the nonemployer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

H. Change of Assumptions Since the Prior Measurement Date

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

I. Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following table presents the net pension liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption			
	1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net Pension Liability:	\$ 2,383,269	\$ 1,532,037	\$ 842,074

J. District Net Pension Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense

The Net Pension Liability of the Plan as a whole was last measured as of August 31, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of the Plan's Net Pension Liability based on the District's contributions to the Plan relative to the contributions of all employers for the period September 1, 2021 through August 31, 2022.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net Pension Liability, as well as the State's proportionate share of the Net Pension Liability associated with the District.

	Measurement Date		Change
	8/31/21	8/31/22	
District's Proportion of the Collective Net Pension Liability	0.002546061900	0.000025806027	(0.002520255873)
District's Proportionate Share of the Net Pension Liability	\$ 648,392	\$ 1,532,037	\$ 883,645
State's Proportionate Share of the Net Pension Liability Associated with the District	1,505,626	3,315,318	1,809,692
Total Pension Liability	\$ 2,154,018	\$ 4,847,355	\$ 2,693,337

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At August 31, 2023, Crawford Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 22,214	\$ 33,401
Changes in actuarial assumptions	285,468	71,147
Difference between projected and actual investment earnings	595,258	443,898
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	29,441	127,834
Contributions paid to TRS subsequent to the measurement date	138,432	-
Total	\$ 1,070,813	\$ 676,280

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions (not including the deferred contribution paid subsequent to the measurement date) will be recognized in pension expense as follows:

Measurement Year Ended August 31,	Pension Expense Amount
2023	\$ 71,176
2024	26,976
2025	(14,578)
2026	153,504
2027	19,023
Thereafter	-

For the year ended August 31, 2023, Crawford Independent School District recognized pension expense of \$18,239 and revenue of \$316,907 for support provided by the State.

## 9. EMPLOYEE HEALTH CARE COVERAGE

During the year ended August 31, 2023, employees of the District were covered by the state-wide health insurance plan, TRS Active Care. The District contributed \$275 per month per employee to the Plan, the State provided an additional \$75 per month per employee, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. TRS manages TRS Active Care. The Plan is administered by Aetna while Caremark was assigned the prescription drug plan.

## 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – TRS-CARE

### A. Plan Description

The Texas Public School Retired Employees Group Insurance Program (TRS-Care) is a multiple- employer, cost-sharing, defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The Board of Trustees of TRS administers the TRS-Care program and the related fund in accordance with the Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards. Further detailed information regarding TRS and TRS-Care is available in a separately issued Annual Comprehensive Financial Report for TRS that includes financial statements and required supplementary information. That report may be obtained online at [www.trs.texas.gov](http://www.trs.texas.gov); by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (512) 542-6592.

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B. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86th legislature also passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$300,000,000 as of August 31, 2022.

C. Contributors to TRS-Care

Contributors to the plan include active and retired members, employers, and the State of Texas as the only non-employer contributing entity.

During fiscal year 2022, the number of participating employers are presented in the following table.

<u>Participating Employers</u>	
Independent School Districts	1,020
Open Enrollment Charter Schools	197
Regional Service Centers	20
Other Educational Districts	<u>2</u>
Total	<u><u>1,239</u></u>

TRS-Care plan membership as of August 31, 2021 is shown in the following table. Because the actuarial valuation was based on a roll-forward (See Section F), the counts are as of that date.

<u>TRS-Care Plan Membership</u>	
Active plan members	751,105
Inactive plan members currently receiving benefits	188,016
Inactive plan members entitled to but not yet receiving benefits	13,014
Total	<u><u>952,135</u></u>

The Average Expected Remaining Service Life (AERSL) of 9.2179 is based on the membership information as of the beginning of the fiscal year.

D. Contributions

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

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At the inception of the plan, funding was projected to last 10 years through fiscal year 1995. The original funding was sufficient to maintain the solvency of the fund through fiscal year 2000. Since that time, appropriations and contributions have been established to fund the benefits for each successive biennium.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee rate which is 0.65 percent of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2022.

Contribution rates and amounts for active employees, participating employers, and the State of Texas for the current and prior fiscal year are shown below:

<u>Contribution Rates</u>	<u>2022</u>	<u>2023</u>
Members	0.65%	0.65%
Employer	0.75%	0.75%
State of Texas	1.25%	1.25%
Federal/Private Funding*	1.25%	1.25%
 <u>Contribution Amounts</u>		
Members	\$ 25,236	\$ 27,948
Employer	35,633	33,711
State of Texas (NECE)	47,087	51,658

\* Contributions paid from federal funds and private grants are remitted by the employer and paid at the State rate.

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of TRS. The TRS-Care surcharges for fiscal year 2022 totaled \$11,849,525.

A supplemental appropriation was authorized by Senate Bill 8 of the third-called legislature that granted \$83 million to TRS-Care from the federal American Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022. The premium rates for retirees are reflected in the following table.

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

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

E. Net OPEB Liability

Components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2022 are disclosed in the following table.

<u>Components of OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 27,061,942,520
Less: Plan Fiduciary Net Position	<u>(3,117,937,218)</u>
Net OPEB Liability	<u>\$ 23,944,005,302</u>
 Net Position as a Percentage of Total OPEB Liability	 11.52%

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The Net OPEB Liability decreased by \$14.7 billion, from \$38.6 billion as of August 31, 2021, to \$23.9 billion as of August 31, 2022. The decrease was due to a combination of favorable claims experience, changes in participation assumptions, and a large increase in the discount rate from 1.95 percent to 3.91 percent.

F. Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex.

Demographic Assumptions

The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

Mortality Assumptions

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

Election Rates

Normal Retirement - 65 percent participation rate prior to age 65 and 25 percent participation rate after age 65.  
 Pre-65 retirees - 30 percent of pre-65 retirees are assumed to discontinue coverage at age 65.

Health Care Trend Rates

The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. The initial prescription drug trend rate was 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

Actuarial Methods and Assumptions

Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

G. Discount Rate

A single discount rate of 3.91 percent was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.

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H. Change of Assumptions Since the Prior Measurement Date

The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the Total OPEB Liability.

I. Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption

The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 2.91 percent or one percentage point higher, 4.91 percent, than the AA/Aa rate. The source for the rate is the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index", as of August 31, 2022.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption			
	1% Decrease 2.91%	Current Single Discount Rate 3.91%	1% Increase 4.91%
District's Proportionate Share of the Net OPEB Liability	\$ 1,244,918	\$ 1,055,839	\$ 902,661

J. Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one-percent higher than the assumed healthcare cost trend rate.

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumption			
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 870,016	\$ 1,055,839	\$ 1,296,735

K. District Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, and OPEB Expense

The Net OPEB Liability of the TRS-Care program as a whole was last measured as of August 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of TRS Care's Net OPEB Liability based on the District's contributions to the program relative to the contributions of all employers for the period September 1, 2021 through August 31, 2022.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net OPEB Liability, as well as the State's proportionate share of the Net OPEB Liability associated with the District.

	Measurement Date		Change
	8/31/21	8/31/22	
District's Proportion of the Collective Net OPEB Liability	0.004895631400	0.000044096189	-0.004851535211
District's Proportionate Share of the Net OPEB Liability	\$ 1,888,464	\$ 1,055,839	\$ (832,625)
State's Proportionate Share of the Net OPEB Liability Associated with the District	2,530,121	1,287,958	(1,242,163)
Total OPEB Liability	\$ 4,418,585	\$ 2,343,797	\$ (2,074,788)

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At August 31, 2023, Crawford Independent School District reported its proportionate share of TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 58,701	\$ 879,609
Changes in actuarial assumptions	160,825	733,534
Difference between projected and actual investment earnings	3,156	11
Change in proportion and difference between the employer's contributions and the proportionate share of contributions	923,579	855,448
Contributions paid to TRS subsequent to the measurement date	33,711	-
<b>Total</b>	<b>\$ 1,179,972</b>	<b>\$ 2,468,602</b>

The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB (not including the deferred contribution paid subsequent to the measurement date) will be recognized in OPEB expense as follows:

Measurement Year Ended August 31,	OPEB Expense Amount
2023	\$ (174,873)
2024	(174,862)
2025	(130,088)
2026	(69,470)
2027	(226,185)
Thereafter	(546,863)

For the year ended August 31, 2023, Crawford Independent School District recognized OPEB expense of (\$88,888) and revenue of (\$182,772) for support provided by the State.

**11. FRINGE BENEFITS PAID BY OTHER GOVERNMENTS**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2023 and August 31, 2022, the subsidy payments received by TRS-Care on behalf of the District were \$23,273 and \$16,075, respectively.

**12. FUND BALANCES**

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described as follows:

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

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Assigned - For the General Fund, the Board, or an official or body that has been delegated authority by the Board, may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

A detail of the fund balance amounts within each category is included on the governmental funds balance sheet.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated authority to the Superintendent to assign fund balance for a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

**13. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

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

Type	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Trust Funds	Custodial Funds	Total
Property Taxes	\$ 3,046,997	\$ -	\$ 654,834	\$ -	\$ -	\$ 3,701,831
Investment Income	84,706	13,640	319	411	-	99,076
Rent	6,000	-	-	-	-	6,000
Gifts	39,005	-	-	25,500	-	64,505
Insurance Recovery	12,689	-	-	-	-	12,689
Food Sales	-	-	130,948	-	-	130,948
Athletics	55,862	-	-	-	-	55,862
Extracurricular Activities	45,477	-	-	-	79,332	124,809
Enterprising Revenues	317	-	32,142	-	-	32,459
Misc. Local Revenue	72,300	-	-	-	-	72,300
<b>Total</b>	<b>\$ 3,363,353</b>	<b>\$ 13,640</b>	<b>\$ 818,243</b>	<b>\$ 25,911</b>	<b>\$ 79,332</b>	<b>\$ 4,300,479</b>

**14. UNEARNED REVENUE**

Unearned revenue at August 31, 2023 consisted of the following amounts:

Fund	Federal Grants	Total
Non-Major Governmental Funds	\$ 17,148	\$ 17,148
<b>Total</b>	<b>\$ 17,148</b>	<b>\$ 17,148</b>



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**17. RISK MANAGEMENT**

The District’s risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers’ compensation, and other miscellaneous bonds. During the year ended August 31, 2023, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

**15. COMMITMENTS AND CONTINGENCIES**

The District participates in a number of federal financial assistance programs. Although the District’s grant programs have been audited in accordance with the provisions of *Government Auditing Standards* and when applicable, the Uniform Guidance, for the year ended August 31, 2023, these programs are subject to financial and compliance audits performed by the specific grantors. These audits, if performed, could result in amounts of expenditures being disallowed by the granting agencies and subject to repayment. The District however expects that such amounts, if any, would be immaterial.

**16. UNEMPLOYMENT COMPENSATION POOL**

During the year ended August 31, 2023, Crawford Independent School District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2023, the Fund anticipates that Crawford Independent School District has no additional liability beyond the contractual obligation for payment of contribution. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

**17. PRIOR PERIOD ADJUSTMENT**

The District recognized a prior period adjustment during the year in order to recognize the financial effects of local and intermediate source revenue collections and accompanying extracurricular expenditures related to various inter-District competitions which had previously been recorded as Due from Other Governments. The following is a summary of the financial effects of the prior period adjustment:

	Governmental Activities
Net position as previously stated at August 31, 2022	\$ 3,146,340
Effect of Prior Period Adjustment	(65,480)
Net Position as restated at August 31, 2022	\$ 3,080,860
	General Fund
Fund balance as previously stated at August 31, 2022	\$ 4,245,596
Effect of Prior Period Adjustment	(65,480)
Fund balance as restated at August 31, 2022	\$ 4,180,116

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

**18. IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARD**

During the year the District implemented Governmental Accounting Standards Board Statement No. 96 – *Subscription-Based Information Technology Arrangements* (“GASB 96”). The objective of GASB 96 is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for Subscription Based Information Technology Arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. At the commencement of the subscription term, a government should recognize a subscription liability and an intangible right-to-use asset (a capital asset). The commencement of the subscription term occurs when the initial implementation stage is completed, at which time the government has obtained control of the right to use the underlying IT assets, and therefore, the subscription asset is placed into service.

The right to use assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any payments made prior to the subscription term, less incentives, and plus ancillary charges necessary to place the subscription into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

As of August 31, 2023, the District did not have any items required to be reported as SBITAs as a result of implementing GASB 96.

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**REQUIRED SUPPLEMENTARY INFORMATION**

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
TEACHER RETIREMENT SYSTEM  
FOR THE YEAR ENDED AUGUST 31, 2023

	Measurement Year			
	2022	2021	2020	2019
District's Proportion of the Net Pension Liability	0.0025806027%	0.0025460619%	0.0028152746%	0.0029812116%
District's Proportionate Share of the Net Pension Liability	\$ 1,532,037	\$ 648,392	\$ 1,507,804	\$ 1,549,727
State's Proportionate Share of the District Net Pension Liability	3,315,318	1,505,626	3,199,815	2,652,681
Total Pension Liability	<u>\$ 4,847,355</u>	<u>\$ 2,154,018</u>	<u>\$ 4,707,619</u>	<u>\$ 4,202,408</u>
District's Covered-Employee Payroll	\$ 3,889,019	\$ 3,720,554	\$ 3,730,649	\$ 3,205,113
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	39.39%	17.43%	40.42%	48.35%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	75.62%	88.79%	75.54%	75.24%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects the available years of data since the adoption of GASB 68.

Measurement Year				
2018	2017	2016	2015	2014
0.0029328709%	0.0028155104%	0.0028991709%	0.0028501000%	0.0016039000%
\$ 1,614,323	\$ 900,249	\$ 1,095,554	\$ 1,007,472	\$ 428,424
2,882,087	1,722,966	2,043,445	2,044,778	1,847,769
<u>\$ 4,496,410</u>	<u>\$ 2,623,215</u>	<u>\$ 3,138,999</u>	<u>\$ 3,052,250</u>	<u>\$ 2,276,193</u>
\$ 3,067,321	\$ 2,947,707	\$ 2,856,156	\$ 2,875,817	\$ 2,914,618
52.63%	30.54%	38.36%	35.03%	14.70%
73.74%	82.17%	78.00%	78.43%	83.25%

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS –  
 TEACHER RETIREMENT SYSTEM  
 FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
Contractually Required Contribution	\$ 138,432	\$ 115,454	\$ 108,163	\$ 116,387
Contribution in Relation to the Contractually Required Contribution	<u>(138,432)</u>	<u>(115,454)</u>	<u>(108,163)</u>	<u>(116,387)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 4,299,785	\$ 3,889,019	\$ 3,720,554	\$ 3,730,649
Contributions as a Percentage of Covered- Employee Payroll	3.22%	2.97%	2.91%	3.12%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects the available years of data since the inception of GASB 68 and will eventually reflect ten years of data.



					Fiscal Year				
2019		2018		2017		2016		2015	
\$	104,695	\$	98,844	\$	82,507	\$	93,445	\$	84,389
	(104,695)		(98,844)		(82,507)		(93,445)		(84,389)
\$	-	\$	-	\$	-	\$	-	\$	-
\$	3,205,113	\$	3,067,321	\$	2,947,709	\$	2,856,156	\$	2,875,817
	3.27%		3.22%		2.80%		3.27%		2.93%

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY –  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN  
FOR THE YEAR ENDED AUGUST 31, 2023

	Measurement Year			
	2022	2021	2020	2019
District's Proportion of the Net Liability for Other Post Employment Benefits	0.0044096189%	0.0048956314%	0.0060835900%	0.0052659967%
District's Proportionate Share of the Net Post Employment Benefit Liability	\$ 1,055,839	\$ 1,888,464	\$ 2,312,621	\$ 2,490,352
State's Proportionate Share of the Net Post Employment Benefit Liability Associated with the District	<u>1,287,958</u>	<u>2,530,121</u>	<u>3,107,608</u>	<u>3,309,124</u>
Total Other Post Employment Benefits Liability	<u>\$ 2,343,797</u>	<u>\$ 4,418,585</u>	<u>\$ 5,420,229</u>	<u>\$ 5,799,476</u>
District's Covered Payroll	\$ 3,889,019	\$ 3,720,554	\$ 3,730,649	\$ 3,205,113
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	27.15%	50.76%	61.99%	77.70%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	11.52%	6.18%	4.99%	2.66%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects the available years of data since the adoption of GASB 75.

<u>Measurement Year</u>	
<u>2018</u>	<u>2017</u>
0.0053429908%	0.0032404239%
\$ 2,667,804	\$ 1,409,139
<u>2,706,988</u>	<u>2,399,284</u>
<u>\$ 5,374,792</u>	<u>\$ 3,808,423</u>
\$ 3,067,321	\$ 2,947,707
86.98%	47.80%
1.57%	0.91%

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS –  
 TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN  
 FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
Contractually Required Contribution	\$ 33,711	\$ 35,633	\$ 38,100	\$ 44,634
Contribution in Relation to the Contractually Required Contribution	(33,711)	(35,633)	(38,100)	(44,634)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 4,299,785	\$ 3,889,019	\$ 3,720,554	\$ 3,730,649
Contributions as a Percentage of Covered Payroll	0.78%	0.92%	1.02%	1.20%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects the available years of data since the inception of GASB 75 and will eventually reflect ten years of data.

Fiscal Year		
2019	2018	2017
\$ 37,936	\$ 37,929	\$ 15,806
(37,936)	(37,929)	(15,806)
\$ -	\$ -	\$ -
\$ 3,205,113	\$ 3,067,321	\$ 2,786,497
1.18%	1.24%	0.57%

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2023

Teacher Retirement System

*Actuarial Assumptions*

The information presented in the required supplementary schedules was used in the actuarial valuation for determining the actuarially determined contribution rate and the Net Pension Liability in accordance with GASB 68. Actuarial methods and assumptions used for funding purposes can be found in the Teacher Retirement System of Texas Pension Plan note to the financial statements.

*Changes of Benefit Terms*

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

*Changes of Assumptions*

- The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability.
  - These new assumptions were adopted in conjunction with an actuarial experience study.
  - The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.
- 

Texas Public School Retired Employees Group Insurance Plan

*Actuarial Assumptions*

Actuarial methods and assumptions used for funding purposes can be found in the Other Post-Employment Benefits (OPEB) Plan – TRS-Care note to the financial statements.

*Changes of Benefit Terms*

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86th legislature also passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$300,000,000 as of August 31, 2022.

*Changes of Assumptions Since the Prior Measurement Date*

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the Total OPEB Liability.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2023

Data Control Codes	211	240	255	270
	ESEA, Title I, Part A	National Breakfast and Lunch Program	ESEA, Title II, Part A	ESEA, Title V, Part B, Subpart 2
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ 57,511	\$ -	\$ -
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Due from Other Governments	55,687	4,539	14,685	5,329
1000 Total Assets	<u>\$ 55,687</u>	<u>\$ 62,050</u>	<u>\$ 14,685</u>	<u>\$ 5,329</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ 11,719	\$ -	\$ -
2160 Accrued Wages Payable	2,426	9,523	1,001	-
2170 Due to Other Funds	52,978	-	13,569	5,329
2180 Due to Other Governments	-	-	-	-
2200 Accrued Expenditures	283	205	115	-
2300 Unearned Revenues	-	17,148	-	-
2000 Total Liabilities	<u>55,687</u>	<u>38,595</u>	<u>14,685</u>	<u>5,329</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2600 Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
3450 Federal or State Funds Restricted	-	23,455	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
Committed for:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>23,455</u>	<u>-</u>	<u>-</u>
4000 Total Liab., Def. Inflows & Fund Balances	<u>\$ 55,687</u>	<u>\$ 62,050</u>	<u>\$ 14,685</u>	<u>\$ 5,329</u>

281	282	289	410	429	461	511		
ESSER II	ESSER III	Federally Funded Special Revenue Funds	State Instructional Materials Fund	State Funded Special Revenue Funds	Campus Activity Funds	Debt Service Fund	Total Non- Major Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,590	\$ 108,977	\$ 175,078	
-	-	-	-	-	-	13,836	13,836	
-	-	-	-	-	-	(2,769)	(2,769)	
-	4,893	10,000	28,995	-	-	-	124,128	
\$ -	\$ 4,893	\$ 10,000	\$ 28,995	\$ -	\$ 8,590	\$ 120,044	\$ 310,273	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,719	
-	-	934	-	-	-	-	13,884	
-	4,893	8,958	28,995	-	-	-	114,722	
-	-	-	-	-	-	1,626	1,626	
-	-	108	-	-	-	-	711	
-	-	-	-	-	-	-	17,148	
-	4,893	10,000	28,995	-	-	1,626	159,810	
-	-	-	-	-	-	11,067	11,067	
-	-	-	-	-	-	11,067	11,067	
-	-	-	-	-	-	-	23,455	
-	-	-	-	-	-	107,351	107,351	
-	-	-	-	-	8,590	-	8,590	
-	-	-	-	-	8,590	107,351	139,396	
\$ -	\$ 4,893	\$ 10,000	\$ 28,995	\$ -	\$ 8,590	\$ 120,044	\$ 310,273	

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	211	240	255	270
	ESEA, Title I, Part A	National Breakfast and Lunch Program	ESEA, Title II, Part A	ESEA, Title V, Part B, Subpart 2
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ -	\$ 131,085	\$ -	\$ -
5800 State Program Revenues	-	12,410	-	-
5900 Federal Program Revenues	51,573	143,610	13,750	42,232
5020 Total Revenues	<u>51,573</u>	<u>287,105</u>	<u>13,750</u>	<u>42,232</u>
<b>EXPENDITURES</b>				
0011 Instruction	16,862	-	13,623	42,232
0012 Instructional Resources & Media Services	31,631	-	127	-
0035 Food Services	-	304,505	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	3,080	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0071 Debt Service - Principal	-	-	-	-
0072 Debt Service - Interest	-	-	-	-
0093 Payments to Fiscal Agent of SSA	-	-	-	-
6030 Total Expenditures	<u>51,573</u>	<u>304,505</u>	<u>13,750</u>	<u>42,232</u>
1200 Net Change in Fund Balance	-	(17,400)	-	-
0100 Fund Balance - Beginning	-	40,855	-	-
3000 Fund Balance - Ending	<u>\$ -</u>	<u>\$ 23,455</u>	<u>\$ -</u>	<u>\$ -</u>

281	282	289	410	429	461	511	
ESSER II	ESSER III	Federally Funded Special Revenue Funds	State Instructional Materials Fund	State Funded Special Revenue Funds	Campus Activity Funds	Debt Service Fund	Total Non- Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,142	\$ 655,016	\$ 818,243
-	-	-	28,055	24,604	-	28,463	93,532
199,122	99,373	9,270	-	-	-	-	558,930
199,122	99,373	9,270	28,055	24,604	32,142	683,479	1,470,705
-	50,597	9,270	28,055	-	-	-	160,639
-	-	-	-	-	-	-	31,758
-	-	-	-	-	-	-	304,505
-	-	-	-	-	23,552	-	23,552
-	-	-	-	-	-	-	3,080
-	-	-	-	24,604	-	-	24,604
-	-	-	-	-	-	475,000	475,000
-	-	-	-	-	-	185,236	185,236
199,122	48,776	-	-	-	-	-	247,898
199,122	99,373	9,270	28,055	24,604	23,552	660,236	1,456,272
-	-	-	-	-	8,590	23,243	14,433
-	-	-	-	-	-	84,108	124,963
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,590	\$ 107,351	\$ 139,396

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FOR THE YEAR ENDED AUGUST 31, 2023

Last 10 Years Ended August 31,		1	2	3
		Tax Rates		Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2014	and prior years	Various	Various	Various
2015		1.040000	0.201360	\$ 155,662,748
2016		1.040000	0.190495	155,417,591
2017		1.170000	0.060495	167,663,339
2018		1.170000	0.060500	183,427,225
2019		1.170000	0.060500	200,467,452
2020		1.068350	0.224810	217,655,279
2021		1.010600	0.196773	290,383,662
2022		0.960300	0.202778	276,360,338
2023	(School year under audit)	0.942900	0.202799	321,313,102
TOTALS				

Total amount of Taxes Refunded under Section 26.1115, Tax Code, for owners who received an exemption as provided by

10 Beginning Balance 9/1/22	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/23
\$ 22,992	\$ -	\$ 334	\$ 65	\$ (1,223)	\$ 21,370
4,981	-	-	-	-	4,981
3,913	-	-	-	-	3,913
3,472	-	150	8	-	3,314
5,759	-	386	20	-	5,353
7,123	-	476	25	-	6,622
7,574	-	573	120	(418)	6,463
51,868	-	4,009	780	(40,464)	6,615
(12,106)	-	9,966	2,105	31,247	7,070
-	3,681,281	3,007,490	646,851	1	26,941
<u>\$ 95,576</u>	<u>\$ 3,681,281</u>	<u>\$ 3,023,384</u>	<u>\$ 649,974</u>	<u>\$ (10,857)</u>	<u>\$ 92,642</u>
Section 11.42(f), Tax Code		<u>\$ 468</u>			

CRAWFORD INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – CHILD NUTRITION FUND  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts (GAAP BASIS)	
<b>REVENUES</b>				
5700 Local & Intermediate Sources	\$ 70,000	\$ 120,000	\$ 131,085	\$ 11,085
5800 State Program Revenues	11,029	11,029	12,410	1,381
5900 Federal Program Revenues	90,000	90,000	143,610	53,610
5020 Total Revenues	171,029	221,029	287,105	66,076
<b>EXPENDITURES</b>				
0035 Food Services	257,589	307,589	304,505	3,084
6030 Total Expenditures	257,589	307,589	304,505	3,084
1200 Net Change in Fund Balances	(86,560)	(86,560)	(17,400)	69,160
0100 Fund Balance-September 1 (Beginning)	40,855	40,855	40,855	-
3000 Fund Balance-August 31 (Ending)	\$ (45,705)	\$ (45,705)	\$ 23,455	\$ 69,160



CRAWFORD INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual	Variance With Final Budget	
	Original	Final	Amounts (GAAP BASIS)		
<b>REVENUES</b>					
5700	Local & Intermediate Sources	\$ 654,737	\$ 654,737	\$ 655,016	\$ 279
5800	State Program Revenues	-	-	28,463	28,463
5020	Total Revenues	654,737	654,737	683,479	28,742
<b>EXPENDITURES</b>					
Debt Service:					
0071	Principal on Long Term Debt	476,800	476,800	475,000	1,800
0072	Interest on Long Term Debt	185,950	185,950	185,236	714
0073	Bond Issuance Cost and Fees	12	12	-	12
6030	Total Expenditures	662,762	662,762	660,236	2,526
1200	Net Change in Fund Balances	(8,025)	(8,025)	23,243	31,268
0100	Fund Balance-September 1 (Beginning)	84,108	84,108	84,108	-
3000	Fund Balance-August 31 (Ending)	\$ 76,083	\$ 76,083	\$ 107,351	\$ 31,268

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 USE OF FUNDS REPORT – SELECT STATE ALLOTMENT PROGRAMS  
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	1 Responses
<b>Section A: Compensatory Education Programs</b>	
Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.104.	
AP1	Did your District expend any state compensatory education program state allotment funds during the District's fiscal year? Yes
AP2	Does the District have written policies and procedures for its state compensatory education program? Yes
AP3	Total state allotment funds received for state compensatory education programs during the District's fiscal year. \$ 135,828
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30, 34) \$ 108,511
<b>Section B: Bilingual Education Programs</b>	
Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.105.	
AP5	Did your District expend any bilingual education program state allotment funds during the District's fiscal year? Yes
AP6	Does the District have written policies and procedures for its bilingual education program? Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year. \$ 4,820
AP8	Actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35) \$ 9,581

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1 Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$ -

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**FEDERAL AWARDS SECTION**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of  
Crawford Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crawford Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Crawford Independent School District's basic financial statements and have issued our report thereon dated October 13, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Crawford Independent School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crawford Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Crawford Independent School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Crawford Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

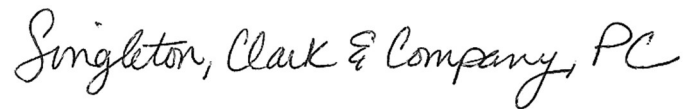
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## **Crawford Independent School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Crawford Independent School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Crawford Independent School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Singleton, Clark & Company, PC". The signature is written in a cursive, flowing style.

Singleton, Clark & Company, PC  
Cedar Park, Texas

October 13, 2023

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED AUGUST 31, 2023

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**FEDERAL AWARDS**

Under the guidelines of the federal Uniform Guidance, a Single Audit was not required for the year ended August 31, 2023 due to expenditures of federal awards being below \$750,000.

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

Findings Related to Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*:

2023-001                      Excess Expenditures Over Appropriations (Budgetary Compliance)

Criteria:                      Each year the District’s Board of Trustees adopts legal budgets for the General Fund, the Child Nutrition Fund, and the Debt Service Fund. These functional-level appropriations are considered expenditure limits set by law.

Condition Found:            For the year ended August 31, 2023, expenditures exceeded appropriations in the Extracurricular Activities and Debt Service Functions in the General Fund by \$7,509 and \$15,881, respectively.

Cause:                            Certain expenditures were not properly classified during the year and required adjustments at year-end for which there was insufficient appropriations.

Effect:                            The effect of this condition is technical noncompliance with the legally adopted budget.

Recommendation:            We recommend the District more closely monitor expenditure classifications in relation to the Board-approved budget and amend the budget as necessary.

Contact Person:              Dr. Kenneth Hall, Superintendent

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended August 31, 2022.

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CRAWFORD INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)  
FOR THE YEAR ENDED AUGUST 31, 2023

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**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Findings Related to Federal Awards Which are Required to be Reported in Accordance with Uniform Guidance:

Not applicable.

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CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2023

Current Year Audit Findings:

2023-001                      Excess Expenditures Over Appropriations (Budgetary Compliance)

Corrective Action Planned:

The District will more closely monitor expenditure classifications in relation to the Board-approved budget and amend the budget as necessary.

Anticipated Completion Date: August 31, 2024

Contact Person(s): Karlie Collins