

**City of Center, Texas**

**ANNUAL FINANCIAL REPORT**

September 30, 2025



	Page
<b>INTRODUCTORY SECTION</b>	
Principal City Officials.....	1
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report.....	2
Management's Discussion and Analysis .....	6
<b>Basic Financial Statements</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position .....	14
Statement of Activities.....	15
<b>Fund Financial Statements</b>	
Balance Sheet - Governmental Funds .....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	18
Statement of Net Position - Proprietary Funds .....	19
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	20
Statement of Cash Flows - Proprietary Funds .....	21
Notes to the Financial Statements .....	22
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund .....	43
Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions.....	47
Schedule of Changes in OPEB Liability and Related Ratios and Schedule of Contributions .....	48
<b>Supplementary Information</b>	
List of Nonmajor Governmental Funds .....	49
Combining Balance Sheet - Nonmajor Governmental Funds.....	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	51
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	52

## Table of Contents (Continued)



	Page
<b>Supplementary Information (Continued)</b>	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	54
Schedule of Revenues - Proprietary Funds.....	56
Schedule of Expenses - Proprietary Funds.....	57
Combining Schedule of Component Units - Statement of Net Position.....	58
Combining Schedule of Component Units - Statement of Activities.....	59
<b>STATISTICAL SECTION</b>	
Insurance Coverage.....	60
Water and Sewer Rates and System Connections.....	61
<b>COMPLIANCE SECTION</b>	
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 <i>Government Auditing Standards</i> .....	66

**GOVERNING BODY**

Honorable David Chadwick, Mayor

**City Council**

Leigh Porterfield - Mayor Pro-Tem

Joyce Johnson - District 1

Tracy Bolton - District 2

Howell Howard - District 3

Dr. Randy Collard - District 4

Terry Scull - At Large

**Other Principal Officials**

Chad Nehring ..... City Manager

Esther Elizondo..... City Secretary

Seth Elmore..... City Attorney



**CARR, RIGGS & INGRAM, L.L.C.**

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of Center  
Center, Texas

### **Opinions**

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

### **Basis for Opinions**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **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 opinion. 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, including omissions, 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 the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

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

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

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The component unit financial statements, combining nonmajor fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The component unit financial statements, combining nonmajor fund financial statements, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the 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, component unit financial statements, combining nonmajor fund financial statements, other schedules and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026, on our consideration of the City'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 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 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 the City's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Lufkin, Texas  
March 9, 2026

## City of Center, Texas Management's Discussion and Analysis

As management of the City of Center, Texas, we offer readers of the City of Center's financial statements this narrative overview and analysis of the financial activities of the City of Center (City) for the fiscal year ended September 30, 2025.

### Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year resulting in a total net position of \$37,459,822 which is an increase of \$1,084,671 (*net position*).
- Governmental activities change in net position decreased \$51,741 to \$22,937,003 mostly due to increased revenues.
- The City's governmental funds reported combined ending fund balances of \$5,531,752 an increase of \$658,303 from the prior year of \$4,873,449, mostly as a result of increased revenues from investments and grants with corresponding decrease of expenditures.
- The fund balance for the general fund was \$3,424,259 or 56% of total general fund expenditures and increased \$404,606 during this fiscal year.
- The Water and Sewer Fund operating revenues exceeded expenses resulting in operating income of \$1,281,711 and the fund increased net position by \$1,187,520 to \$13,905,143.
- Combined Business Activities increased Net Position by \$1,136,412 to \$14,522,819.
- The combined non-major governmental funds experienced an increase in fund balance of \$301,793 to \$2,052,499 primarily due to increased revenues.
- The 4B Street Improvements for Economic Development is shown as a component unit of the City. The annual street program is recorded as an expense \$333,597 in the Governmental Funds so that the asset can be recorded.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Center's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

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

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

## City of Center, Texas

### Management's Discussion and Analysis (Continued)

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

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

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

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

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

The City of Center maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds, including the Debt Service Fund, is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, and special revenue funds - Trust Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget.

**Proprietary Funds.** The City maintains two proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer utility and Sanitation services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

## City of Center, Texas

### Management's Discussion and Analysis (Continued)

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer utility and sanitation services, which are considered to be a major funds of the City of Center.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Center's progress in funding its obligations to provide retirement benefits to its employees. This required supplementary information can be found after the notes to financial statements of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in this report.

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$23,027,028 at the close of fiscal year 2025 for governmental activity. This represents an decrease of \$51,741 from the 2024 net position of \$22,988,744.

By far the largest portion of the City's assets in governmental activity \$16,990,624, 74%, reflects its net investment in capital assets (e.g., land, buildings, vehicles and equipment), less the outstanding balance of related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Center's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. This year's net position values indicate increases because of acquisition and construction of assets through the Capital Projects Fund.

	<b>City of Center's Combined Net Position</b>					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 7,350,367	\$ 6,461,587	\$ 10,157,173	\$ 3,315,924	\$ 17,507,540	\$ 9,777,511
Capital assets (net of depreciation)	23,694,229	25,172,992	15,180,484	15,722,195	38,874,713	40,895,187
<b>Total Assets</b>	<b>31,044,596</b>	<b>31,634,579</b>	<b>25,337,657</b>	<b>19,038,119</b>	<b>56,382,253</b>	<b>50,672,698</b>
Deferred outflow	1,183,922	1,514,776	393,819	495,470	1,577,741	2,010,246
Long-term liabilities outstanding	6,704,714	7,557,713	10,071,829	4,867,432	16,776,543	12,425,145
Other liabilities	1,214,317	1,281,958	1,049,558	1,196,172	2,263,875	2,478,130
<b>Total Liabilities</b>	<b>7,919,031</b>	<b>8,839,671</b>	<b>11,121,387</b>	<b>6,063,604</b>	<b>19,040,418</b>	<b>14,903,275</b>
Deferred inflow	1,372,484	1,320,940	316,703	302,854	1,689,187	1,623,794
Net Position:						
Net investment in capital assets	16,990,624	17,818,202	4,822,984	10,832,195	21,813,608	28,650,397
Restricted	2,107,493	1,853,796	6,441,355	302,386	8,548,848	2,156,182
Unrestricted	3,838,886	3,316,754	3,258,480	2,251,826	7,097,366	5,568,580
<b>Total Net Position</b>	<b>\$ 22,937,003</b>	<b>\$ 22,988,752</b>	<b>\$ 14,522,819</b>	<b>\$ 13,386,407</b>	<b>\$ 37,459,822</b>	<b>\$ 36,375,159</b>

## City of Center, Texas

### Management's Discussion and Analysis (Continued)

Deferred inflow in Governmental Activities is inclusive of pledges made for Portacool Park and the Softball Complex, and court receipts.

An additional portion of the City's net position, \$2,107,493 (9%), represents resources that are subject to external restrictions on how they may be used.

Values for newly constructed, major infrastructure (i.e. streets, drainage) are included in the value of capital assets.

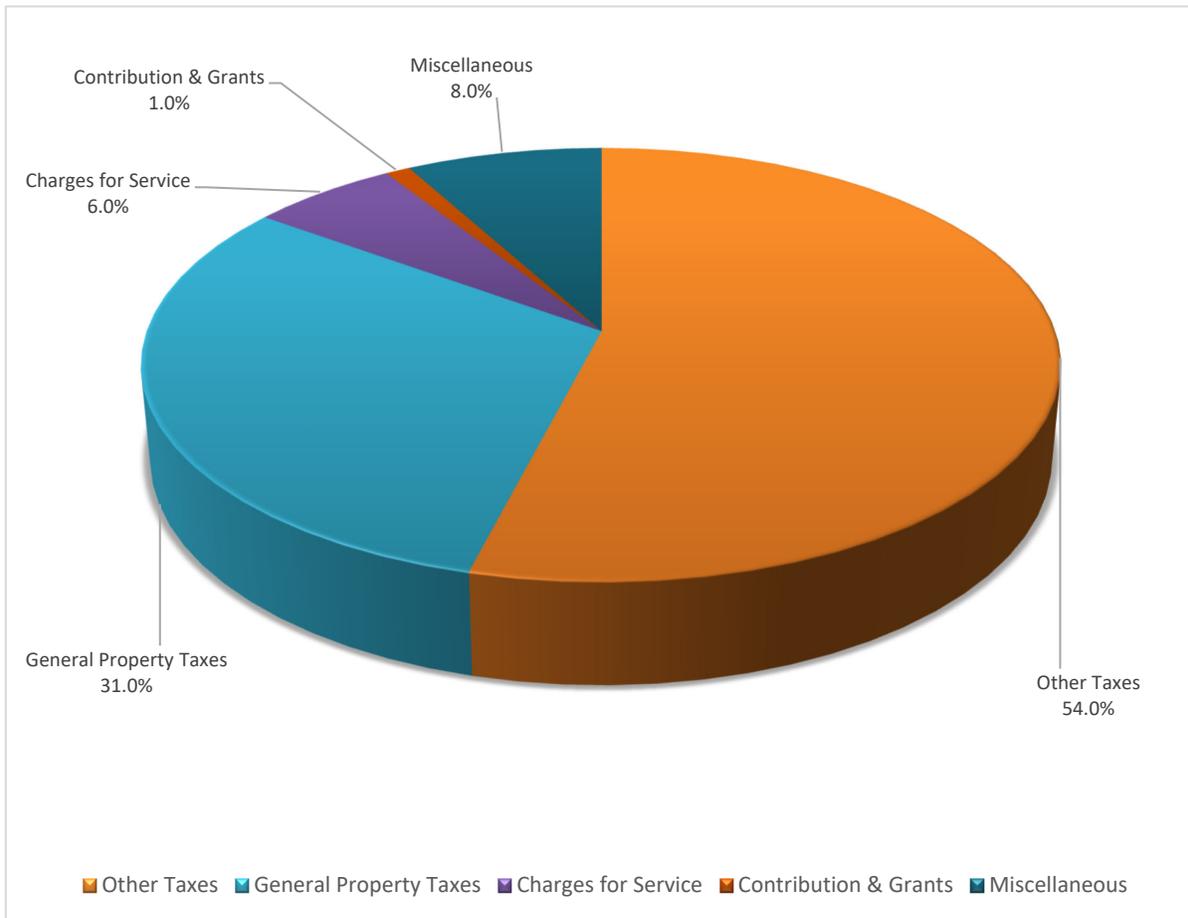
	<b>City of Center's Change in Net Position</b>					
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for services	\$ 462,384	\$ 427,522	\$ 7,651,030	\$ 7,204,087	\$ 8,113,414	\$ 7,631,609
Operating grants and contributions	12,147	107,713	120,893	120,392	133,040	228,105
Capital grants and contributions	79,827	28,264	-	-	79,827	28,264
General Revenues:						
Property taxes	2,365,470	2,252,387	-	-	2,365,470	2,252,387
Other taxes	4,127,965	3,706,856	-	-	4,127,965	3,706,856
Other	660,283	757,152	901,373	145,459	1,561,656	902,611
Total Revenues	<u>7,708,076</u>	<u>7,279,894</u>	<u>8,673,296</u>	<u>7,469,938</u>	<u>16,381,372</u>	<u>14,749,832</u>
Expenses:						
General government	1,494,273	1,514,526	-	-	1,494,273	1,514,526
Public safety	3,409,622	3,130,400	-	-	3,409,622	3,130,400
Community services	1,586,888	1,433,818	-	-	1,586,888	1,433,818
Streets and drainage	1,955,841	1,665,624	-	-	1,955,841	1,665,624
Sanitation	-	-	2,215,776	1,974,663	2,215,776	1,974,663
Inspections	104,634	96,859	-	-	104,634	96,859
Interest on long-term debt	427,234	279,303	-	-	427,234	279,303
Water and sewer	-	-	4,436,030	4,481,038	4,436,030	4,481,038
Total Expenses	<u>8,978,492</u>	<u>8,120,530</u>	<u>6,651,806</u>	<u>6,455,701</u>	<u>15,630,298</u>	<u>14,576,231</u>
Transfers	1,218,675	2,170,935	(885,078)	(874,288)	333,597	1,296,647
Increase (decrease) in net position	<u>\$ (51,741)</u>	<u>\$ 1,330,299</u>	<u>\$ 1,136,412</u>	<u>\$ 139,949</u>	<u>\$ 1,084,671</u>	<u>\$ 1,470,248</u>

**Governmental Activities.** Governmental activities decreased the City of Center's net position by \$51,741. Key elements of this increase are as follows:

- Governmental Fund expenditures including transfers exceeded revenues by \$51,741.
- Governmental Expenses decreased \$857,962 from prior year expenses due to increased expenditures in public safety, community services, streets and debt service.

**City of Center, Texas**  
**Management's Discussion and Analysis (Continued)**

**Revenues by Source - All Governmental Activities**



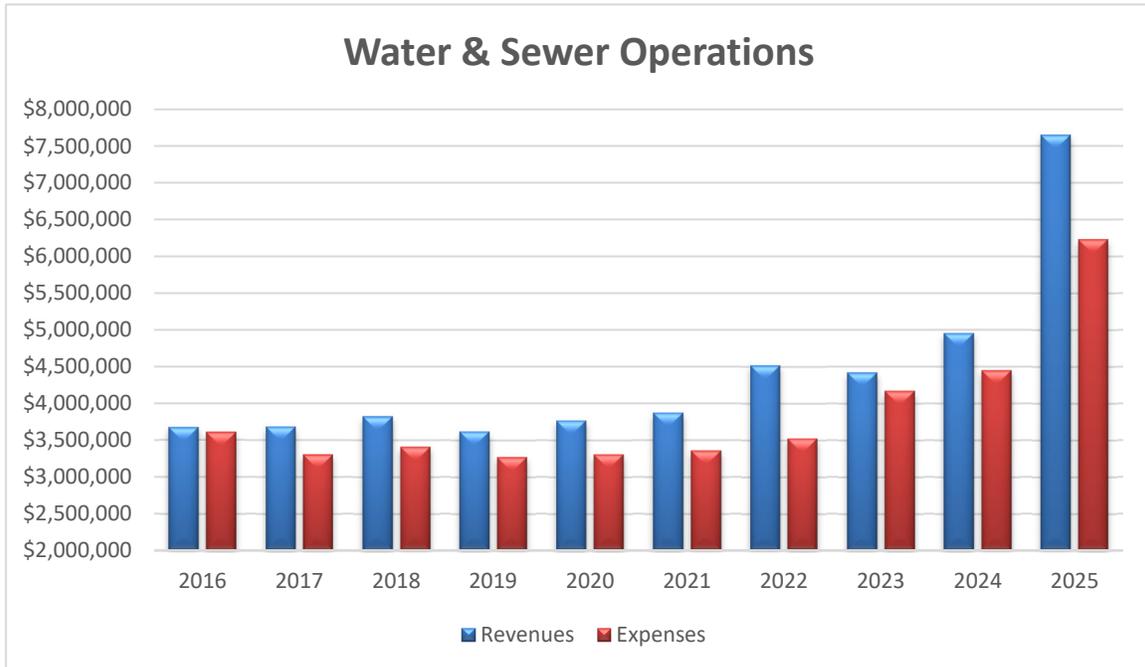
**Proprietary Funds.** The City of Center's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities (Utilities and Sanitation Departments) but in more detail.

**Business-Type Activities.** Business-type activities increased the total government's net position by \$1,136,412. Key elements of this change are as follows:

- Operating revenues increased \$1,203,358 to \$8,673,358 from \$7,349,546.
- Operating expenses increased \$196,105 to \$6,651,806 from \$6,455,701.
- Operating revenues exceeded expenses resulting in Net Operating Income of \$1,418,612.
- Including non-operating expenses, primarily costs of debt and transfers, Change in Net Position is \$2,021,490. Transfers includes transfers to the General Fund, Debt Fund, Technology Fund, and Capital Improvement Fund.

**City of Center, Texas**  
**Management’s Discussion and Analysis (Continued)**

**Operating Revenues and Expenses - Business-type Activities**



As a component of Total Net Position, the Unrestricted Net Position of the Proprietary Funds at the end of the current fiscal year is \$3,258,480. Other factors concerning these funds have been addressed in the discussion of the City’s business-type activities.

**Internal Service Funds.** The City operates two Internal Service Funds: the Technology Fund and Equipment Replacement Fund. The Technology Fund was fully capitalized in FY 2018 by transfers from the General and Utility Funds. The Equipment Replacement Fund was created in FY 2018 and was fully capitalized in FY 2019. The net position for the Equipment Replacement Fund increased by \$30,915 from \$1,156,700 to \$1,187,615. The Technology Fund net position increased by \$13,435 from \$321,168 to \$334,603.

**Financial Analysis of the Government's Funds**

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

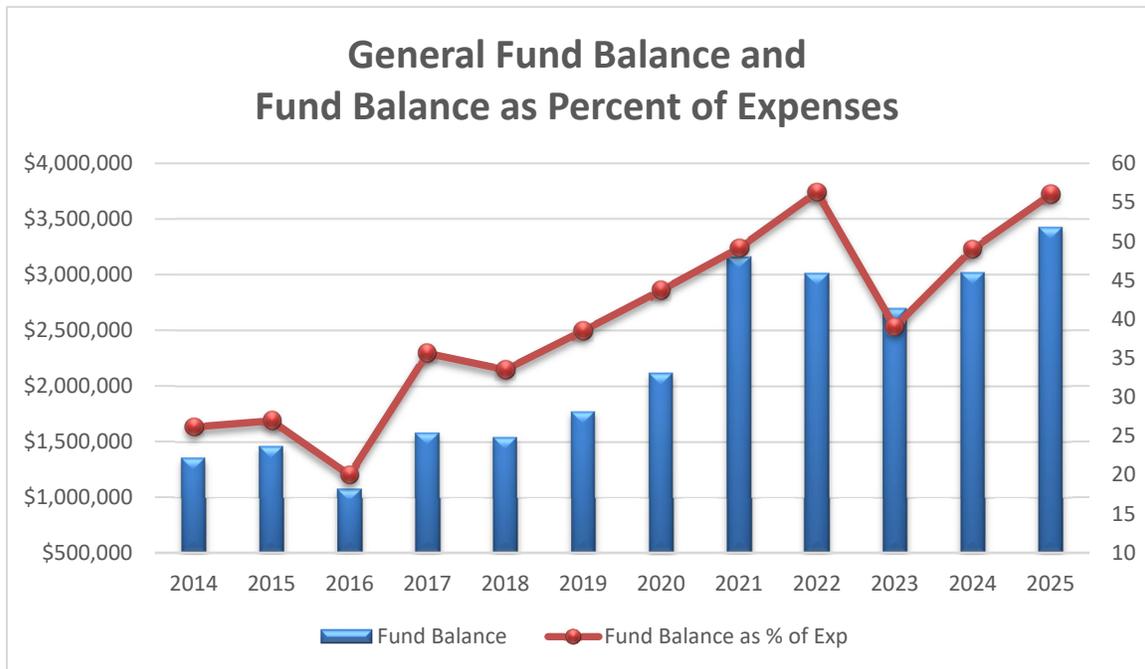
**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Center's governmental funds reported combined ending fund balances of \$5,531,752, an increase of \$658,303 from the prior year. Approximately 56% of this total amount, \$3,084,451, constitutes *unrestricted fund balance*, which is available for spending at the government's discretion. The remaining 44% of fund balance is *restricted* to indicate that it is not available for spending because it has already been committed and dedicated to 1) pay debt service, 2) for perpetual trust 3) for capital projects or 4) grant projects.

## City of Center, Texas Management's Discussion and Analysis (Continued)

The general fund is the chief operating fund of the City of Center. At the end of the current fiscal year, total general fund balance was \$3,424,259. The fund balance of the City's general fund increased by \$404,606 during the current fiscal year. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 56% of total general fund operational expenditures. The City Council established a minimum fund balance policy of 25% of annual expenditures.

### General Fund Budgetary Highlights



The General Fund accounts for the primary operations of the City and a budget comparison is provided.

A review of the final amended budget compared to actual revenues/expenditures presents a number of variances. Total revenues increased from the budget by \$47,141. Total expenditures decreased from the budget by \$110,170.

### Capital Asset and Debt Administration

**Capital Assets.** The City of Center's investment in capital assets for its governmental and business-type activities amounts to \$38,874,713 (net of accumulated depreciation) at the end of the current fiscal year decreasing from last year's amount of \$40,895,187. This investment in capital assets includes land, buildings, improvements, vehicles and equipment. Due to the size of the City, past asset valuations for major infrastructure (streets, bridges, drainage, etc.) are not required to comply with reporting requirements, however beginning in fiscal year 2004, the City began prospectively accumulating values for these major capital assets.

**City of Center, Texas**  
**Management's Discussion and Analysis (Continued)**

**City of Center's Capital Assets  
(net of depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 73,072	\$ 73,072	\$ 665,250	\$ 665,250	\$ 738,322	\$ 738,322
Buildings	5,470,460	5,691,676	-	-	5,470,460	5,691,676
Improvements other than buildings	3,985,883	4,159,302	-	-	3,985,883	4,159,302
Machinery and equipment	1,236,102	1,603,175	589,004	582,961	1,825,106	2,186,136
Buildings and systems	-	-	13,419,142	13,971,184	13,419,142	13,971,184
Infrastructure	12,923,712	13,619,778	-	-	12,923,712	13,619,778
Construction in progress	5,000	25,989	507,088	502,800	512,088	528,789
Total	<u>\$ 23,694,229</u>	<u>\$ 25,172,992</u>	<u>\$ 15,180,484</u>	<u>\$ 15,722,195</u>	<u>\$ 38,874,713</u>	<u>\$ 40,895,187</u>

**Long-Term Debt.** At the end of the current fiscal year, the City of Center had total bonded debt outstanding of \$16,765,000, an increase from last year's total bonded debt of \$11,885,000. All is backed by the full faith and credit of the government.

**Notes Payable.** Notes payable includes a note by the City's Tax Increment Reinvestment Zone Fund to the Center Economic Development Corporation in 2011, and the vehicle lease/purchase note in the Equipment Replacement Fund in 2023.

**City of Center's Outstanding Debt**

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 6,407,500	\$ 6,995,000	\$ 10,357,500	\$ 4,890,000	\$ 16,765,000	\$ 11,885,000
Compensated absences	140,429	164,134	60,222	67,209	200,651	231,343
Notes payable	296,105	129,254	-	188,609	296,105	317,863
SBITA payable	-	-	-	41,927	-	41,927
Total	<u>\$ 6,844,034</u>	<u>\$ 7,288,388</u>	<u>\$ 10,417,722</u>	<u>\$ 5,187,745</u>	<u>\$ 17,261,756</u>	<u>\$ 12,476,133</u>

The City of Center's debt issuance rating by Moody's was upgraded in 2024 from a rating of "A2" to a rating of "A1". This pertains to the current debt issuances for general obligation and any other bonded debt.

As a Home Rule City, the City of Center, Texas is not limited by law in the amount of debt it may issue. However, the City's Debt Management Policy limits total ad valorem supported outstanding debt to 4% of the taxable base. Utility Fund debt service is limited to 20% of Utility Fund expenditures.

Additional information on the City's long-term debt can be found in note 3. D. of this report.

## **City of Center, Texas**

### **Management's Discussion and Analysis (Continued)**

#### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate as of August 2025 for Shelby County, according to Texas Workforce Commission statistics, is 5.7%. The unemployment rates for August 2025, according to the Texas Workforce Commission, are 4.7% for the State of Texas and 4.1% for the Deep East Texas Region.
- The City's total state sales tax receipts, including the 62.5% for governmental purposes and the two Economic Development Corporations, for the current fiscal year, totaled \$4,383,945 an increase of \$128,974 or 3% from the previous year \$4,254,971.
- Economic trends in the area are stabilizing relative to state and national indices and trends, while closely working with Portacool for reconstruction and reemployment.

All of these factors were considered in preparing the City of Center's budget for the 2026 fiscal year.

#### **Requests for Information**

This financial report is designed to provide a general overview of the City of Center's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Secretary, P. O. Box 1744, 617 Tenaha Street, City of Center, Texas, 75935-1744.

**City of Center, Texas**  
**Statement of Net Position**

	Primary Government			Component Unit Corporations
	Governmental Activities	Business- Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 285,959	\$ 75,059	\$ 361,018	\$ 66,977
Investments	5,428,737	3,137,852	8,566,589	3,271,113
Receivables (net allowance of \$704,406)	1,295,838	631,013	8,927,607	257,690
Prepaid expense	88,931	-	88,931	-
Inventories	250,877	101,327	352,204	-
Due from other funds	25	-	441,135	-
<b>Restricted Assets</b>				
Cash and cash equivalents	-	6,211,922	6,211,922	-
Investments	-	229,433	229,433	-
Capital assets (net of accumulated depreciation)	23,694,229	15,180,484	38,874,713	289,530
<b>TOTAL ASSETS</b>	<b>31,044,596</b>	<b>25,567,090</b>	<b>56,611,686</b>	<b>3,885,310</b>
<b>DEFERRED OUTFLOWS</b>				
Deferred outflow - Pension	899,239	299,120	1,198,359	-
Deferred outflow - OPEB	1,204	400	1,604	-
Deferred outflow - Subsequent contribution - Pension	275,904	91,776	1,199,963	-
Deferred outflow - Subsequent contribution - OPEB	7,575	2,523	10,098	-
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>1,183,922</b>	<b>393,819</b>	<b>1,577,741</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>32,228,518</b>	<b>25,960,909</b>	<b>58,189,427</b>	<b>3,885,310</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	135,301	251,177	386,478	36,419
Accrued liabilities	146,670	26,454	173,124	-
Due to other funds	-	25	559,602	-
Accrued interest payable	23,021	24,129	47,150	-
Premium on bond issue	258,071	-	258,071	-
Customer deposits payable	-	231,523	305,221	-
Due within one year	651,254	516,250	1,167,504	-
<b>Noncurrent Liabilities</b>				
Due in more than one year	6,052,351	9,841,250	15,893,601	-
Accrued compensated absences	140,429	60,222	200,651	-
Pension liabilities	353,898	117,719	16,094,252	-
OPEB liabilities	158,036	52,638	210,674	-
<b>TOTAL LIABILITIES</b>	<b>7,919,031</b>	<b>11,121,387</b>	<b>19,040,418</b>	<b>36,419</b>
<b>DEFERRED INFLOWS</b>				
Deferred inflows - Pension	920,288	306,122	1,226,410	-
Deferred inflows - OPEB	31,774	10,581	42,355	-
Unavailable revenues	420,422	-	420,422	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>1,372,484</b>	<b>316,703</b>	<b>1,689,187</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>9,291,515</b>	<b>11,438,090</b>	<b>20,729,605</b>	<b>36,419</b>
<b>NET POSITION</b>				
Net investment in capital assets	16,990,624	4,822,984	21,813,608	289,530
<b>Restricted for</b>				
Debt service	169,356	-	169,356	-
Grants	1,750,937	-	1,750,937	-
Capital projects	54,994	6,441,355	6,496,349	-
Perpetual care	132,206	-	132,206	-
Unrestricted	3,838,886	3,258,480	7,097,366	3,559,361
<b>TOTAL NET POSITION</b>	<b>\$ 22,937,003</b>	<b>\$ 14,522,819</b>	<b>\$ 37,459,822</b>	<b>\$ 3,848,891</b>

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

## City of Center, Texas Statement of Activities

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals	Component Units Corporations
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities		
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 1,494,273	\$ 17,857	\$ -	\$ -	\$ (1,476,416)	\$ -	\$ (1,476,416)	\$ -
Public safety	3,409,622	34,084	6,644	-	(3,368,894)	-	(3,368,894)	-
Community services	1,586,888	378,148	694	79,827	(1,128,219)	-	(1,128,219)	-
Streets and drainage	1,955,841	-	4,809	-	(1,951,032)	-	(1,951,032)	-
Inspections	104,634	32,295	-	-	(72,339)	-	(72,339)	-
Interest on long-term debt	427,234	-	-	-	(427,234)	-	(427,234)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>8,978,492</b>	<b>462,384</b>	<b>12,147</b>	<b>79,827</b>	<b>(8,424,134)</b>	<b>-</b>	<b>(8,424,134)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water and sewer fund	4,436,030	5,298,353	120,893	-	-	983,216	983,216	-
Sanitation fund	2,215,776	2,352,677	-	-	-	136,901	136,901	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>6,651,806</b>	<b>7,651,030</b>	<b>120,893</b>	<b>-</b>	<b>-</b>	<b>1,120,117</b>	<b>1,120,117</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 15,630,298</b>	<b>\$ 8,113,414</b>	<b>\$ 133,040</b>	<b>\$ 79,827</b>	<b>(8,424,134)</b>	<b>1,120,117</b>	<b>(7,304,017)</b>	<b>-</b>
<b>Component Units:</b>								
Economic Development	\$ 372,406	\$ -	\$ -	\$ -	-	-	-	(372,406)
Economic Development Street Improvement	50,976	-	-	-	-	-	-	(50,976)
Local Government Housing Corp	810	-	-	-	-	-	-	(810)
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 424,192</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(424,192)</b>
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property taxes					2,365,470	-	2,365,470	-
Sales Taxes					2,739,964	-	2,739,964	1,643,981
Franchise Taxes					809,856	-	809,856	-
Hotel Taxes					492,336	-	492,336	-
Other taxes and permits					85,809	-	85,809	-
Fines and fees					284,465	-	284,465	-
Unrestricted investment earnings					264,763	387,286	652,049	131,554
Other unrestricted revenue					111,055	514,087	625,142	14,000
Transfers					1,218,675	(885,078)	333,597	(333,597)
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>8,372,393</b>	<b>16,295</b>	<b>8,388,688</b>	<b>1,455,938</b>
<b>CHANGE IN NET POSITION</b>					<b>(51,741)</b>	<b>1,136,412</b>	<b>1,084,671</b>	<b>1,031,746</b>
Net position - Beginning					22,988,744	13,386,407	36,375,151	2,817,145
<b>NET POSITION - ENDING</b>					<b>\$ 22,937,003</b>	<b>\$ 14,522,819</b>	<b>\$ 37,459,822</b>	<b>\$ 3,848,891</b>

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

## City of Center, Texas Balance Sheet – Governmental Funds

	GENERAL	CAPITAL PROJECT FUND	OTHER GOVERN- MENTAL FUNDS	TOTAL GOVERN- MENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 165,242	\$ 1,100	\$ 119,827	\$ 286,169
Investments	2,822,895	53,994	1,837,796	4,714,685
Receivables (Net of Uncollectibles):				
Taxes	407,708	-	-	407,708
Accounts	-	-	214,640	214,640
Court fines	296,698	-	-	296,698
Governmental agencies	215,475	-	-	215,475
Sundry	107,842	-	-	107,842
Leases	53,475	-	-	53,475
Due from other funds	65,128	-	500	65,628
Prepaid expenses	88,931	-	-	88,931
Inventories	250,877	-	-	250,877
<b>TOTAL ASSETS</b>	<b>\$ 4,474,271</b>	<b>\$ 55,094</b>	<b>\$ 2,172,763</b>	<b>\$ 6,702,128</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ 127,614	\$ -	\$ 4,088	\$ 131,702
Accrued liabilities	143,768	-	1,173	144,941
Due to other funds	500	100	65,003	65,603
<b>TOTAL LIABILITIES</b>	<b>271,882</b>	<b>100</b>	<b>70,264</b>	<b>342,246</b>
<b>Deferred Inflows</b>				
Unearned revenue	778,130	-	50,000	828,130
<b>TOTAL DEFERRED INFLOWS</b>	<b>778,130</b>	<b>-</b>	<b>50,000</b>	<b>828,130</b>
<b>Fund Balances</b>				
<b>Nonspendable for</b>				
Prepaid expenses	88,931	-	-	88,931
Inventory	250,877	-	-	250,877
<b>Restricted for:</b>				
Debt service	-	-	169,356	169,356
Grants	-	-	1,750,937	1,750,937
Other purposes	-	54,994	132,206	187,200
Unassigned	3,084,451	-	-	3,084,451
<b>TOTAL FUND BALANCES</b>	<b>3,424,259</b>	<b>54,994</b>	<b>2,052,499</b>	<b>5,531,752</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,474,271</b>	<b>\$ 55,094</b>	<b>\$ 2,172,763</b>	

Amounts reported for Governmental Activities in the Statement of Net Activities are Different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,694,229
An internal service fund is used for equipment acquisition and replacement. The governmental funds' share of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	32,387
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	407,708
Long-term liabilities, including bonds and pensions, are not due and payable in the current period and, therefore, are not reported in the funds.	(6,729,073)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 22,937,003</b>

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

**City of Center, Texas**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

	GENERAL	CAPITAL PROJECT FUND	OTHER GOVERN- MENTAL FUNDS	TOTAL GOVERN- MENTAL FUNDS
<b>Revenues:</b>				
General property taxes	\$ 1,550,362	\$ -	\$ 759,534	\$ 2,309,896
Other local taxes and permits	3,598,592	-	529,373	4,127,965
Fines and fees	266,372	-	18,093	284,465
Charges for services	357,257	-	84,206	441,463
Contributions and grants	28,372	-	64,608	92,980
Miscellaneous	26,206	-	32,666	58,872
<b>TOTAL REVENUES</b>	<b>5,827,161</b>	<b>-</b>	<b>1,488,480</b>	<b>7,315,641</b>
<b>Expenditures:</b>				
General Government	1,378,825	-	-	1,378,825
Public Safety	3,152,258	-	48,031	3,200,289
Community Services	881,186	-	344,431	1,225,617
Streets and drainage	568,913	-	333,597	902,510
Inspections	102,668	-	-	102,668
Capital Outlay	-	33,979	-	33,979
Debt Service:				
Principal	-	-	936,001	936,001
Interest and fiscal charges	-	-	331,911	331,911
<b>TOTAL EXPENDITURES</b>	<b>6,083,850</b>	<b>33,979</b>	<b>1,993,971</b>	<b>8,111,800</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(256,689)</b>	<b>(33,979)</b>	<b>(505,491)</b>	<b>(796,159)</b>
<b>Other Financing Sources (Uses):</b>				
Interest income	118,262	3,383	114,142	235,787
Transfer in	563,135	-	984,230	1,547,365
Transfer out	(20,102)	(17,500)	(291,088)	(328,690)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>661,295</b>	<b>(14,117)</b>	<b>807,284</b>	<b>1,454,462</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>404,606</b>	<b>(48,096)</b>	<b>301,793</b>	<b>658,303</b>
Fund balance, beginning of year	3,019,653	103,090	1,750,706	4,873,449
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 3,424,259</b>	<b>\$ 54,994</b>	<b>\$ 2,052,499</b>	<b>\$ 5,531,752</b>

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

**City of Center, Texas**

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

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net change in fund balances - Total governmental funds	\$ 658,303
Governmental funds report capital outlays as expenditures. However, in the statement of activities in cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital depreciation exceeded capital outlays in the current period.	(2,484,939)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	55,574
Internal services fund net revenues are reported with governmental activities and the expenses not recovered through user charges are allocated to the participating functions.	44,350
The issues of long-term debt (e.g., bonds, notes, pension and other post employment benefit liabilities) provide financial resources to the governmental funds, while the repayment of the principal of the debt consumes the current financial resources of the governmental funds. Also, government funds report the effect of issuance cost, premiums, discounts, and similar items when debt is issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of debt and other related items in the government wide statements.	<u>1,674,971</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (51,741)</u></u>

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

**City of Center, Texas**  
**Statement of Net Position**  
**Proprietary Funds**

	Business Type Activities			Internal Service Funds	
	Water and Sewer Fund	Sanitation Fund	Total	Equipment Replacement Fund	Technology Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 101,869	\$ (26,810)	\$ 75,059	\$ -	\$ (210)
Investments	2,528,359	609,493	3,137,852	404,313	309,739
Receivables (Net)					
Accounts	403,465	200,637	604,102	-	-
Sundry	26,911	-	26,911	-	-
Inventories	101,327	-	101,327	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>3,161,931</b>	<b>783,320</b>	<b>3,945,251</b>	<b>404,313</b>	<b>309,529</b>
<b>Noncurrent Assets</b>					
Restricted cash	6,211,922	-	6,211,922	-	-
Restricted investments	229,433	-	229,433	-	-
Capital Assets:					
Land	665,250	-	665,250	-	-
Utility systems	35,293,064	-	35,293,064	-	-
Equipment	3,972,951	17,422	3,990,373	2,285,274	-
Right of use assets	-	-	-	-	137,963
Construction in progress	507,088	-	507,088	-	-
Less accumulated depreciation	(25,257,869)	(17,422)	(25,275,291)	(1,309,500)	(107,561)
<b>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>	<b>40,438,353</b>	<b>17,422</b>	<b>40,455,775</b>	<b>2,285,274</b>	<b>137,963</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>21,621,839</b>	<b>-</b>	<b>21,621,839</b>	<b>975,774</b>	<b>30,402</b>
<b>TOTAL ASSETS</b>	<b>24,783,770</b>	<b>783,320</b>	<b>25,567,090</b>	<b>1,380,087</b>	<b>339,931</b>
<b>Deferred Outflows</b>					
Deferred outflow - Pension	299,120	-	299,120	-	-
Deferred outflow - Subsequent contributions pensions	91,776	-	91,776	-	-
Deferred outflow - OPEB	400	-	400	-	-
Deferred outflow - Subsequent contributions OPEB	2,523	-	2,523	-	-
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>393,819</b>	<b>-</b>	<b>393,819</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>25,177,589</b>	<b>783,320</b>	<b>25,960,909</b>	<b>1,380,087</b>	<b>339,931</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	85,533	165,644	251,177	-	3,599
Accrued expense	26,454	-	26,454	-	1,729
Due to other funds	25	-	25	-	-
Debt payable - Current	516,250	-	516,250	23,148	-
Accrued interest payable	24,129	-	24,129	1,986	-
Customer deposits payable	231,523	-	231,523	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>883,914</b>	<b>165,644</b>	<b>1,049,558</b>	<b>25,134</b>	<b>5,328</b>
<b>Noncurrent Liabilities:</b>					
Compensated absences	60,222	-	60,222	-	-
Pension liability	117,719	-	117,719	-	-
OPEB liability	52,638	-	52,638	-	-
Long term debt payable	9,841,250	-	9,841,250	167,338	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>10,071,829</b>	<b>-</b>	<b>10,071,829</b>	<b>167,338</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>10,955,743</b>	<b>165,644</b>	<b>11,121,387</b>	<b>192,472</b>	<b>5,328</b>
<b>Deferred Inflows</b>					
Deferred inflow - Pension	306,122	-	306,122	-	-
Deferred inflow - OPEB	10,581	-	10,581	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>316,703</b>	<b>-</b>	<b>316,703</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>11,272,446</b>	<b>165,644</b>	<b>11,438,090</b>	<b>192,472</b>	<b>5,328</b>
<b>Net Position</b>					
Net investment in capital assets	4,822,984	-	4,822,984	785,288	30,402
Restricted to capital projects	6,441,355	-	6,441,355	-	-
Unrestricted	2,640,804	617,676	3,258,480	402,327	304,201
<b>TOTAL NET POSITION</b>	<b>\$ 13,905,143</b>	<b>\$ 617,676</b>	<b>\$ 14,522,819</b>	<b>\$ 1,187,615</b>	<b>\$ 334,603</b>

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

**City of Center, Texas**

**Statement of Revenues, Expenses and Changes in Fund Net Position**

**Proprietary Funds**

	Business Type Activities			Internal Service Funds	
	Water and Sewer Fund	Sanitation Fund	Total	Equipment Replacement Fund	Technology Fund
Operating Revenues:					
Charges for service	\$ 5,131,734	\$ 2,343,230	\$ 7,474,964	\$ 411,725	\$ 251,320
Taps and connections	22,325	-	22,325	-	-
Miscellaneous	144,294	9,447	153,741	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>5,298,353</b>	<b>2,352,677</b>	<b>7,651,030</b>	<b>411,725</b>	<b>251,320</b>
Operating Expenses:					
Nondepartmental	295,797	-	295,797	103,531	209,137
Public works	309,111	-	309,111	-	-
Water production	1,329,369	-	1,329,369	-	-
Water distribution	344,043	-	344,043	-	-
Sewer collection	333,364	-	333,364	-	-
Sewer treatment	756,147	-	756,147	-	-
Sanitation	-	2,215,776	2,215,776	-	-
Depreciation	648,811	-	648,811	356,529	43,099
<b>TOTAL OPERATING EXPENSES:</b>	<b>4,016,642</b>	<b>2,215,776</b>	<b>6,232,418</b>	<b>460,060</b>	<b>252,236</b>
<b>OPERATING INCOME</b>	<b>1,281,711</b>	<b>136,901</b>	<b>1,418,612</b>	<b>(48,335)</b>	<b>(916)</b>
Nonoperating Revenues (Expenses):					
Income from investments	358,628	28,658	387,286	14,625	14,351
Gain on disposal of assets	670	-	670	72,098	-
Bond premium	513,417	-	513,417	-	-
Interest expense	(419,388)	-	(419,388)	(7,473)	-
Grants and contributions	120,893	-	120,893	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>574,220</b>	<b>28,658</b>	<b>602,878</b>	<b>79,250</b>	<b>14,351</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>1,855,931</b>	<b>165,559</b>	<b>2,021,490</b>	<b>30,915</b>	<b>13,435</b>
Operating transfers in (out)	(668,411)	(216,667)	(885,078)	-	-
<b>TOTAL NET OPERATING TRANSFERS AND GRANTS</b>	<b>(668,411)</b>	<b>(216,667)</b>	<b>(885,078)</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>1,187,520</b>	<b>(51,108)</b>	<b>1,136,412</b>	<b>30,915</b>	<b>13,435</b>
Beginning net position	12,717,623	668,784	13,386,407	1,156,700	321,168
<b>NET POSITION, END OF THE YEAR</b>	<b>\$ 13,905,143</b>	<b>\$ 617,676</b>	<b>\$ 14,522,819</b>	<b>\$ 1,187,615</b>	<b>\$ 334,603</b>

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

**City of Center, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**

	Business Type Activities			Internal Service Funds	
	Water and Sewer Fund	Sanitation Fund	Total	Equipment Replacement Fund	Technology Fund
<b>Cash Flows from Operating Activities:</b>					
Received from customers	\$ 5,416,132	\$ 2,399,275	\$ 7,815,407	\$ 411,725	\$ 224,343
Payments to suppliers	(2,044,105)	(2,284,635)	(4,328,740)	(103,936)	(208,811)
Payments to employees	(1,380,134)	-	(1,380,134)	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,991,893</b>	<b>114,640</b>	<b>2,106,533</b>	<b>307,789</b>	<b>15,532</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Contributions and grants received	120,893	-	120,893	-	-
Operating transfers in (out)	(668,411)	(216,667)	(885,078)	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES</b>	<b>(547,518)</b>	<b>(216,667)</b>	<b>(764,185)</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(107,100)	-	(107,100)	(250,559)	(12,129)
Net investments sales and purchases	(7,259,588)	(19,267)	(7,278,855)	-	-
Principal paid on debt	(532,500)	-	(532,500)	1,877	(41,927)
Bond proceeds	6,000,000	-	6,000,000	-	-
Premium on bond issuance	513,417	-	513,417	72,098	-
Interest paid on debt	(419,388)	-	(419,388)	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,805,159)</b>	<b>(19,267)</b>	<b>(1,824,426)</b>	<b>(176,584)</b>	<b>(54,056)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	358,628	28,658	387,286	14,625	14,351
Purchases of investments	670	-	670	(145,830)	26,774
Royalties	359,298	9,391	368,689	-	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>359,298</b>	<b>28,658</b>	<b>387,956</b>	<b>(131,205)</b>	<b>41,125</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>(1,486)</b>	<b>(92,636)</b>	<b>(94,122)</b>	<b>-</b>	<b>2,601</b>
Cash at beginning of year	103,355	65,826	169,181	-	(2,811)
<b>CASH AT END OF YEAR</b>	<b>\$ 101,869</b>	<b>\$ (26,810)</b>	<b>\$ 75,059</b>	<b>\$ -</b>	<b>\$ (210)</b>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating income (loss)	\$ 1,281,711	\$ 136,901	\$ 1,418,612	\$ (48,335)	\$ (916)
<b>Adjustments:</b>					
Depreciation	648,811	-	648,811	356,529	43,099
<b>Changes in:</b>					
Accounts receivable	108,423	46,598	155,021	-	-
Inventory	54,306	-	54,306	-	-
Deferred charges	115,500	-	115,500	-	-
Accounts payable	(156,191)	(68,859)	(225,050)	(405)	(26,977)
Accrued expense	4,330	-	4,330	-	326
Accrued compensated absences	2,942	-	2,942	-	-
Pension liability	(77,295)	-	(77,295)	-	-
Customer deposits	9,356	-	9,356	-	-
<b>NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES</b>	<b>\$ 1,991,893</b>	<b>\$ 114,640</b>	<b>\$ 2,106,533</b>	<b>\$ 307,789</b>	<b>\$ 15,532</b>

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Center, Texas was incorporated in 1900. The City operates under a Home Rule Charter adopted April 7, 1984 under Section 5, Article XI of the Texas Constitution as a Council-Manager form of government under the provisions of the charter and the V.T.C.A., Local Government Code.

The accounting policies of the City of Center, Texas conform to generally accepted accounting principles as applicable to governments. The City applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of the more significant policies:

**Reporting Entity**

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units are reported in a separate column in government-wide financial statements (see note below for description) to emphasize that they are legally separate from the government.

***Individual Component Unit Disclosures***

***Discretely Presented Component Units:***

**The City of Center Economic Development Corporation** - Established in 1994, the Corporation is a 4A nonprofit industrial development corporation specifically governed by the Development Corporation Act. The purpose of the Corporation is to promote, assist, and enhance economic development. The Corporation is governed by a Board of Directors appointed by the City Council.

Complete financial statements of the Corporation can be obtained from: The City of Center Economic Development Corporation, 617 Tenaha Street, Center, Texas.

**The City of Center Street Improvements for Economic Development Corporation** - Established in 1996, the Corporation is a 4B nonprofit industrial development corporation specifically governed by the Development Corporation Act. The purpose of the Corporation is to promote, assist and enhance economic development by undertaking projects of street and road and related improvements. The Corporation is governed by a Board of Directors appointed by the City Council. Complete financial statements of the Corporation can be obtained from: The City of Center Street Improvements for Economic Development Corporation, 617 Tenaha Street, Center, Texas.

**The City of Center Local Government Corporation** - Established in 2018 to hold and manage the assets of Parker Place Subdivision. The City acquired the remaining subdivision lots in 2018 after reaching a settlement with the owner, and repayment of the Housing Infrastructure Fund (HIF) grant. The City is working to sell the lots to builders.

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide and Fund Financial Statements**

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

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

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

**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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The government reports the following governmental funds:

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

**Capital Project Fund** - The capital project fund is used to account for monies earmarked from bond activities.

**Special Revenue Funds** - Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Debt Service Fund** - Debt service funds are used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs on long-term general obligation debt of governmental funds.

**Permanent Fund** - This fund is used to account for assets held by the City pursuant to a trust agreement. The principal portion of this fund must remain intact, but the earnings may be used to achieve the objectives of the fund.

The government reports the following proprietary funds:

**Water and Sewer Fund** - This fund accounts for the provision of water and sewer services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services, and billing and collection.

**Sanitation Fund** - This fund accounts for the provision of sanitation services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services, and billing and collection.

**Equipment Replacement Fund** - This fund provides each department of the City an internal system to purchase capital assets. All such activities necessary to provide such services are accounted for in this fund.

**Technology Fund** - This fund provides each department of the City an internal system to acquire technology. All such activities necessary to provide such services are accounted for in this fund.

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

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

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position**

***Deposits and Investments***

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investment policies are governed by state statutes and city ordinances. Permissible investments include direct obligations of the U. S. Government, certificates of deposit and savings accounts. Collateral is required for demand deposits and certificates of deposits of all amounts not covered by federal deposit insurance.

The Center Economic Development Corporation and the Center Street Improvements for Economic Development are authorized by their governing board to invest in obligations of the U. S. Government, certificates of deposit and savings accounts.

Investments for the government, as well as for its component units, are reported at fair value. Collateral is required for demand deposits and certificates of deposits of all amounts not covered by federal deposit insurance.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of the allowance for uncollectibles. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property taxes are levied on October 1, attach as an enforceable lien on property on January 1, and become delinquent on June 30 of every fiscal year.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***Restricted Assets***

Restricted assets include cash and investments for the proprietary funds that are legally restricted as to their use. The primary restricted assets are related to debt retirement, renewal and replacement, and construction activity of the Water and Sewer enterprise fund.

***Capital Assets***

All purchased capital assets are valued at cost where historical records are available and estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received or placed into service. Assets contributed by the general government to proprietary funds are valued at the lesser of their fair market value at the date of the transfer or original cost.

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

For implementation of GASB 34 requirements for capital assets the City established the following categories and thresholds:

	Any Amount
Land/land improvement	
Buildings/building improvements	\$ 25 000
Facilities and other improvements	\$ 25 000
Infrastructure	\$ 25 000
Personal property	\$ 5 000
Leasehold improvements	\$ 25 000

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Depreciation is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Structures and water and sewer systems	10 to 50 years
Infrastructure	10 to 30 years
Transportation and other equipment	3 to 20 years

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Compensated Absences***

The City accounts for expenditures related to sick pay when such payments are made to employees as amounts do not vest. The City accounts for all material liabilities and expenditures related to vacation pay during the fiscal year in which such benefits accrue. Employees are required to take vacation time if at all possible, and vacation time will not be allowed to be accrued more than 160 hours on an anniversary date. Sick leave can be accumulated up to 320 hours.

The City has determined that the current portion of the accrued expense for compensated absences cannot be reasonably estimated. Therefore, the total accrued expense for compensated absences is recorded as long-term debt in the financial statements.

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

***Fund Equity***

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable Fund Balance** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

**Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**Committed Fund Balance** - Amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

**Assigned Fund Balance** - Amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.

**Unassigned Fund Balance** - Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow or resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through March 9, 2026, the date the financial statements were available to be issued.

**Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

- (1) The City Manager submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) The budget is legally enacted through passage of an ordinance.
- (4) The City Manager is authorized by the City Council to transfer budgeted amounts within departments of any fund; however, any revisions that alter the total expenditures of any fund are approved by the City Council.
- (5) Formal budgetary integration is employed as a management control device during the year for the General Fund.
- (6) The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**City Fund Balance Policy**

The City of Center recognizes the importance of maintaining an appropriate level of Unassigned Fund Balance. After evaluating the City's operating characteristics, diversity of tax base, reliability of non-property tax revenue sources, working capital needs, impact on bond rating, State and local economic outlooks, emergency and disaster risk, and other contingent issues, the City establishes the following goals regarding the Unassigned Fund Balance of the General Fund for the City of Center, Texas.

Fund balance will be calculated by taking the total General Fund expenditure budget.

The goal for this policy is that the City would retain in reserves a minimum of 25% and 30% optimally. This equates to 90 to 120 days of operating reserves which would allow the City to continue providing services without receiving additional funding.

Once the City achieves its goal of an appropriate level of Unassigned Fund Balance, any excess funds may be utilized for other municipal fiscal purposes, including without limitation, additional capital improvement needs or tax rate stabilization or reduction purposes. For example, by applying excess fund balances towards payment of capital improvement expenses, the City will reduce the need to incur long-term debt and will avoid creating an operating fund gap for subsequent fiscal years.

This policy has been adopted by the City to recognize the financial importance of a stable and sufficient level of the Unassigned Fund Balance. However, the City, reserves the right to appropriate funds from the Unassigned Fund Balance for emergencies and other unanticipated requirements the City believes to be in the best interest of the City.

**FUND BALANCE ANALYSIS**

	<b>2025</b>	
Beginning Fund Balance	\$ 3,019,653	
Total GF revenues and Transfers	6,508,558	
Total GF expenditures and transfers	6,103,952	
ENDING GF FUND BALANCE	<u>\$ 3,424,259</u>	
	25%	30%
Required Fund Balance	<u>\$ 1,627,140</u>	<u>\$ 1,952,567</u>

Actual Fund Balance calculation represents 52.6% of General Fund Expenditures.

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 3: DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

Cash and investments as of September 30, consists of the following:

Primary Government:	
Unrestricted cash and investments	\$ 8,927,607
Restricted cash and investments	6,441,355
Component Units:	
Cash and investments	3,338,090
TOTAL CASH AND INVESTMENTS	<u>\$ 18,707,052</u>

Primary Government:	
Cash on hand	\$ 8,751
Deposits with financial institutions	308,984
Investments in LOGIC	15,041,804
Component Units:	
Deposits with financial institutions	3,410
Investments in LOGIC	3,344,103
TOTAL CASH AND INVESTMENTS	<u>\$ 18,707,052</u>

At September 30, the total deposits (as shown on the records of the bank) for the primary government and the component units amounted to \$15,368,962 and \$3,338,090, respectively. Deposits were with the contracted depository bank, Farmers State Bank, in a combination of interest and non-interest bearing accounts and interest bearing Certificates of Deposits. The deposits were fully secured at the balance sheet date by federal depository coverage and by pledged U. S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of deposits.

Investments - The State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. It requires the City to adopt, implement, and publicize an investment policy. The investment policy must address requirements outlined by the Act. Management of the City believes it is in compliance with those requirements and local policies. The City's temporary investments consist of balances held by the Local Government Investment Cooperative (LOGIC).

As of September 30, the City had the following investments:

INVESTMENT	FAIR VALUE	WEIGHTED AVG MATURITY	RATING
Local Government Investment Cooperative (LOGIC)	\$ 18,385,907	31	AAAm

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 3: DETAILED NOTES ON ALL FUNDS (Continued)**

Interest rate risk is the risk that changes in market interest rates and will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value. The City concentrates its investments on short-term investments in order to limit market risk caused by changes in interest rates. The maximum allowed maturity of any investment by the City is three years.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. The City's depository fully collateralizes the City's deposits as outlined above.

**Receivables**

***Leases Receivable***

The City leases hangers at the municipal airport with terms of one to twenty years and rates of \$175 to \$2,600 annually. The present value of the lease receivable has been recorded in the general fund and the future receipts recorded as a deferred inflow.

Year	Receivable	Interest
2026	\$ 8,666	\$ 361
2027	7,029	293
2028	5,680	237
2029	5,099	212
2030	4,494	187
Thereafter	22,507	938
	<u>\$ 53,475</u>	<u>\$ 2,228</u>

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 3: DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets**

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

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in progress	\$ 25,989	\$ 12,440	\$ (33,429)	\$ 5,000
Land	73,072	-	-	73,072
TOTAL ASSETS NOT BEING DEPRECIATED	<u>99,061</u>	<u>12,440</u>	<u>(33,429)</u>	<u>78,072</u>
Capital Assets, Being Depreciated:				
Buildings	9,366,164	-	-	9,366,164
Improvements other than buildings	6,347,562	-	-	6,347,562
Vehicles and equipment	2,515,297	16,650	-	2,531,947
Infrastructure	24,799,567	364,197	-	25,163,764
TOTAL ASSETS BEING DEPRECIATED	<u>43,028,590</u>	<u>380,847</u>	<u>-</u>	<u>43,409,437</u>
Less Accumulated Depreciation For:				
Buildings	(3,674,488)	(221,216)	-	(3,895,704)
Improvements other than buildings	(2,188,260)	(173,419)	-	(2,361,679)
Vehicles and equipment	(2,062,711)	(111,388)	-	(2,174,099)
Infrastructure	(11,179,789)	(1,060,263)	-	(12,240,052)
TOTAL ACCUMULATED DEPRECIATION	<u>(19,105,248)</u>	<u>(1,566,286)</u>	<u>-</u>	<u>(20,671,534)</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>23,923,342</u>	<u>(1,185,439)</u>	<u>-</u>	<u>22,737,903</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 24,022,403</u>	<u>\$ (1,172,999)</u>	<u>\$ (33,429)</u>	<u>\$ 22,815,975</u>
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 665,250	\$ -	\$ -	\$ 665,250
Construction in progress	502,800	4,288	-	507,088
TOTAL ASSETS NOT BEING DEPRECIATED	<u>1,168,050</u>	<u>4,288</u>	<u>-</u>	<u>1,172,338</u>
Capital Assets, Being Depreciated:				
Buildings and systems	35,279,429	13,635	-	35,293,064
Vehicles and equipment	3,901,460	89,177	-	3,990,637
TOTAL ASSETS BEING DEPRECIATED	<u>39,180,889</u>	<u>102,812</u>	<u>-</u>	<u>39,283,701</u>
Less Accumulated Depreciation For:				
Buildings and systems	(21,308,245)	(565,677)	-	(21,873,922)
Vehicles and equipment	(3,318,499)	(83,134)	-	(3,401,633)
TOTAL ACCUMULATED DEPRECIATION	<u>(24,626,744)</u>	<u>(648,811)</u>	<u>-</u>	<u>(25,275,555)</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>14,554,145</u>	<u>(545,999)</u>	<u>-</u>	<u>14,008,146</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 15,722,195</u>	<u>\$ (541,711)</u>	<u>\$ -</u>	<u>\$ 15,180,484</u>
<b>Internal Service Fund:</b>				
Capital Assets, Being Depreciated:				
Vehicles and equipment	\$ 2,109,932	\$ 266,055	\$ (90,713)	\$ 2,285,274
Right of Use Assets	125,834	12,129	-	137,963
TOTAL ASSETS BEING DEPRECIATED	<u>2,235,766</u>	<u>278,184</u>	<u>(90,713)</u>	<u>2,423,237</u>
Less Accumulated Depreciation For:				
Vehicles and equipment	(1,085,177)	(392,062)	67,744	(1,544,983)
TOTAL ACCUMULATED DEPRECIATION	<u>(1,085,177)</u>	<u>(392,062)</u>	<u>67,744</u>	<u>(1,544,983)</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>\$ 1,150,589</u>	<u>\$ (113,878)</u>	<u>\$ (22,969)</u>	<u>\$ 878,254</u>

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 3: DETAILED NOTES ON ALL FUNDS (Continued)**

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

Governmental Activities:	
General government	\$ 29,176
Public Safety	137,711
Community Services	353,982
Street and Drainage	1,045,417
Internal Services	392,062
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 1,958,348
Business-Type Activities:	
Water	\$ 394,580
Sewer	254,231
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 648,811

**Changes in Long-Term Debt**

The following is a summary of long-term debt transactions of the City for the year ended September 30:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
<b>Governmental Activities:</b>					
General obligation bonds	\$ 6,995,000	\$ -	\$ (587,500)	\$ 6,407,500	\$ 603,750
Note payable	317,863	24,000	(45,758)	296,105	47,504
Compensated absences	164,134	-	(23,705)	140,429	-
Subscription based IT Arrangements	41,927	-	(41,927)	-	-
Pension liability	182,076	171,822	-	353,898	-
OPEB liability	150,296	7,740	-	158,036	-
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	\$ 7,851,296	\$ 203,562	\$ (698,890)	\$ 7,355,968	\$ 651,254
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 4,890,000	\$ 6,000,000	\$ (532,500)	\$ 10,357,500	\$ 516,250
Compensated absences	67,209	-	(6,987)	60,222	-
Pension liability	56,345	61,374	-	117,719	-
OPEB liability	55,010	-	(2,372)	52,638	-
BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	\$ 5,068,564	\$ 6,061,374	\$ (541,859)	\$ 10,588,079	\$ 516,250

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 3: DETAILED NOTES ON ALL FUNDS (Continued)**

Bonds payable at September 30 are comprised of the following individual issues:

General Obligation Debt:

\$2,070,000, 2012 Combination Tax and Water and Sewer Revenue Certificate of Obligation, due in annual installments of \$10,000 to \$125,000 through August 15, 2035, interest at 0.0 to 3.05 percent (Liability recorded in business-type activities)	\$ 1,115,000
\$3,960,000, 2016 Combination Tax and Water and Sewer Revenue Certificate of Obligation, due in annual installments of \$130,000 to \$265,000 through August 15, 2036, interest at 2.49 percent (Liability recorded in governmental and business-type activities)	2,430,000
\$4,130,000, 2019 Tax & WW & SS Revenue Certificate of Obligation, due in annual installments of \$85,000 to \$405,000 through August 15, 2039, with interest of 2.0% to 2.5% (Liability recorded in business type activities)	3,585,000
\$2,090,000, 2019 Tax & WW & SS Revenue Certificate of Obligation, due in annual installments of \$60,000 to \$140,000 through August 15, 2039, with interest of 2.0% to 2.5% (Liability recorded in business type activities)	1,625,000
\$3,080,000, 2021 General Obligation Refunding Bonds, due in annual installments of \$15,000 to \$460,000 through August 15, 2030, with interest of 2.0% to 2.5% (Liability recorded in governmental activities)	2,215,000
\$6,000,000, 2024 Revenue Certificate Obligation Bonds, due in annual installments of \$190,000 to \$415,000 through August 15, 2044, with interest of 4.0% to 5.0% (Liability recorded in business type activities)	5,795,000
	\$ 16,765,000

The annual debt service requirements to maturity for all bonds and certificates of obligation are as follows:

YEAR ENDING SEPTEMBER	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2026	\$ 603,750	\$ 165,654	\$ 516,250	\$ 439,695
2027	618,750	151,891	536,250	419,915
2028	631,250	136,794	558,750	398,597
2029	647,500	121,013	577,500	375,798
2030	663,750	104,538	606,250	351,213
Thereafter	3,242,500	500,936	7,562,500	2,359,185
TOTAL	\$ 6,407,500	\$ 1,180,826	\$ 10,357,500	\$ 4,344,403

Notes Payable:

\$450,000 loan from City of Center Economic Development Corporation to be paid in annual installments through 2029, with an interest rate of 3%.	\$ 105,618
\$258,490 note for the Equipment replacement fund to be paid in annual installments of \$41,595 with a final payment of \$126,845 in January 2026, with interest at 2.8%	190,487
	\$ 296,105

YEAR ENDING SEPTEMBER	GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST
2026	\$ 47,504	\$ 10,323
2027	49,281	8,538
2028	168,961	4,510
2029	30,359	1,620
2030	-	-
Thereafter	-	-
TOTAL	\$ 296,105	\$ 24,991

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 4: OTHER INFORMATION**

**Pension Plan**

***Plan Description***

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

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

***Benefits Provided***

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

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

***Employees Covered by Benefit Terms:***

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

Inactive employees or beneficiaries currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	43
Active employees	76
	<hr/>
	171

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 4: OTHER INFORMATION (Continued)**

***Contributions***

The contribution rates for employees in TMRS are either 5%, 6%, or 8% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Center were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Center were 11.14% and 12.04% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025 were \$469,127, and were equal to the required contribution.

***Net Pension Liability***

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2024 valuation pursuant to an experience study of the period 2023.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale MP-2021. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale MP-2021.

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

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 4: OTHER INFORMATION (Continued)**

**Discount Rate**

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

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at beginning of year	\$ 18,034,212	\$ 17,230,609	\$ 803,603
Changes for the Year			
Service Cost	737,328	-	737,328
Interest	1,214,505	-	1,214,505
Change of benefit terms	-	-	-
Diff between exp and actual	251,786	-	251,786
Changes of assumptions	-	-	-
Contributions - employer	-	463,797	(463,797)
Contributions - employee	-	291,434	(291,434)
Net investment income	-	1,792,125	(1,792,125)
Benefit Payments	(820,432)	(820,432)	-
Administrative expense	-	(11,482)	11,482
Other changes	-	(269)	269
Net changes	1,383,187	1,715,173	(331,986)
Balance at end of year	<u>\$ 19,417,399</u>	<u>\$ 18,945,782</u>	<u>\$ 471,617</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	1% DECREASE IN DISCOUNT RATE (5.75%)	DISCOUNT RATE (6.75%)	1% INCREASE IN DISCOUNT RATE (7.75%)
Net pension liability	\$ 3,276,109	\$ 471,617	\$ (1,820,065)

**Pension Plan Fiduciary Net Position**

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

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 4: OTHER INFORMATION (Continued)**

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

For the year ended September 30, 2025, the City recognized pension expense of \$504,096.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Out	Deferred In
Diff between exp and actual	\$ 262,408	\$ 32,374
Changes in actuarial assumptions	10,592	60,752
Diff between proj and actual earnings	925,359	1,133,284
Subsequent Contributions	367,680	-
Total	<u>\$ 1,566,039</u>	<u>\$ 1,226,410</u>

\$367,680 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amortization
December 31,	
2025	\$ 65,775
2026	261,448
2027	(229,465)
2028	(97,758)
2029	-
Thereafter	-
Total	<u>\$ -</u>

**Other Postemployment Benefit (OPEB)**

***Plan Description***

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The City of Center contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 4: OTHER INFORMATION (Continued)**

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

**Benefits Provided**

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered and other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

**Employees Covered by Benefit Terms:**

**Membership:**

Number of:	
Inactive employees currently receiving benefits	40
Inactive employees entitled to but not yet receiving benefits	7
Active employees	76
TOTAL	123

<b>Covered Payroll</b>	<b>\$ <u>4,003,272</u></b>
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**Contributions**

PLAN/ CALENDAR YEAR	TOTAL SDBF CONTRIBUTION (RATE)	RETIREE PORTION OF SDBF CONTRIBUTION (RATE)
2023	0.37%	0.00%
2024	0.39%	0.00%
2025	0.34%	0.00%

The City's contributions to the SDBF for the year ended September 30, 2025 were \$14,128, and were equal to the required contribution.

**Summary of Actuarial Assumptions**

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	4.08%
Retirees' share of benefit-related costs	\$-0-
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - Service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - Disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by MP-2021 to account for future mortality improvements subject to the floor.

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Note: The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 4: OTHER INFORMATION (Continued)**

***Changes in OPEB Liability***

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balance at 10/1/2024</b>	\$ 206,360	\$ -	\$ 206,360
Service Cost	11,657	-	11,657
Interest	7,882	-	7,882
Change of benefit terms	-	-	-
Diff between exp and actual	1,969	-	1,969
Changes of assumptions	(10,949)	-	(10,949)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit Payments	(6,245)	-	(6,245)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	4,314	-	4,314
<b>Balance at 9/30/25</b>	<b>\$ 210,674</b>	<b>\$ -</b>	<b>\$ 210,674</b>

***Sensitivity of OPEB Liability to Changes in the Discount Rate***

The following presents the OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.08%) or 1-percentage point higher (5.08%) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB Liability	\$ 249,132	\$ 210,674	\$ 180,275

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2025, the City recognized OPEB expense of \$9,369.

As of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Out	Deferred In
Diff between exp and actual	\$ 1,604	\$ -
Changes in actuarial assumptions	-	37,899
Diff between proj and actual earnings	-	4,456
Subsequent Contributions	10,098	-
<b>Total</b>	<b>\$ 11,702</b>	<b>\$ 42,355</b>

**City of Center, Texas**  
**Notes to Financial Statements (Continued)**

**Note 4: OTHER INFORMATION (Continued)**

\$10,098 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended	Amortization
December 31,	
2025	\$ (15,066)
2026	(17,717)
2027	(5,987)
2028	(1,693)
2029	(280)
Thereafter	-
Total	<u><u>\$ (40,743)</u></u>

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The City provides employee health and accident insurance coverage with commercial insurance purchased from independent third parties. Coverages have not significantly decreased and settlements have not exceeded insurance coverage for each of the past three years.

**City of Center, Texas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
General Property Taxes:				
Current Taxes	\$ 1,387,000	\$ 1,362,000	\$ 1,381,681	\$ 19,681
Delinquent Taxes	27,500	7,500	5,262	(2,238)
Other Taxes	130,000	130,000	127,354	(2,646)
Penalties, interest and cost	27,500	27,500	36,065	8,565
<b>TOTAL GENERAL PROPERTY TAXES</b>	<b>1,572,000</b>	<b>1,527,000</b>	<b>1,550,362</b>	<b>23,362</b>
Other Local Taxes and Permits:				
City sales taxes	2,790,100	2,740,100	2,739,964	(136)
Franchise taxes	811,100	842,000	809,856	(32,144)
Mixed drink taxes	8,500	8,500	9,872	1,372
License and permit fees	40,100	40,100	38,900	(1,200)
<b>TOTAL OTHER LOCAL TAXES AND PERMITS</b>	<b>3,649,800</b>	<b>3,630,700</b>	<b>3,598,592</b>	<b>(32,108)</b>
Fines and Fees:				
Municipal court fines	195,000	210,000	228,272	18,272
Court cost fees	37,550	37,550	35,087	(2,463)
Fines and fees	100	100	3,013	2,913
<b>TOTAL FINES AND FEES</b>	<b>232,650</b>	<b>247,650</b>	<b>266,372</b>	<b>18,722</b>
Charges for Service:				
Administration	60,000	60,000	60,000	-
Airport fuel	157,500	140,500	152,183	11,683
Airport hanger lease	35,500	35,500	39,219	3,719
Civic Center	66,750	82,250	80,093	(2,157)
Land Lease	3,600	3,600	5,550	1,950
Building rental	17,500	17,500	20,212	2,712
<b>TOTAL CHARGES FOR SERVICES</b>	<b>340,850</b>	<b>339,350</b>	<b>357,257</b>	<b>17,907</b>
Contributions and Grants:				
Grant and donations	34,000	20,100	28,372	8,272
<b>TOTAL CONTRIBUTIONS AND GRANTS</b>	<b>34,000</b>	<b>20,100</b>	<b>28,372</b>	<b>8,272</b>
Miscellaneous Revenue:				
Miscellaneous receipts	15,220	15,220	26,206	10,986
<b>TOTAL MISCELLANEOUS RECEIPTS</b>	<b>15,220</b>	<b>15,220</b>	<b>26,206</b>	<b>10,986</b>
<b>TOTAL REVENUES</b>	<b>5,844,520</b>	<b>5,780,020</b>	<b>5,827,161</b>	<b>47,141</b>

*See independent auditor's report.*

**City of Center, Texas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund (Continued)**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures:				
General Government:				
City Hall:				
Payroll	1,004,100	909,100	890,820	18,280
Supplies	17,250	17,250	15,199	2,051
Contractual services	48,590	48,590	50,394	(1,804)
Utilities	9,500	9,500	9,403	97
Sundry charges	16,500	16,500	13,666	2,834
Maintenance	8,000	8,000	2,647	5,353
TOTAL CITY HALL	<u>1,103,940</u>	<u>1,008,940</u>	<u>982,129</u>	<u>26,811</u>
Nondepartmental:				
Payroll	1,700	1,700	8,176	(6,476)
Supplies	2,200	2,200	822	1,378
Contractual services	172,450	172,450	143,429	29,021
Sundry charges	103,750	113,750	131,950	(18,200)
Capital outlay	-	-	525	(525)
TOTAL NONDEPARTMENTAL	<u>280,100</u>	<u>290,100</u>	<u>284,902</u>	<u>5,198</u>
Municipal Court:				
Payroll	60,200	60,200	55,974	4,226
Supplies	2,000	2,000	1,984	16
Contractual services	60,780	60,780	52,000	8,780
Sundry charges	1,600	1,600	1,836	(236)
TOTAL MUNICIPAL COURT	<u>124,580</u>	<u>124,580</u>	<u>111,794</u>	<u>12,786</u>
TOTAL GENERAL GOVERNMENT	<u>1,508,620</u>	<u>1,423,620</u>	<u>1,378,825</u>	<u>44,795</u>
Public Safety:				
Police Department:				
Payroll	2,306,625	2,024,825	2,079,716	(54,891)
Supplies	54,750	54,750	68,963	(14,213)
Contractual services	262,200	262,200	249,304	12,896
Utilities	40,500	40,500	29,080	11,420
Sundry charges	21,200	21,200	17,909	3,291
Maintenance	118,000	102,000	94,964	7,036
Capital outlay	26,000	26,000	32,462	(6,462)
TOTAL POLICE DEPARTMENT	<u>2,829,275</u>	<u>2,531,475</u>	<u>2,572,398</u>	<u>(40,923)</u>
Fire Department:				
Payroll	531,150	485,650	478,093	7,557
Supplies	14,450	14,450	5,090	9,360
Contractual services	42,910	42,910	38,846	4,064
Utilities	11,850	11,850	13,909	(2,059)
Sundry charges	8,000	8,000	5,763	2,237
Maintenance	46,500	46,500	32,419	14,081
Capital outlay	20,500	20,500	4,224	16,276
TOTAL FIRE DEPARTMENT	<u>675,360</u>	<u>629,860</u>	<u>578,344</u>	<u>51,516</u>

*See independent auditor's report.*

**City of Center, Texas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund (Continued)**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Animal Control Department:				
Supplies	9,600	-	597	(597)
Contractual services	16,000	600	660	(60)
Utilities	1,400	700	259	441
Sundry charges	2,100	300	-	300
Maintenance	1,000	1,000	-	1,000
Capital outlay	-	38,200	-	38,200
<b>TOTAL ANIMAL CONTROL DEPARTMENT</b>	<b>30,100</b>	<b>40,800</b>	<b>1,516</b>	<b>39,284</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>3,534,735</b>	<b>3,202,135</b>	<b>3,152,258</b>	<b>49,877</b>
Community Services:				
Airport Department:				
Payroll	30,850	30,850	30,584	266
Supplies	1,950	1,950	1,590	360
Contractual services	14,720	14,720	15,417	(697)
Utilities	17,150	17,150	17,026	124
Sundry charges	104,600	114,600	135,044	(20,444)
Maintenance	9,500	14,500	16,629	(2,129)
Capital outlay	5,000	5,000	-	5,000
<b>TOTAL AIRPORT DEPARTMENT</b>	<b>183,770</b>	<b>198,770</b>	<b>216,290</b>	<b>(17,520)</b>
Cemetery Department:				
Contractual services	35,500	35,500	39,900	(4,400)
<b>TOTAL CEMETERY DEPARTMENT</b>	<b>35,500</b>	<b>35,500</b>	<b>39,900</b>	<b>(4,400)</b>
Parks Department:				
Payroll	162,320	162,320	153,891	8,429
Supplies	16,100	16,100	12,994	3,106
Contractual services	112,050	112,050	112,117	(67)
Utilities	16,000	16,000	16,026	(26)
Sundry charges	500	500	-	500
Maintenance	32,000	32,000	42,326	(10,326)
<b>TOTAL PARKS DEPARTMENT</b>	<b>338,970</b>	<b>338,970</b>	<b>337,354</b>	<b>1,616</b>
Civic Center Department:				
Payroll	109,950	96,950	99,158	(2,208)
Supplies	7,300	7,300	5,443	1,857
Contractual services	42,050	42,050	42,852	(802)
Utilities	35,150	35,150	30,913	4,237
Sundry charges	3,500	3,500	2,231	1,269
Maintenance	21,850	21,850	18,254	3,596
Capital outlay	2,500	2,500	-	2,500
<b>TOTAL CIVIC CENTER DEPARTMENT</b>	<b>222,300</b>	<b>209,300</b>	<b>198,851</b>	<b>10,449</b>

*See independent auditor's report.*

**City of Center, Texas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund (Continued)**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Community Facilities Department:				
Supplies	350	350	-	350
Contractual services	67,795	67,795	69,104	(1,309)
Utilities	14,000	14,000	11,444	2,556
Maintenance	6,750	6,750	8,243	(1,493)
TOTAL COMMUNITY FACILITIES DEPARTMENT	<u>88,895</u>	<u>88,895</u>	<u>88,791</u>	<u>104</u>
TOTAL COMMUNITY SERVICES	<u>869,435</u>	<u>871,435</u>	<u>881,186</u>	<u>(9,751)</u>
Streets and Drainage:				
Streets Department:				
Payroll	350,350	343,350	329,419	13,931
Supplies	17,850	17,850	16,231	1,619
Contractual services	71,560	71,560	72,469	(909)
Utilities	89,250	89,250	86,869	2,381
Sundry charges	750	750	154	596
Maintenance	69,000	69,000	63,755	5,245
Capital outlay	-	-	16	(16)
TOTAL STREETS DEPARTMENT	<u>598,760</u>	<u>591,760</u>	<u>568,913</u>	<u>22,847</u>
TOTAL STREETS AND DRAINAGE	<u>598,760</u>	<u>591,760</u>	<u>568,913</u>	<u>22,847</u>
Inspection Services:				
Inspection Department:				
Payroll	81,900	81,900	77,991	3,909
Supplies	3,050	3,050	3,036	14
Contractual services	12,720	12,720	14,719	(1,999)
Utilities	450	450	191	259
Sundry charges	1,950	1,950	2,833	(883)
Maintenance	5,000	5,000	3,898	1,102
TOTAL INSPECTION DEPARTMENT	<u>105,070</u>	<u>105,070</u>	<u>102,668</u>	<u>2,402</u>
TOTAL INSPECTION SERVICES	<u>105,070</u>	<u>105,070</u>	<u>102,668</u>	<u>2,402</u>
TOTAL EXPENDITURES	<u>6,616,620</u>	<u>6,194,020</u>	<u>6,083,850</u>	<u>110,170</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(772,100)</u>	<u>(414,000)</u>	<u>(256,689)</u>	<u>157,311</u>
Other Financing Sources (Uses):				
Interest Income	112,100	112,100	118,262	6,162
Operating transfers in	740,000	742,000	563,135	(178,865)
Operating transfers out	-	(385,000)	(20,102)	364,898
TOTAL OTHER FINANCING SOURCES (USES)	<u>852,100</u>	<u>469,100</u>	<u>661,295</u>	<u>192,195</u>
CHANGE IN FUND BALANCE	80,000	55,100	404,606	349,506
FUND BALANCE BEGINNING OF YEAR	3,019,653	3,019,653	3,019,653	-
FUND BALANCE AT END OF THE YEAR	<u>\$ 3,099,653</u>	<u>\$ 3,074,753</u>	<u>\$ 3,424,259</u>	<u>\$ 349,506</u>

*See independent auditor's report.*

**City of Center, Texas**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service Cost	\$ 737,328	\$ 662,873	\$ 594,251	\$ 565,946	\$ 547,357	\$ 537,720	\$ 523,585	\$ 522,065	\$ 516,676	\$ 463,237
Interest (on the Total Pension Liability)	1,214,505	1,139,026	1,058,253	1,005,970	956,535	902,764	873,880	879,442	867,048	860,379
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	251,786	121,446	86,888	(259,570)	(180,403)	(149,486)	(428,137)	(915,461)	(587,907)	(191,770)
Change of assumptions	-	(109,172)	-	-	-	71,120	-	-	-	(39,880)
Benefit payments, including refunds of employee contributions	(820,432)	(645,975)	(508,135)	(595,743)	(605,096)	(535,555)	(561,408)	(577,012)	(652,767)	(476,550)
<b>Net Change in Total Pension Liability</b>	<b>1,383,187</b>	<b>1,168,198</b>	<b>1,231,257</b>	<b>716,603</b>	<b>718,393</b>	<b>826,563</b>	<b>407,920</b>	<b>(90,966)</b>	<b>143,050</b>	<b>615,416</b>
Total Pension Liability - Beginning	18,034,212	16,866,014	15,634,757	14,918,154	14,199,761	13,373,198	12,965,278	13,056,244	12,913,194	19,417,399
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 19,417,399</b>	<b>\$ 18,034,212</b>	<b>\$ 16,866,014</b>	<b>\$ 15,634,757</b>	<b>\$ 14,918,154</b>	<b>\$ 14,199,761</b>	<b>\$ 13,373,198</b>	<b>\$ 12,965,278</b>	<b>\$ 13,056,244</b>	<b>\$ 20,032,815</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 463,797	\$ 422,346	\$ 406,107	\$ 411,143	\$ 406,177	\$ 426,162	\$ 471,010	\$ 514,644	\$ 503,737	\$ 439,335
Contributions - Employee	291,434	276,043	248,492	238,652	229,294	226,734	217,772	216,496	212,499	199,181
Net Investment Income	1,792,125	1,785,105	(1,202,448)	1,894,330	1,023,371	1,790,717	(353,900)	1,420,322	645,178	13,834
Benefit payments, including refunds of employee contributions	(820,432)	(645,975)	(508,135)	(595,743)	(605,096)	(535,555)	(561,408)	(577,012)	(652,767)	(476,550)
Administrative Expense	(11,482)	(11,342)	(10,396)	(8,758)	(6,617)	(10,111)	(6,836)	(7,356)	(7,282)	(8,424)
Other	(269)	(79)	12,406	60	(259)	(286)	(373)	(373)	(392)	(416)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,715,173</b>	<b>1,826,098</b>	<b>(1,053,974)</b>	<b>1,939,684</b>	<b>1,046,870</b>	<b>1,897,661</b>	<b>(233,735)</b>	<b>1,566,721</b>	<b>700,973</b>	<b>166,960</b>
Plan Fiduciary Net Position - Beginning	17,230,609	15,404,511	16,458,485	14,518,801	13,471,931	11,574,270	11,808,005	10,241,284	9,540,311	18,945,782
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 18,945,782</b>	<b>\$ 17,230,609</b>	<b>\$ 15,404,511</b>	<b>\$ 16,458,485</b>	<b>\$ 14,518,801</b>	<b>\$ 13,471,931</b>	<b>\$ 11,574,270</b>	<b>\$ 11,808,005</b>	<b>\$ 10,241,284</b>	<b>\$ 19,112,742</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 471,617</b>	<b>\$ 803,603</b>	<b>\$ 1,461,503</b>	<b>\$ (823,728)</b>	<b>\$ 399,353</b>	<b>\$ 727,830</b>	<b>\$ 1,798,928</b>	<b>\$ 1,157,273</b>	<b>\$ 2,814,960</b>	<b>\$ 920,073</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.57%	95.54%	91.33%	105.27%	97.32%	94.87%	86.55%	91.07%	78.44%	95.41%
<b>Covered Employee Payroll</b>	<b>\$ 4,163,341</b>	<b>\$ 3,940,981</b>	<b>\$ 3,549,884</b>	<b>\$ 3,509,894</b>	<b>\$ 3,258,954</b>	<b>\$ 3,195,006</b>	<b>\$ 3,111,024</b>	<b>\$ 3,092,802</b>	<b>\$ 3,035,696</b>	<b>\$ 2,845,439</b>
Net Pension Liability as a Percentage of Covered Employee Payroll	11.33%	20.39%	41.17%	-23.47%	12.25%	22.78%	57.82%	37.42%	92.73%	32.34%

**SCHEDULE OF CONTRIBUTIONS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 486,850	\$ 469,127	\$ 433,994	\$ 409,403	\$ 434,350	\$ 418,708	\$ 405,655	\$ 495,007	\$ 462,058	\$ 446,765
Contributions in relation to the actuarially determined contribution	(486,850)	(469,127)	(433,994)	(409,403)	(434,350)	(418,708)	(405,655)	(495,007)	(462,058)	(446,765)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>									
Covered employee payroll	\$ 4,003,272	\$ 4,107,231	\$ 3,940,981	\$ 3,549,884	\$ 3,509,894	\$ 3,258,954	\$ 3,195,006	\$ 3,111,024	\$ 3,092,802	\$ 3,035,696
Contributions as a percentage of covered employee payroll	-12.16%	-11.42%	-11.01%	-11.53%	-12.38%	-12.85%	-12.70%	-15.91%	-14.94%	-14.72%

*See independent auditor's report.*

**City of Center, Texas**

**Schedule of the Changes in Net OPEB Liability and Related Ratios and Schedule of Contributions**  
**Last Ten Fiscal Years\***

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service Cost	\$ 11,657	\$ 10,247	\$ 17,039	\$ 13,296	\$ 10,154	\$ 7,029	\$ 8,089	\$ 6,804
Interest (on the Total OPEB Liability)	7,882	7,708	4,979	5,030	5,933	6,407	5,942	5,816
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	1,969	(3,253)	43	(4,222)	(10,762)	(3,809)	(6,260)	-
Change of assumptions	(10,949)	9,415	(93,700)	7,821	32,098	33,293	(12,649)	14,252
Benefit payments, including refunds of employee contributions	(6,245)	(5,911)	(4,615)	(4,773)	(1,638)	(1,278)	(1,556)	(2,165)
Net Change in Total OPEB Liability	4,314	18,206	(76,254)	17,152	35,785	41,642	(6,434)	24,707
Total OPEB Liability - Beginning	206,360	188,154	264,408	247,256	211,471	169,829	176,263	151,556
Total OPEB Liability - Ending (a)	\$ 210,674	\$ 206,360	\$ 188,154	\$ 264,408	\$ 247,256	\$ 211,471	\$ 169,829	\$ 176,263
Net OPEB Liability - Ending (a) - (b)	\$ 210,674	\$ 206,360	\$ 188,154	\$ 264,408	\$ 247,256	\$ 211,471	\$ 169,829	\$ 176,263
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 3,092,802	\$ 3,111,024	\$ 3,195,006	\$ 3,275,628	\$ 3,509,894	\$ 3,549,884	\$ 3,868,992	\$ 4,163,341
Net OPEB Liability as a Percentage	6.81%	6.63%	5.89%	8.07%	7.04%	5.96%	4.39%	4.23%

**SCHEDULE OF CONTRIBUTIONS**

**Last 10 Fiscal Years (will ultimately be displayed)**

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 14,128	\$ 9,135	\$ 8,603	\$ 7,400	\$ 7,414	\$ 5,167	\$ 4,902	\$ 1,723
Contributions in relation to the actuarially determined contribution	(14,128)	(9,135)	(8,603)	(7,400)	(7,414)	(5,167)	(4,902)	(1,723)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,003,272	\$ 4,107,231	\$ 3,868,992	\$ 3,549,884	\$ 3,509,894	\$ 3,275,628	\$ 3,195,006	\$ 3,111,024
Contributions as a percentage of covered employee payroll	-0.35%	-0.22%	-0.22%	-0.21%	-0.21%	-0.16%	-0.15%	-0.06%

**Other Information:**

\* This schedule is illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

Details of the plan are included in the notes.

*See independent auditor's report.*

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Court Technology, Security, Jury and Truancy Funds - To account for certain fees assessed on fines.

Hotel - Motel Fund - To account for hotel-motel taxes and related expenditures.

Civic Center Fund - To account for the construction of the civic center for activity related to civic center capital asset improvements.

Tax Increment Financing Fund - To account for activities related to the tax increment finance district.

Industrial Development Fund - To account for activity related to industrial development initiatives.

Police Department Forfeiture Fund - To account for forfeited funds remitted to the police department.

Logic Park Fund - To account for the construction of park facilities.

Recreation Fund - To account for recreational activities for the citizens of Center.

Home Grant - To account for revenues and expenditures applicable to Home Grants.

Airport Construction Fund - To account for construction and activity related to airport capital asset improvements.

Street Improvement Fund - To account for contributions of the Street Economic Development Corporation for city street improvements.

Opioid Fund - To account for opioid legal settlement funds received by the City.

### Debt Service Fund

Debt Service Fund - To account for the accumulation of monies for the payment of general obligation debt.

### Permanent Funds

Cemetery Endowment Fund - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the Fairview cemetery.

Animal Welfare Fund - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain Animal Welfare. (closed)

**City of Center, Texas**  
**Combining Balance Sheet – Nonmajor Governmental Funds**

	DEBT SERVICE FUND	NONMAJOR SPECIAL REVENUE FUNDS	PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS
			CEMETERY ENDOWMENT FUND	ANIMAL WELFARE FUND	
<b>ASSETS</b>					
Cash and Cash Equivalent	\$ -	\$ 119,827	\$ -	\$ -	\$ 119,827
Investments	169,356	1,536,234	132,206	-	1,837,796
Receivables	-	214,640	-	-	214,640
Due from other funds	-	500	-	-	500
<b>TOTAL ASSETS</b>	<b>\$ 169,356</b>	<b>\$ 1,871,201</b>	<b>\$ 132,206</b>	<b>\$ -</b>	<b>\$ 2,172,763</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 4,088	\$ -	\$ -	\$ 4,088
Due to other funds	-	65,003	-	-	65,003
Accrued Expenses	-	1,173	-	-	1,173
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>70,264</b>	<b>-</b>	<b>-</b>	<b>70,264</b>
<b>DEFERRED INFLOWS</b>					
Deferred revenue	-	50,000	-	-	50,000
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>-</b>	<b>120,264</b>	<b>-</b>	<b>-</b>	<b>120,264</b>
<b>FUND BALANCE</b>					
Restricted for Grants	-	1,750,937	-	-	1,750,937
Restricted for Debt Service	169,356	-	-	-	169,356
Other Restrictions	-	-	132,206	-	132,206
<b>TOTAL FUND BALANCE</b>	<b>169,356</b>	<b>1,750,937</b>	<b>132,206</b>	<b>-</b>	<b>2,052,499</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 169,356</b>	<b>\$ 1,871,201</b>	<b>\$ 132,206</b>	<b>\$ -</b>	<b>\$ 2,172,763</b>

*See independent auditor's report.*

**City of Center, Texas**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds**

	DEBT SERVICE FUND	NONMAJOR SPECIAL REVENUE FUNDS	PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS
			CEMETERY ENDOWMENT FUND	ANIMAL WELFARE FUND	
Revenues:					
Taxes	\$ 759,534	\$ 529,373	\$ -	\$ -	\$ 1,288,907
Grants and Contributions	-	64,608	-	-	64,608
Fines and Fees	-	18,093	-	-	18,093
Charges for Services	-	84,206	-	-	84,206
Other	-	32,666	-	-	32,666
<b>TOTAL REVENUE</b>	<b>759,534</b>	<b>728,946</b>	<b>-</b>	<b>-</b>	<b>1,488,480</b>
Expenditures:					
Public Safety	-	48,031	-	-	48,031
Community Service	-	298,307	-	46,124	344,431
Street and Drainage	-	333,597	-	-	333,597
Debt Service:					
Principal	915,000	21,001	-	-	936,001
Interest and fiscal charges	324,689	7,222	-	-	331,911
<b>TOTAL EXPENDITURES</b>	<b>1,239,689</b>	<b>708,158</b>	<b>-</b>	<b>46,124</b>	<b>1,993,971</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(480,155)</b>	<b>20,788</b>	<b>-</b>	<b>(46,124)</b>	<b>(505,491)</b>
Other Financing Sources:					
Interest	32,227	75,867	5,853	195	114,142
Operating Transfers in	521,747	462,483	-	-	984,230
Operating Transfers out	(11,088)	(280,000)	-	-	(291,088)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>542,886</b>	<b>258,350</b>	<b>5,853</b>	<b>195</b>	<b>807,284</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>62,731</b>	<b>279,138</b>	<b>5,853</b>	<b>(45,929)</b>	<b>301,793</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>106,625</b>	<b>1,471,799</b>	<b>126,353</b>	<b>45,929</b>	<b>1,750,706</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 169,356</b>	<b>\$ 1,750,937</b>	<b>\$ 132,206</b>	<b>\$ -</b>	<b>\$ 2,052,499</b>

*See independent auditor's report.*

**City of Center, Texas**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**

	Civic Center Fund	Hotel/Motel Facilities Fund	Court Technology Fund	Court Security Fund	Police Forfeiture Fund	Airport Construction Fund	Home Grants	Tax Increment Financing Fund
<b>ASSETS</b>								
Cash and Cash Equivalent	\$ 83,083	\$ 1,150	\$ 535	\$ -	\$ -	\$ 11,819	\$ -	\$ 1,110
Investments	-	1,124,978	75,336	-	26,214	-	-	277,165
Receivables	-	164,640	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	500	-	-
<b>TOTAL ASSETS</b>	<b>\$ 83,083</b>	<b>\$ 1,290,768</b>	<b>\$ 75,871</b>	<b>\$ -</b>	<b>\$ 26,214</b>	<b>\$ 12,319</b>	<b>\$ -</b>	<b>\$ 278,275</b>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ 388	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	65,003	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>65,391</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS</b>								
Deferred Revenue	-	-	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>65,391</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>								
Restricted	17,692	1,290,668	75,871	-	26,214	12,319	-	278,275
<b>TOTAL FUND BALANCE</b>	<b>17,692</b>	<b>1,290,668</b>	<b>75,871</b>	<b>-</b>	<b>26,214</b>	<b>12,319</b>	<b>-</b>	<b>278,275</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 83,083</b>	<b>\$ 1,290,768</b>	<b>\$ 75,871</b>	<b>\$ -</b>	<b>\$ 26,214</b>	<b>\$ 12,319</b>	<b>\$ -</b>	<b>\$ 278,275</b>

*See independent auditor's report.*

**City of Center, Texas**  
**Combining Balance Sheet (Concluded)**  
**Nonmajor Governmental Funds**

	Industrial Development Fund	Logic Park Fund	Recreation Fund	Jury Fund	Truancy Fund	Street Improvement Fund	Opiod Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>								
Cash and Cash Equivalent	\$ 9,423	\$ (2,425)	\$ (9,946)	\$ 569	\$ 293	\$ -	\$ 24,216	\$ 119,827
Investments	-	1,449	-	-	31,092	-	-	1,536,234
Receivables	-	50,000	-	-	-	-	-	214,640
Due from other funds	-	-	-	-	-	-	-	500
<b>TOTAL ASSETS</b>	<b>\$ 9,423</b>	<b>\$ 49,024</b>	<b>\$ (9,946)</b>	<b>\$ 569</b>	<b>\$ 31,385</b>	<b>\$ -</b>	<b>\$ 24,216</b>	<b>\$ 1,871,201</b>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ -	\$ 625	\$ 2,975	\$ -	\$ -	\$ -	\$ -	\$ 4,088
Due to other funds	-	-	-	-	-	-	-	65,003
Accrued Expenses	-	-	1,173	-	-	-	-	1,173
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>625</b>	<b>4,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,264</b>
<b>DEFERRED INFLOWS</b>								
Deferred Revenue	-	50,000	-	-	-	-	-	50,000
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>-</b>	<b>50,625</b>	<b>4,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,264</b>
<b>FUND BALANCE</b>								
Restricted	9,423	(1,601)	(14,094)	569	31,385	-	24,216	1,750,937
<b>TOTAL FUND BALANCE</b>	<b>9,423</b>	<b>(1,601)</b>	<b>(14,094)</b>	<b>569</b>	<b>31,385</b>	<b>-</b>	<b>24,216</b>	<b>1,750,937</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 9,423</b>	<b>\$ 49,024</b>	<b>\$ (9,946)</b>	<b>\$ 569</b>	<b>\$ 31,385</b>	<b>\$ -</b>	<b>\$ 24,216</b>	<b>\$ 1,871,201</b>

*See independent auditor's report.*

**City of Center, Texas**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances (Continued)**  
**Nonmajor Special Revenue Funds**

	Civic Center Fund	Hotel/Motel Facilities Fund	Court Technology Fund	Court Security Fund	Police Forfeiture Fund	Airport Construction Fund	Home Grants	Tax Increment Financing Fund
<b>Revenues:</b>								
Taxes	\$ 1,968	\$ 492,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,069
Grants and Contributions	-	-	-	-	-	1,442	-	-
Fines and Fees	-	-	5,393	6,126	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Other	-	30	-	-	15,106	-	-	-
<b>TOTAL REVENUE</b>	<b>1,968</b>	<b>492,366</b>	<b>5,393</b>	<b>6,126</b>	<b>15,106</b>	<b>1,442</b>	<b>-</b>	<b>35,069</b>
<b>Expenditures:</b>								
Public Safety	-	-	11,229	3,526	14,849	-	-	-
Community Service	83,674	72,192	-	-	-	18,000	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	28,223
<b>TOTAL EXPENDITURES</b>	<b>83,674</b>	<b>72,192</b>	<b>11,229</b>	<b>3,526</b>	<b>14,849</b>	<b>18,000</b>	<b>-</b>	<b>28,223</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(81,706)</b>	<b>420,174</b>	<b>(5,836)</b>	<b>2,600</b>	<b>257</b>	<b>(16,558)</b>	<b>-</b>	<b>6,846</b>
<b>Other Financing Sources:</b>								
Interest	-	52,974	1,729	2,008	1,148	532	-	11,620
Operating Transfers in	98,000	-	46,501	(46,501)	-	-	(304)	31,190
Operating Transfers out	-	(230,000)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>98,000</b>	<b>(177,026)</b>	<b>48,230</b>	<b>(44,493)</b>	<b>1,148</b>	<b>532</b>	<b>(304)</b>	<b>42,810</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>16,294</b>	<b>243,148</b>	<b>42,394</b>	<b>(41,893)</b>	<b>1,405</b>	<b>(16,026)</b>	<b>(304)</b>	<b>49,656</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,398</b>	<b>1,047,520</b>	<b>33,477</b>	<b>41,893</b>	<b>24,809</b>	<b>28,345</b>	<b>304</b>	<b>228,619</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 17,692</b>	<b>\$ 1,290,668</b>	<b>\$ 75,871</b>	<b>\$ -</b>	<b>\$ 26,214</b>	<b>\$ 12,319</b>	<b>\$ -</b>	<b>\$ 278,275</b>

*See independent auditor's report.*

**City of Center, Texas**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances (Concluded)**  
**Nonmajor Special Revenue Funds**

	Industrial Development Fund	Logic Park Fund	Recreation Fund	Jury Fund	Truancy Fund	Street Improvement Fund	Opiod Fund	Total Nonmajor Special Revenue Funds
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,373
Grants and Contributions	-	62,250	916	-	-	-	-	64,608
Fines and Fees	-	-	-	130	6,444	-	-	18,093
Charges for Services	-	-	84,206	-	-	-	-	84,206
Other	-	-	-	-	-	-	17,530	32,666
<b>TOTAL REVENUE</b>	<b>-</b>	<b>62,250</b>	<b>85,122</b>	<b>130</b>	<b>6,444</b>	<b>-</b>	<b>17,530</b>	<b>728,946</b>
Expenditures:								
Public Safety	-	-	-	-	100	-	18,327	48,031
Community Service	-	38,966	85,475	-	-	-	-	298,307
Streets and drainage	-	-	-	-	-	333,597	-	333,597
Debt Service	-	-	-	-	-	-	-	28,223
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>38,966</b>	<b>85,475</b>	<b>-</b>	<b>100</b>	<b>333,597</b>	<b>18,327</b>	<b>708,158</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>23,284</b>	<b>(353)</b>	<b>130</b>	<b>6,344</b>	<b>(333,597)</b>	<b>(797)</b>	<b>20,788</b>
Other Financing Sources:								
Interest	417	2,908	-	-	1,228	-	1,303	75,867
Operating Transfers in	-	-	-	-	-	333,597	-	462,483
Operating Transfers out	-	(50,000)	-	-	-	-	-	(280,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>417</b>	<b>(47,092)</b>	<b>-</b>	<b>-</b>	<b>1,228</b>	<b>333,597</b>	<b>1,303</b>	<b>258,350</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>417</b>	<b>(23,808)</b>	<b>(353)</b>	<b>130</b>	<b>7,572</b>	<b>-</b>	<b>506</b>	<b>279,138</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>9,006</b>	<b>22,207</b>	<b>(13,741)</b>	<b>439</b>	<b>23,813</b>	<b>-</b>	<b>23,710</b>	<b>1,471,799</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 9,423</b>	<b>\$ (1,601)</b>	<b>\$ (14,094)</b>	<b>\$ 569</b>	<b>\$ 31,385</b>	<b>\$ -</b>	<b>\$ 24,216</b>	<b>\$ 1,750,937</b>

*See independent auditor's report.*

**City of Center, Texas**  
**Schedule of Revenues**  
**Proprietary Funds**

	Business Type Activities		
	Water and Sewer	Sanitation	Total
Operating Revenue:			
Charges for services:			
Water Charges	\$ 3,583,346	\$ -	\$ 3,583,346
Sewer Charges	1,548,388	-	1,548,388
Sanitation Charges	-	2,343,230	2,343,230
TOTAL	5,131,734	2,343,230	7,474,964
Taps and Connections:			
Water taps and connections	17,025	-	17,025
Sewer taps and connections	5,300	-	5,300
TOTAL	22,325	-	22,325
Miscellaneous Revenue:			
Administrative Fee	7,355	-	7,355
Penalties	57,582	-	57,582
Reconnect Fee	30,797	-	30,797
Miscellaneous receipts	48,560	9,447	58,007
TOTAL	144,294	9,447	153,741
 TOTAL OPERATING REVENUE	 \$ 5,298,353	 \$ 2,352,677	 \$ 7,651,030
Nonoperating Revenues:			
Grants and contributions	\$ 120,893	\$ -	\$ 120,893
Bond Premium	513,417	-	513,417
Other Revenue	670	-	670
Income from Investments	358,628	28,658	387,286
TOTAL NONOPERATING REVENUES	\$ 993,608	\$ 28,658	\$ 1,022,266

*See independent auditor's report.*

## City of Center, Texas Schedule of Expenses Proprietary Funds

	Business Type Activities		
	Water and Sewer	Sanitation	Total
Operating Expense:			
Nondepartmental:			
Supplies	\$ 23,920	\$ -	\$ 23,920
Contractual services	71,329	-	71,329
Sundry charges	41,528	-	41,528
Utilities	159,020	-	159,020
TOTAL	<u>295,797</u>	<u>-</u>	<u>295,797</u>
Public Works:			
Payroll	213,389	-	213,389
Supplies	6,384	-	6,384
Contractual services	62,257	-	62,257
Utilities	10,291	-	10,291
Sundry charges	2,053	-	2,053
Maintenance	12,007	-	12,007
Capital Outlay	2,730	-	2,730
TOTAL	<u>309,111</u>	<u>-</u>	<u>309,111</u>
Water Production			
Payroll	533,427	-	533,427
Supplies	398,573	-	398,573
Contractual services	76,968	-	76,968
Utilities	235,405	-	235,405
Sundry charges	10,670	-	10,670
Maintenance	74,326	-	74,326
TOTAL	<u>1,329,369</u>	<u>-</u>	<u>1,329,369</u>
Water Distribution			
Payroll	193,706	-	193,706
Supplies	10,688	-	10,688
Contractual services	46,698	-	46,698
Utilities	2,239	-	2,239
Sundry charges	1,199	-	1,199
Maintenance	89,513	-	89,513
TOTAL	<u>344,043</u>	<u>-</u>	<u>344,043</u>
Sewer Collection			
Payroll	219,735	-	219,735
Supplies	3,594	-	3,594
Contractual services	43,793	-	43,793
Utilities	43,122	-	43,122
Sundry charges	540	-	540
Maintenance	18,080	-	18,080
Capital Outlay	4,500	-	4,500
TOTAL	<u>333,364</u>	<u>-</u>	<u>333,364</u>
Sewer Treatments			
Payroll	265,354	-	265,354
Supplies	129,277	-	129,277
Contractual services	186,806	-	186,806
Utilities	108,960	-	108,960
Sundry charges	19,873	-	19,873
Maintenance	45,877	-	45,877
TOTAL	<u>756,147</u>	<u>-</u>	<u>756,147</u>
Sanitation			
Contractual services	-	2,203,441	2,203,441
Sundry charges	-	12,335	12,335
TOTAL	<u>-</u>	<u>2,215,776</u>	<u>2,215,776</u>
Depreciation	648,811	-	648,811
TOTAL OPERATING EXPENSE	<u>\$ 4,016,642</u>	<u>\$ 2,215,776</u>	<u>\$ 6,232,418</u>
Nonoperating Expense:			
Interest Expense	\$ 419,388	\$ -	\$ 419,388
TOTAL NONOPERATING EXPENSE	<u>\$ 419,388</u>	<u>\$ -</u>	<u>\$ 419,388</u>

*See independent auditor's report.*

**City of Center, Texas**  
**Combined Component Units**  
**Statement of Net Position**

	Economic Development Corporation	Street Improvement Economic Development Corporation	Local Government Housing Corporation	Total Component Units
<b>ASSETS</b>				
Cash	\$ 1,214	\$ 1,095	\$ 64,668	\$ 66,977
Investments	825,473	2,445,640	-	3,271,113
Due from State	43,095	86,190	-	129,285
Notes receivable	124,908	-	-	124,908
Accrued interest receivable	3,497	-	-	3,497
Land	289,530	-	-	289,530
<b>TOTAL ASSETS</b>	<b>1,287,717</b>	<b>2,532,925</b>	<b>64,668</b>	<b>3,885,310</b>
<b>LIABILITIES</b>				
Accounts Payable	-	36,419	-	36,419
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>36,419</b>	<b>-</b>	<b>36,419</b>
<b>NET POSITION</b>				
Net investment in capital assets	289,530	-	-	289,530
Unrestricted	998,187	2,496,506	64,668	3,559,361
<b>TOTAL NET POSITION</b>	<b>\$ 1,287,717</b>	<b>\$ 2,496,506</b>	<b>\$ 64,668</b>	<b>\$ 3,848,891</b>

*See independent auditor's report.*

**City of Center, Texas  
Combined Component Units  
Statement of Activities**

	Economic Development Corporation	Street Improvement Economic Development Corporation	Local Government Housing Corporation	Total Component Units
Revenues:				
Sales tax	\$ 547,992	\$ 1,095,989	\$ -	\$ 1,643,981
Miscellaneous	-	-	14,000	14,000
<b>TOTAL REVENUES</b>	<b>547,992</b>	<b>1,095,989</b>	<b>14,000</b>	<b>1,657,981</b>
Expenditures:				
Administration	30,000	30,000	-	60,000
Contractual	6,990	20,495	810	28,295
Sundry	416	481	-	897
Incentives and projects	335,000	-	-	335,000
Supplies	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>372,406</b>	<b>50,976</b>	<b>810</b>	<b>424,192</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>175,586</b>	<b>1,045,013</b>	<b>13,190</b>	<b>1,233,789</b>
Other Financing Sources (Uses):				
Interest Income	30,226	95,133	2,317	127,676
TIF Loan Interest Income	3,878	-	-	3,878
Transfer (to) from City	-	(333,597)	-	(333,597)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>34,104</b>	<b>(238,464)</b>	<b>2,317</b>	<b>(202,043)</b>
<b>CHANGE IN NET POSITION</b>	<b>209,690</b>	<b>806,549</b>	<b>15,507</b>	<b>1,031,746</b>
Fund Balance/Net Position:				
Beginning of year	1,078,027	1,689,957	49,161	2,817,145
<b>END OF YEAR</b>	<b>\$ 1,287,717</b>	<b>\$ 2,496,506</b>	<b>\$ 64,668</b>	<b>\$ 3,848,891</b>

*See independent auditor's report.*

**City of Center, Texas**  
**Insurance Coverage**  
**“Unaudited”**

INSURER	RISK COVERED	PERIOD COVERED	AMOUNT OF INSURANCE
Texas Municipal League	Law Enforcement Liability	* 10/01/24 to 10/01/25	\$ 1,000,000
Texas Municipal League	Public Officials (Excess Coverage)	* 10/01/24 to 10/01/25	\$ 100,000
Deep East Texas Self Insurance Fund	Worker's Compensation	* 10/01/24 to 10/01/25	Statutory
Texas Municipal League	Real and Personal Property	* 10/01/24 to 10/01/25	\$ 18,139,672
Texas Municipal League	General Liability	* 10/01/24 to 10/01/25	\$ 1,000,000
Texas Municipal League	Airport Liability	* 10/01/24 to 10/01/25	\$ 1,000,000
Texas Municipal League	Mobile Equipment	* 10/01/24 to 10/01/25	\$ 277,482
Texas Municipal League	Automobile Liability	* 10/01/24 to 10/01/25	\$ 1,000,000
Texas Municipal League	Auto Physical Damage	* 10/01/24 to 10/01/25	\$ Actual Cash Value
Texas Municipal League	Public Employee Dishonesty	* 10/01/24 to 10/01/25	\$ 25,000
Texas Municipal League	Errors and Omissions Liability	* 10/01/24 to 10/01/25	\$ 1,000,000
Texas Municipal League	Sudden Events Involving Pollution	* 10/01/24 to 10/01/25	\$ 1,000,000

\* Renewed at 10/01/2025

*See independent auditor's report.*

**City of Center, Texas**  
**Water and Sewer Rates and System Connections**  
**“Unaudited”**

The following schedule of rates was in effect for year ended September 30:

**Water Rates**

**Monthly Minimum Charge**

Meter Size	Residential	Commercial	Small Industrial/ Manufacturer 200,000 Gallons Incl.	Wholesale 50,000 Gallons Incl.	Large Industrial Manufacturer 5,000,000 Gallons Incl.	Industrial/Manufacturer Supplemental Meter Charges at Same Facility
5/8- 3/4	\$12.90	\$13.75				
1	\$18.00	\$20.10				
1.5	\$26.75	\$29.60				
2	\$37.50	\$39.50	\$ 925	\$ 300	\$14 200	\$ 57.50
3	\$55.00	\$59.00	\$1 030	\$ 400	\$14 500	\$ 160.00
4	\$73.00	\$79.00	\$1 200	\$ 575	\$14 800	\$ 355.00
6	\$110.00	\$120.00	\$1 550	\$ 890	\$15 500	\$ 670.00
8			\$2 010	\$1 450	\$16 500	\$1 155.00
10			\$2 675	\$2 050	\$17 750	\$1 855.00
Sprinklers	\$20.00	\$20.00				

**Unit Cost Per 1,000 Gallons**

Residential and sprinklers	\$ 4.10
Commercial	\$ 4.75
Small industrial/manufacturer	\$ 3.85
Wholesale	\$ 3.85
Large industrial/manufacturer	\$ 2.50
Over 1.75M/day or 30M/month	\$ 3.00
Over 2M/day or 40M/month	\$ 4.00
Bulk water	\$ 4.50

**Outside City Limits**

Rates are double (2x) the rates expressed in A and B above.

**Sewer Rates:**

**Residential:**

**Inside City Limits:**

Minimum

\$15.50 plus ½ of Water

Maximum

\$45.00

**Commercial:**

Minimum

\$18.00 plus ½ of Water

Maximum

None

**Industrial:**

Minimum

\$21.00 plus ½ of Water

Maximum

None

**Fixed Rates (Tyson office account)**

\$310 per month

**Outside City Limits:**

The rate for services furnished outside the City limits shall be double (2X)

the rate for the same service supplied inside the City limits.

**Sewer Disposal**

\$0.06 per gallon

**Garbage Rates**

Residential	\$24.70
Commercial Small	\$30.30
Commercial Large	\$41.00

**Commercial Dumpster Rates**

p/u per week	1X	2X	3X	4X	5X	6X	Extra Collections
Size							
2 Yard	108.00	186.00	253.00	332.00	423.00		45.00
3 Yard	119.00	211.00	298.00	392.00	484.00		47.50
4 Yard	135.00	228.00	315.00	430.00	529.00		50.00
6 Yard	165.00	243.00	354.00	450.00	552.00		52.00
8 Yard	203.00	362.00	512.00	743.00	817.00	947.00	54.00

*See independent auditor's report.*

**City of Center, Texas**  
**Water and Sewer Rates and System Connections (Continued)**  
**“Unaudited”**

Industrial, Compactor or Special Services:

Special services other than hand pickup and dumpster services shall be billed at the current billing rates of the contract provider.

**Utility Tap Fees**

**Water**

Meter Size	Inside City Limits Fee	Outside City Limits Fee
¾ inch	\$800.00 + Street Cut Repairs	\$1,600.00 + Street Cut Repairs
1 inch	\$925.00 + Street Cut Repairs	\$1,850.00 + Street Cut Repairs
1 ½ inch	\$1,150.00 + Street Cut Repairs	\$2,300.00 + Street Cut Repairs
2 inch	\$1,300.00 + Street Cut Repairs	\$2,650.00 + Street Cut Repairs
Any Larger Size	Cost of Meter, Materials, Labor and Street Cut Repairs	Cost of Meter, Materials, Labor and Street Cut Repairs

**Sewer**

Service Size	Inside City Limits Fee	Outside City Limits Fee
4 inch	\$400.00 + Street Cut Repairs	\$800.00 + Street Cut Repairs
6 inch	\$550.00 + Street Cut Repairs	\$1,100.00 + Street Cut Repairs

**Utility Deposits**

Type Service		Deposit
Water	-	\$ 125.00
Water, Sewer and Garbage Collection	-	\$ 125.00
Commercial/Industrial Water, Sewer and Garbage Collection	-	\$ 200.00
Commercial - Bulk Water/Temp Construction Water	-	\$ 200.00
Garbage Collection Only	-	\$ 50.00
Risk Account Additional Deposit	-	\$ 125.00

**Utility Account Fees**

Administrative Fee	-	\$ 25.00
After Hours Call-out Fee (Emergency cut off)	-	\$ 125.00
Broken Lock Fee	-	\$ 50.00
Curb Stop Replacement Fee	-	\$ 100.00
Payment Agreement Fee	-	\$ 25.00
Utility Reconnection Fee	-	\$ 75.00
Meter Removal/Reconnection Fee	-	\$ 100.00
Cut-Off Valve Installation Fee	-	\$ 100.00
Return Check Fee	-	\$ 50.00
Meter Set Fee - 2 inch meter and below	-	\$ 400.00
Meter Tampering Fee	-	\$ 100.00
Dumpster Lock Fee	-	\$ 10.00

**Permits**

PERMIT TYPE	
Garage Sale Permit	\$5
House Moving Permit	\$250
Itinerant Salesperson Business Annual Fee	\$50
Additional Fee Per Sales Person	\$25
Wrecker Permit - Annual Fee	\$10
Taxi Permit - Annual Fee	\$50
Construction Permits and Fees	
Electrical Permit/One Inspection	\$35
Each Additional Inspection (foundation, rough-in, final)	\$35
Plumbing Permit/One Inspection	\$35
Emergency Inspection - Plumbing/Electrical	\$200
Each Additional Inspection (foundation, rough-in, final)	\$35
Gas Inspection Fee	\$35

*See independent auditor's report.*

**City of Center, Texas**  
**Water and Sewer Rates and System Connections (Continued)**  
**“Unaudited”**

PERMIT TYPE		
Building Permit and Inspections:		
Residential Construction		\$0.30 per sf for 1 <sup>st</sup> 1,000 sf
		\$0.20 per sf for 1,001 to 2,500 sf
		\$0.15 per sf for 2,501 sf +
Commercial/Industrial Construction		\$5 per \$1,000 for 1 <sup>st</sup> \$100K
		\$3 per \$1,000 for \$100K - \$250K
		\$2 per \$1,000 for \$250K and above
Minimum Permit Fee		\$35
Driveway/Curb Cut/Culvert Permit (Ch 78)		\$35
Demolition (Any Structure/Building)		\$50
Piers, Etc. at Lake Pinkston		\$50
Zoning Fees		
Rezoning Request		\$250
Zoning Variance		\$350
Specific Use Request		\$250
Copy of Ordinance and Map		\$20

**Airport Fees**

TYPE FEE		
Hangar/Building Leases		
Private T-Hangers		\$180
City-Owned Hangers		\$2 750
Additional Fees May Apply for Services in Hangers		
Ground Leases		\$0.135/SF
Fuel Flowage Fee		\$0.15/Gallon

**Police and Municipal Court**

Police/Accident Reports		\$6/report
Fingerprinting		\$6

**Recreation Program Fees**

(Park/5K Permit/Set Up Fee - \$25) (Race Equipment Rental - \$200 per race, plus supply cost) (Late Registration Fee -\$15 per participant) (Payment Plan Fee - \$5 per participant)

Recreation Program Registration		
Baseball		
4 Year Old		\$90
5-12 Year Old		\$90
13-14 Year Old		\$90
Softball		
		\$90
Football		
Flag Football		\$80
Tackle Football		\$105
Soccer		\$70
Basketball		\$60

**Park/Field Temporary Use Permit**

Site	Fee	
	Daily	Seasonal
Portacool Park Basketball Pavilion; Center Park Pavilion; Perry Sampson Park	\$25	N/A
Baseball, Soccer, Softball (each field)	\$50	\$250
- With Field Lights (up to 2 hours)	\$75	\$250

**Miscellaneous**

Animal Control		
Reclaimed Animal Charge		\$20/Day
Carnival/Festival Permit		\$500
Downtown Electric Use Fee		\$50/Day
Temporary Road Closure (e.g. Parade, Private function, road 5K's requiring TxDOT closure)		\$100
Record Request Charges		
Copies		\$0.10/page
Computer Printouts		\$0.25/page
Other Charges		Per Texas State Library Fee Schedule

*See independent auditor's report.*

**City of Center, Texas**  
**Water and Sewer Rates and System Connections (Continued)**  
**“Unaudited”**

**Windham Civic Center Rental**

		Weekday - Evening (Mon. - Thurs.)						Weekend (Fri. - Sun.)							
		2022	2023	2 <sup>nd</sup>	2 <sup>nd</sup>	2022	2023	2022	2023	2 <sup>nd</sup>	2 <sup>nd</sup>	2022	2023	2022	2023
Room	Sq. Ft.	Rate	Rate	Rate**	Rate**	Deposit	Deposit	Rate	Rate	Rate**	Rate**	Day	Day	Deposit	Deposit
Brd.Rm	700	\$225	\$250	\$150	\$150	\$115	\$125	\$250	\$250	\$175	\$175	N/A	N/A	\$125	\$150
Hourly Rate		\$35	\$50	N/A	N/A	\$30	\$50	\$50	\$75					\$50	\$50
Lobby (Hourly Rate)	2,000	\$35	\$50	N/A	N/A	\$30	\$50	\$50	\$75					\$50	\$50
Civic Rm	1,000	\$225	\$250	\$125	\$125	\$100	\$125	\$250	\$275	\$150	\$150	\$100	\$100	\$115	\$125
Rm A or C	2,400	\$225	\$250	\$125	\$125	\$100	\$125	\$300	\$325	\$200	\$200	\$150	\$150	\$150	\$150
Rm B	1,900	\$200	\$225	\$150	\$150	\$100	\$100	\$250	\$275	\$150	\$175	\$100	\$125	\$125	\$150
Rm A or C w/B	4,300	\$375	\$400	\$250	\$250	\$175	\$200	\$450	\$500	\$325	\$325	\$225	\$250	\$225	\$250
Rm A, B, C	6,700	\$550	\$600	\$400	\$400	\$250	\$300	\$650	\$700	\$425	\$450	\$300	\$325	\$300	\$325
Conf. Hall		\$625	\$700	\$475	\$475	\$300	\$350	\$750	\$800	\$550	\$575	\$400	\$450	\$350	\$375
Entire Bldg (-Brd Rm)		\$900		\$600	\$600	\$450	\$500						\$600	\$750	\$800

		Weekday - 8 a.m. - 5 p.m.						Additional Fees			
		2022	2023	2 <sup>nd</sup>	2 <sup>nd</sup>	2022	2023	Microphones			
Room	Sq. Ft.	Rate	Rate	Rate**	Rate**	Deposit	Deposit	Cordless		Each	\$25
Brd.Rm	700	\$165	\$175	\$100	\$100	\$75	\$75	Corded		Each	\$20
Hourly Rate		\$35	\$50			\$30	\$50	Soundboard		Each	\$35
Lobby (Hourly Rate)	2,000	N/A	N/A	N/A	N/A	N/A	N/A	Chair Upgrade		Each Chair	\$1
Civic Rm	1,000	\$150	\$175	\$100	\$100	\$75	\$75	Stage:			\$75
Rm A or C	2,400	\$175	\$200	\$125	\$125	\$85	\$100	1-3 sections			\$150
Rm B	1,900	\$150	\$150	\$100	\$100	\$75	\$75	4-6 sections			\$15
Rm A or C w/B	4,300	\$300	\$350	\$175	\$175	\$150	\$175	Curtain		Each Section	\$15
Rm A, B, C	6,700	\$450	\$475	\$300	\$300	\$225	\$250	Laptop Connection		Each	\$25
Conf. Hall		\$500	\$550	\$325	\$325	\$250	\$275	Uplights		Each	\$7
Entire Bldg (-Brd Rm)		\$900		\$600	\$600	\$450	\$500	For the set of 16			\$100

	People	Rate		People	Rate
Kitchen/Catering	0-50	\$50	Alcohol Fee (charged for	0-50	\$50
	50-100	\$75	extra clean-up and risk	50-100	\$75
	100-150	\$100	to the facility)	100-150	\$100
	150-200	\$125		150-200	\$125
	200+	\$150		200+	\$150

Projector/Screen		\$75
Laser Light Fixture		\$15
Computer Remote Control		\$5
Conference Call	Call 20 min or less	\$15
	Call 20-45 min.	\$25
	Call>45 min.	\$50
Coffee/Water Service up to 25 ppl	Per Day	\$30
Coffee/Water Service up to 75 ppl	Per Day	\$50
Coffee/Water Service up to 150 ppl	Per Day	\$100
Coffee/Water Service over 150 ppl	Per Day	\$200

Proposal of a \$15.00/half hour charge deducted from the damage deposit for not arriving when requested (if necessitates staff arriving earlier than necessary)

**Community House Building Rental**

	Regular Rates			Taxpayer/Non-Profit Rates		
	Rate	2 <sup>nd</sup>	Damage	Rate	2 <sup>nd</sup>	Damage
Rent	\$325	\$150	\$150	\$275	\$125	\$125
Projector/Screen	\$75		\$75	\$75		
Room Setup	\$75		\$75	\$75		

The following deductions from the damage deposit are recommended:

- \$10 - Leaving the lights on
- \$10 - Not taking out the trash
- \$25 - Use of tape on the ceiling/dry wall
- \$50 - Not cleaning the facility
- \$150 - Use of alcohol

**Credit Card Transaction Fee**

3.5% of payment amount. Not inclusive of 3<sup>rd</sup> party convenience fees.

*See independent auditor's report.*

**City of Center, Texas**  
**Water and Sewer Rates and System Connections (Continued)**  
**“Unaudited”**

**Residential Service**

		Customer Rate		
		City Rate		21.12
2x Week Service				
Handicapped-back door service				

**Commercial Handload Service**

		Customer Rate		
		City Rate		19.35
(Note - Must meet the same requirements as residential approximate 10 bags max. for 2x/week)				

**Small Commercial Hand Load**

		Customer Rate		
		City Rate		19.35
Bag limit is 3 bags maximum or less				

Carts placed only for operational reasons. If needed for this purpose equate the number of carts and frequency to size of a front load, rate will be the same.

SIZE	1x	2x	3x	4x	5x	6x	Extra Lift
2 Yard	93.40	167.75	231.81	301.21	388.80		40.00
3 Yard	104.81	188.40	270.71	354.62	446.00		41.85
4 Yard	120.05	203.92	286.36	390.73	488.06		43.77
6 Yard	146.71	219.17	316.47	407.99	510.55		45.65
8 Yard	181.17	325.93	465.18	672.55	753.01	891.46	47.52

6 yd vertipack compactor \$440.16 month for 1x wk pick up - 32x per week \$1,008.69

City allowed 90 cubic yards per year at no charge as follows: 600 cubic yards for clean ups.

300 cubic yards from City's water treatment plant not to exceed 300 cubic yards or 300 tons from June 1 to May 31 annually.

30 yd Roll Off rate if needed \$777.28 per haul, \$100.00 rent and \$100.00 delivery.

40 yd Roll Off rate if needed \$884.00 per haul, \$100.00 \$3 day rent \$100.00 delivery.

Bulky Item drop off at City Annex, no residential pickup provided.

30 yd Compactor - \$848.01 per haul

40 yd Compactor - \$1,111.08

At September 30, 2024, the records of the City indicated the following system connections:

Water System	2 412
Sewer System	2 031
Garbage System	2 066

*See independent auditor's report.*



CARR, RIGGS & INGRAM, L.L.C.

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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***

Honorable Mayor and City Council  
City of Center, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Center, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Center, Texas' basic financial statements, and have issued our report thereon dated March 9, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Center, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Center, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Center, Texas' internal control.

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

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

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Lufkin, Texas  
March 9, 2026