

CITY OF CENTER
Center, Texas

ANNUAL FINANCIAL REPORT

September 30, 2024

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CITY OF CENTER, TEXAS
PRINCIPAL CITY OFFICIALS
September 30, 2024

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

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, 2024, 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, 2024, 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 April 14, 2025, 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.

Lufkin, Texas
April 14, 2025

Axley & Rode LLP
CERTIFIED PUBLIC ACCOUNTANTS





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, 2024.

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 \$36,375,151 which is an increase of \$1,470,248 (*net position*).
- Governmental activities change in net position increased \$1,330,299 to \$22,988,744 mostly due to reduction in total government expenditures and increases in assets from significant street improvement projects.
- The City's governmental funds reported combined ending fund balances of \$4,873,449 an increase of \$529,510 from the prior year of \$4,343,939, mostly as a result of increased revenues from investments and grants with corresponding decrease of expenditures.
- The fund balance for the general fund was \$3,019,653 or 48.7% of total general fund expenditures and increased \$317,133 during this fiscal year.
- The Water and Sewer Fund operating revenues exceeded expenses resulting in operating income of \$504,259 and the fund increased net position by \$34,589 to \$12,717,623.
- Combined Business Activities increased Net Position by \$139,949 to \$13,386,407.
- The combined non-major governmental funds experienced an increase in fund balance of \$195,031 to \$1,750,706 primarily due to revenues from hotel occupancy tax 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 \$1,296,647 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.

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.

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 \$22,899,744 at the close of fiscal year 2024 for governmental activity. This represents an increase of \$1,330,299 from the 2023 net position of \$21,658,445.

By far the largest portion of the City's assets in governmental activity \$17,818,202, 78%, 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.

City of Center's Combined Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 6 461 587	\$ 6 196 262	\$ 3 315 924	\$ 3 072 835	\$ 9 996 787	\$ 9 269 097
Capital assets (net of depreciation)	25 172 992	25 336 846	15 722 195	15 969 439	40 895 187	41 306 285
Total Assets	<u>31 634 579</u>	<u>31 533 108</u>	<u>19 038 119</u>	<u>19 042 274</u>	<u>50 891 974</u>	<u>50 575 382</u>
Deferred outflow	<u>1 514 776</u>	<u>1 763 262</u>	<u>495 470</u>	<u>606 476</u>	<u>2 010 246</u>	<u>2 369 738</u>
Long-term liabilities outstanding	7 557 713	9 133 649	4 867 432	5 367 052	12 425 145	14 500 701
Other liabilities	1 281 958	1 204 152	1 196 172	954 079	2 478 130	2 158 231
Total Liabilities	<u>8 839 671</u>	<u>10 337 801</u>	<u>6 063 604</u>	<u>6 321 131</u>	<u>14 903 275</u>	<u>16 658 932</u>
Deferred inflow	<u>1 320 940</u>	<u>1 300 124</u>	<u>302 854</u>	<u>281 161</u>	<u>1 623 061</u>	<u>1 581 285</u>
Net Position:						
Net Investment in capital assets	17 818 202	16 931 607	10 832 195	10 764 439	28 650 397	27 696 046
Restricted	1 853 796	1 641 419	302 386	527 190	2 156 182	2 168 609
Unrestricted	3 316 754	3 085 419	2 251 826	1 954 829	5 568 580	5 040 248
Total Net Position	<u>\$ 22 988 744</u>	<u>\$ 21 658 445</u>	<u>\$ 13 386 407</u>	<u>\$ 13 246 458</u>	<u>\$ 36 375 151</u>	<u>\$ 34 904 903</u>

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, \$1,853,796 (8%), 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.

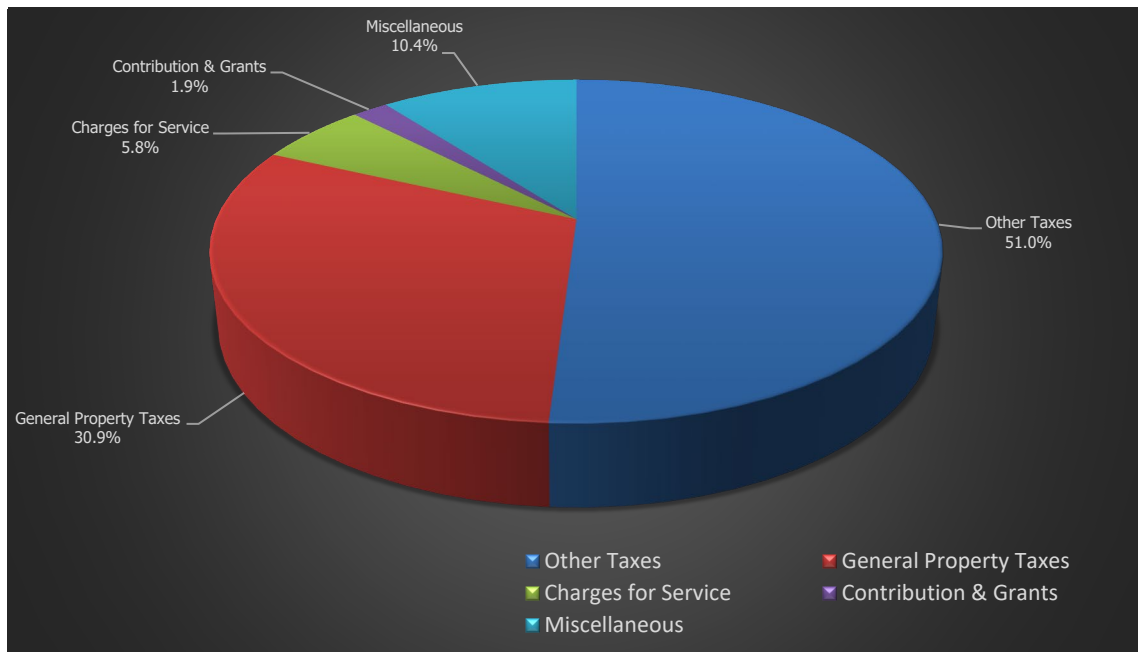
City of Center's Change in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Program Revenues:						
Charges for services	\$ 427 522	\$ 471 958	\$ 7 204 087	\$ 6 372 449	\$ 7 631 609	\$ 6 844 407
Operating grants and contributions	107 713	85 559	120 392	41 727	228 105	127 286
Capital grants and contributions	28 264	77 456	-	-	28 264	77 456
General Revenues:						
Property taxes	2 252 387	2 157 051	-	-	2 252 387	2 157 051
Other taxes	3 706 856	4 022 790	-	-	3 706 856	4 022 790
Other	757 152	575 071	145 459	125 689	902 611	700 760
Total Revenues	7 279 894	7 389 885	7 469 938	6 539 865	14 749 832	13 929 750
Expenses:						
General government	1 514 526	2 266 959	-	-	1 514 526	2 266 959
Public safety	3 130 400	3 111 493	-	-	3 130 400	3 111 493
Community services	1 433 818	1 323 665	-	-	1 433 818	1 323 665
Streets and drainage	1 665 624	2 188 963	-	-	1 665 624	2 188 963
Sanitation	-	-	1 974 663	1 669 206	1 974 663	1 669 206
Inspections	96 859	87 852	-	-	96 859	87 852
Interest on long-term debt	279 303	327 745	-	-	279 303	327 745
Water and sewer	-	-	4 481 038	4 214 227	4 481 038	4 214 227
Total Expenses	8 120 530	9 306 677	6 455 701	5 883 433	14 576 231	15 190 110
Transfers	2 170 935	807 632	(874 288)	(8 962)	1 296 647	798 670
Change in net position	\$ 1 330 299	\$ (1 109 160)	\$ 139 949	\$ 647 470	\$ 1 470 248	\$ (461 690)

Governmental Activities. Governmental activities increased the City of Center's net position by \$1,330,299. Key elements of this increase are as follows:

- Governmental Fund revenues including transfers exceeded expenditures by \$1,330,299.
- Governmental Expenses decreased \$1,186,147 from prior year expenses due to reduced expenditures for fiber project and operational street/drainage maintenance.

Revenues by Source - All Governmental Activities

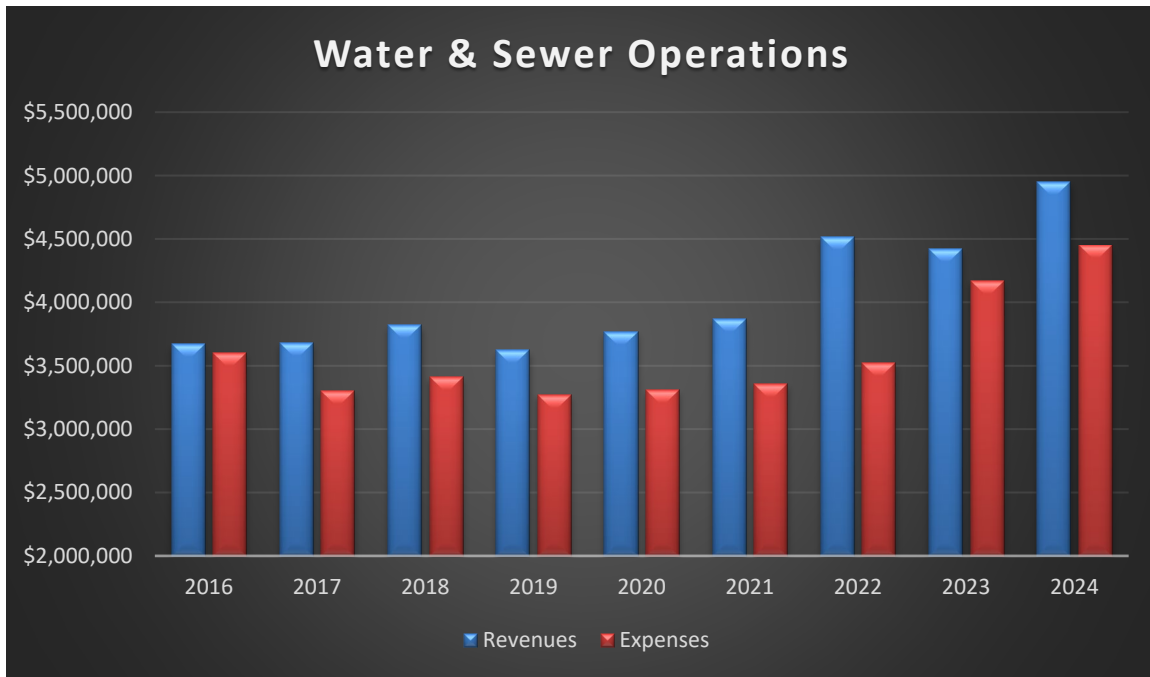


Proprietary Funds. The City of Center's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities (Utilities and Sanitation Departments) but in more detail.

Business-Type Activities. Business-type activities increased the total government's net position by \$139,949. Key elements of this change are as follows:

- Operating revenues increased \$809,681 to \$7,349,546 from \$6,539,865.
- Operating expenses increased \$572,268 to \$6,455,701 from \$5,883,433.
- Operating revenues exceeded expenses resulting in Net Operating Income of \$893,845.
- Including non-operating expenses, primarily costs of debt and transfers, Change in Net Position is \$139,949. Transfers includes transfers to the General Fund, Debt Fund, Technology Fund, and Capital Improvement Fund.

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 \$2,251,826. 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 \$195,753 from \$960,947 to \$1,156,700. The Technology Fund net position decreased by \$55,821 from \$376,989 to \$321,168.

Financial Analysis of the Government's Funds

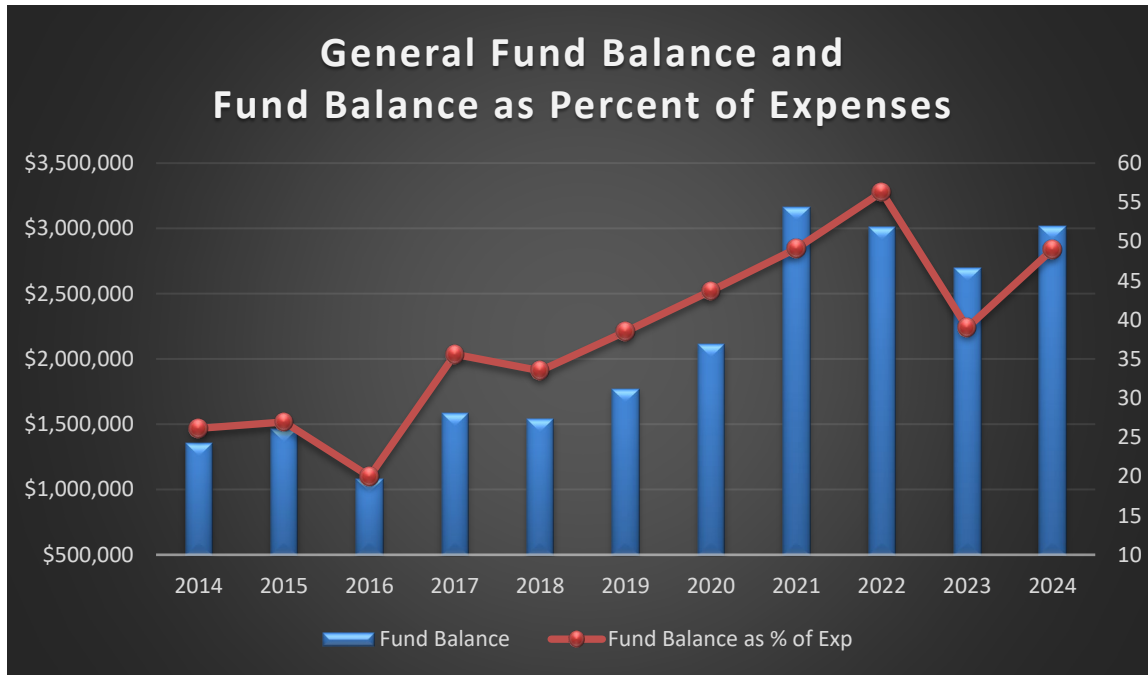
As noted earlier, the City of Center uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 \$4,873,449, an increase of \$529,510 from the prior year. Approximately 62% of this total amount, \$3,019,653, constitutes *unrestricted fund balance*, which is available for spending at the government's discretion. The remaining 38% 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.

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 \$3,019,653. The fund balance of the City's general fund increased by \$317,133 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 49% 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 \$120,106. Total expenditures decreased from the budget by \$202,595.

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 \$39,744,598 (net of accumulated depreciation) at the end of the current fiscal year decreasing from last year's amount of \$41,306,285. 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's Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 73 072	\$ 73 072	\$ 665 250	\$ 665 250	\$ 738 322	\$ 738 322
Buildings	5 691 676	5 912 890	-	-	5 691 676	5 912 890
Improvements other than buildings	4 159 302	4 292 795	-	-	4 159 302	4 292 795
Machinery and equipment	1 603 175	1 712 462	582 961	628 652	2 186 136	2 341 114
Buildings and systems	-	-	13 971 184	14 536 861	13 971 184	14 536 861
Infrastructure	13 619 778	13 345 627	-	-	13 619 778	13 345 627
Construction in progress	25 989	-	502 800	138 676	528 789	138 676
TOTAL	\$ 25 172 992	\$ 25 336 846	\$ 15 722 195	\$ 15 969 439	\$ 40 895 187	\$ 41 306 285

Long-Term Debt. At the end of the current fiscal year, the City of Center had total bonded debt outstanding of \$11,885,000, a decrease from last year's total bonded debt of \$12,775,000. 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	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 6 995 000	\$ 7 570 000	\$ 4 890 000	\$ 5 205 000	\$ 11 885 000	\$ 12 775 000
Compensated absences	164 134	148 438	67 209	55 955	231 343	204 393
Notes payable	129 254	374 625	188 609	-	317 863	374 625
Leases payable	-	378 225	-	-	-	378 225
SBITA payable	-	82 389	41 927	-	41 927	82 389
TOTAL	\$ 7 288 388	\$ 8 553 677	\$ 5 187 745	\$ 5 260 955	\$ 12 476 133	\$ 13 814 632

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.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate as of August 2024 for Shelby County, according to Texas Workforce Commission statistics, is 5.1%. The unemployment rates for August 2024, according to the Texas Workforce Commission, are 4.4% for the State of Texas and 5.4% 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 \$4,254,971 a decrease of \$78,904 or 1.8% from the previous year \$4,333,875.
- 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 2025 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.

FINANCIAL STATEMENTS

CITY OF CENTER, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash and cash equivalents	\$ 457 481	\$ 169 181	\$ 626 662	\$ 51 542
Investments	4 645 158	1 997 966	6 643 124	2 172 240
Receivables	1 055 846	786 034	1 841 880	303 833
Prepaid expenses	88 931	-	88 931	-
Inventories	214 146	155 633	369 779	-
Due from other funds	25	124 000	124 025	-
Restricted Assets:				
Cash and cash equivalents	-	83 110	83 110	-
Investments	-	219 276	219 276	-
Capital assets (net of accumulated depreciation)	25 172 992	15 722 195	40 895 187	289 530
TOTAL ASSETS	<u>31 634 579</u>	<u>19 257 395</u>	<u>50 891 974</u>	<u>2 817 145</u>
DEFERRED OUTFLOWS				
Deferred outflow - Pension	1 154 330	377 630	1 531 960	-
Deferred outflow - OPEB	19	6	25	-
Deferred outflow - Subsequent contribution - Pension	353 487	115 640	469 127	-
Deferred outflow - Subsequent contribution - OPEB	6 940	2 194	9 134	-
TOTAL DEFERRED OUTFLOWS	<u>1 514 776</u>	<u>495 470</u>	<u>2 010 246</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>33 149 355</u>	<u>19 752 865</u>	<u>52 902 220</u>	<u>2 817 145</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	147 001	476 227	623 228	-
Accrued liabilities	135 092	28 440	163 532	-
Due to other funds	-	124 025	124 025	-
Accrued interest payable	24 479	17 813	42 292	-
Premium on bond issue	288 201	-	288 201	-
Customer deposits payable	-	222 167	222 167	-
Due within one year	687 185	327 500	1 014 685	-
Noncurrent Liabilities:				
Due in more than one year	6 667 605	4 562 500	11 230 105	-
Accrued compensated absences	127 797	57 280	185 077	-
Pension liabilities	605 514	198 089	803 603	-
OPEB liabilities	156 797	49 563	206 360	-
TOTAL LIABILITIES	<u>8 839 671</u>	<u>6 063 604</u>	<u>14 903 275</u>	<u>-</u>
DEFERRED INFLOWS				
Deferred inflows - Pension	894 950	292 776	1 187 726	-
Deferred inflows - OPEB	31 880	10 078	41 958	-
Unavailable revenues	394 110	-	394 110	-
TOTAL DEFERRED INFLOWS	<u>1 320 940</u>	<u>302 854</u>	<u>1 623 794</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>10 160 611</u>	<u>6 366 458</u>	<u>16 527 069</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	17 818 202	10 832 195	28 650 397	289 530
Restricted for:				
Debt service	106 625	-	106 625	-
Grants	1 471 799	-	1 471 799	-
Capital projects	103 090	302 386	405 476	-
Perpetual care	172 282	-	172 282	-
Unrestricted	3 316 754	2 251 826	5 568 580	2 527 615
TOTAL NET POSITION	<u>\$ 22 988 744</u>	<u>\$ 13 386 407</u>	<u>\$ 36 375 151</u>	<u>\$ 2 817 145</u>

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

CITY OF CENTER, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary Government:				
Governmental Activities:				
General government	\$ 1 514 526	\$ 10 777	\$ -	\$ -
Public safety	3 130 400	20 571	107 713	28 264
Community services	1 433 818	324 763	-	-
Streets and drainage	1 665 624	-	-	-
Inspections	96 859	71 411	-	-
Interest on long-term debt	279 303	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	8 120 530	427 522	107 713	28 264
Business-Type Activities:				
Water and sewer fund	4 481 038	4 953 398	120 392	-
Sanitation fund	1 974 663	2 250 689	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	6 455 701	7 204 087	120 392	-
 TOTAL PRIMARY GOVERNMENT	 \$ 14 576 231	\$ 7 631 609	\$ 228 105	\$ 28 264
 Component Units:				
Economic Development	\$ 2 437 605	\$ -	\$ -	\$ -
Economic Development Street Improvement	34 497	-	-	-
Local Government Housing Corp	3 040	-	-	-
TOTAL COMPONENT UNITS	\$ 2 475 142	\$ -	\$ -	\$ -
 General Revenues:				
Taxes:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel taxes				
Fines and fees				
Unrestricted investment earnings				
Other unrestricted revenue				
Transfers				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
 Net position - Beginning				
 NET POSITION - ENDING				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			COMPONENT UNITS
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	ECONOMIC DEVELOPMENT CORPORATIONS
\$ (1 503 749)	\$ -	\$ (1 503 749)	\$ -
(2 973 852)	-	(2 973 852)	-
(1 109 055)	-	(1 109 055)	-
(1 665 624)	-	(1 665 624)	-
(25 448)	-	(25 448)	-
(279 303)	-	(279 303)	-
<u>(7 557 031)</u>	<u>-</u>	<u>(7 557 031)</u>	<u>-</u>
-	592 752	592 752	-
-	276 026	276 026	-
-	<u>868 778</u>	<u>868 778</u>	-
<u>(7 557 031)</u>	<u>868 778</u>	<u>(6 688 253)</u>	-
-	-	-	(2 437 605)
-	-	-	(34 497)
-	-	-	(3 040)
-	-	-	<u>(2 475 142)</u>
2 252 387	-	2 252 387	-
2 659 358	-	2 659 358	1 595 613
709 910	-	709 910	-
337 588	-	337 588	-
265 822	-	265 822	-
269 329	144 862	414 191	180 785
222 001	597	222 598	12 500
2 170 935	(874 288)	1 296 647	(1 296 647)
<u>8 887 330</u>	<u>(728 829)</u>	<u>8 158 501</u>	<u>492 251</u>
1 330 299	139 949	1 470 248	(1 982 891)
<u>21 658 445</u>	<u>13 246 458</u>	<u>34 904 903</u>	<u>4 800 036</u>
\$ <u>22 988 744</u>	\$ <u>13 386 407</u>	\$ <u>36 375 151</u>	\$ <u>2 817 145</u>

CITY OF CENTER, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	GENERAL	CAPITAL PROJECT FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 269 051	\$ 18 600	\$ 172 641	\$ 460 292
Investments	2 317 634	84 590	1 647 938	4 050 162
Receivables (Net of Uncollectibles):				
Taxes	303 645	-	-	303 645
Accounts	-	-	115 334	115 334
Court fines receivable	263 111	-	-	263 111
Governmental agencies	219 232	-	-	219 232
Sundry	106 035	-	-	106 035
Leases	48 489	-	-	48 489
Due from other funds	68 134	-	500	68 634
Prepaid expenses	88 931	-	-	88 931
Inventories	214 146	-	-	214 146
TOTAL ASSETS	\$ 3 898 408	\$ 103 190	\$ 1 936 413	\$ 5 938 011
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 113 383	\$ -	\$ 2 637	\$ 116 020
Accrued liabilities	132 628	-	1 061	133 689
Due to other funds	500	100	68 009	68 609
TOTAL LIABILITIES	246 511	100	71 707	318 318
Deferred Inflows:				
Unavailable revenue	632 244	-	114 000	746 244
TOTAL DEFERRED INFLOWS	632 244	-	114 000	746 244
Fund Balances:				
NonSpendable:				
Prepaid expense	88 931	-	-	88 931
Inventory	214 146	-	-	214 146
Restricted for:				
Debt service	-	-	106 625	106 625
Grants	-	-	1 471 799	1 471 799
Other purposes	-	103 090	172 282	275 372
Unassigned:				
General fund	2 716 576	-	-	2 716 576
TOTAL FUND BALANCES	3 019 653	103 090	1 750 706	4 873 449
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 3 898 408	\$ 103 190	\$ 1 936 413	

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		25 172 992
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		1 477 868
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds		352 134
Long-term liabilities, including bonds, pensions, and other post-employment benefits, are not due and in the current period and, therefore, are not reported in the funds		(8 887 699)
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 22 988 744

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

CITY OF CENTER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	GENERAL	CAPITAL PROJECT FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:				
General property taxes	\$ 1 503 736	\$ -	\$ 738 838	\$ 2 242 574
Other local taxes and permits	3 467 570	-	369 838	3 837 408
Fines and fees	250 156	-	15 666	265 822
Charges for services	299 760	-	81 378	381 138
Contributions and grants	109 977	-	5 123	115 100
Miscellaneous	50 407	-	6 423	56 830
TOTAL REVENUES	5 681 606	-	1 217 266	6 898 872
Expenditures:				
General government	1 392 668	-	-	1 392 668
Public safety	3 149 643	-	5 976	3 155 619
Community services	889 402	-	215 763	1 105 165
Streets and drainage	649 337	-	1 296 647	1 945 984
Inspections	97 555	-	-	97 555
Capital outlay	-	34 494	-	34 494
Debt Service:				
Principal	-	-	596 001	596 001
Interest and fiscal charges	-	-	326 185	326 185
TOTAL EXPENDITURES	6 178 605	34 494	2 440 572	8 653 671
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(496 999)	(34 494)	(1 223 306)	(1 754 799)
Other Financing Sources (Uses):				
Interest income	133 133	3 340	91 901	228 374
Transfers in	838 336	48 500	1 447 159	2 333 995
Transfers (out)	(157 337)	-	(120 723)	(278 060)
TOTAL OTHER FINANCING SOURCES (USES)	814 132	51 840	1 418 337	2 284 309
NET CHANGE IN FUND BALANCES	317 133	17 346	195 031	529 510
Fund balances at beginning of year	2 702 520	85 744	1 555 675	4 343 939
FUND BALANCES AT END OF YEAR	\$ 3 019 653	\$ 103 090	\$ 1 750 706	\$ 4 873 449

The notes to 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
Year Ended September 30, 2024

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

Net change in fund balances - Total governmental funds	\$	529 510
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital depreciation exceeded outlays in the current period.		(120 150)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		9 813
Internal service net revenues are reported with governmental activities and the expenses not recovered through user charges are allocated to the participating funds.		139 932
The issuance of long-term debt (e.g., bonds, notes, and pension and other post provides current employment benefits) financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debts and other related items.		<u>771 194</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>1 330 299</u></u>

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

CITY OF CENTER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	BUSINESS-TYPE ACTIVITIES			INTERNAL SERVICE FUNDS	
	WATER AND SEWER FUND	SANITATION FUND	TOTAL	EQUIPMENT REPLACEMENT FUND	TECHNOLOGY FUND
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 103 355	\$ 65 826	\$ 169 181	\$ -	\$ (2 811)
Investments	1 407 740	590 226	1 997 966	258 483	336 513
Receivables (Net):					
Accounts	505 994	247 235	753 229	-	-
Sundry	32 805	-	32 805	-	-
Inventories	155 633	-	155 633	-	-
TOTAL CURRENT ASSETS	2 205 527	903 287	3 108 814	258 483	333 702
Noncurrent Assets:					
Restricted cash	83 110	-	83 110	-	-
Restricted investments	219 276	-	219 276	-	-
Capital Assets:					
Land	665 250	-	665 250	-	-
Utility systems	35 279 429	-	35 279 429	-	-
Equipment	3 901 460	17 422	3 918 882	2 109 932	-
Right of use asset	-	-	-	-	125 834
Construction in progress	502 800	-	502 800	-	-
Less accumulated depreciation	(24 626 744)	(17 422)	(24 644 166)	(1 020 715)	(64 462)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	15 722 195	-	15 722 195	1 089 217	61 372
TOTAL NONCURRENT ASSETS	16 024 581	-	16 024 581	1 089 217	61 372
TOTAL ASSETS	18 230 108	903 287	19 133 395	1 347 700	395 074
DEFERRED OUTFLOWS					
Deferred outflow - Pension	377 630	-	377 630	-	-
Deferred outflow - Subsequent contributions pensions	115 640	-	115 640	-	-
Deferred outflow - OPEB	6	-	6	-	-
Deferred outflow - Subsequent contributions OPEB	2 194	-	2 194	-	-
TOTAL DEFERRED OUTFLOWS	495 470	-	495 470	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	18 725 578	903 287	19 628 865	1 347 700	395 074
LIABILITIES					
Current Liabilities:					
Accounts payable	241 724	234 503	476 227	405	30 576
Accrued expense	28 440	-	28 440	-	1 403
Due to other funds	25	-	25	-	-
Debt payable - Current	327 500	-	327 500	34 122	41 927
Accrued interest payable	17 813	-	17 813	1 986	-
Customer deposits payable	222 167	-	222 167	-	-
TOTAL CURRENT LIABILITIES	837 669	234 503	1 072 172	36 513	73 906
Noncurrent Liabilities:					
Compensated absences	57 280	-	57 280	-	-
Pension liability	198 089	-	198 089	-	-
OPEB liability	49 563	-	49 563	-	-
Long term debt payable	4 562 500	-	4 562 500	154 487	-
TOTAL NONCURRENT LIABILITIES	4 867 432	-	4 867 432	154 487	-
TOTAL LIABILITIES	5 705 101	234 503	5 939 604	191 000	73 906
DEFERRED INFLOWS					
Deferred inflow - Pension	292 776	-	292 776	-	-
Deferred inflow - OPEB	10 078	-	10 078	-	-
TOTAL DEFERRED INFLOWS	302 854	-	302 854	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	6 007 955	234 503	6 242 458	-	-
NET POSITION					
Net investment in capital assets	10 832 195	-	10 832 195	900 608	19 445
Restricted for capital projects	320 386	-	320 386	-	-
Unrestricted	1 583 042	668 784	2 251 826	256 092	301 723
TOTAL NET POSITION	\$ 12 717 623	\$ 668 784	\$ 13 386 407	\$ 1 156 700	\$ 321 168

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
Year Ended September 30, 2024

	BUSINESS-TYPE ACTIVITIES			INTERNAL SERVICE FUNDS	
	WATER AND SEWER FUND	SANITATION FUND	TOTAL	EQUIPMENT REPLACEMENT FUND	TECHNOLOGY FUND
Operating Revenues:					
Charges for service	\$ 4 674 091	\$ 2 249 895	\$ 6 923 986	\$ 375 847	\$ 247 498
Taps and connections	19 625	-	19 625	-	-
Miscellaneous	259 682	794	260 476	-	97
TOTAL OPERATING REVENUES	4 953 398	2 250 689	7 204 087	375 847	247 595
Operating Expenses:					
Nondepartmental	421 571	-	421 571	68 537	331 305
Public works	350 143	-	350 143	-	-
Water production	1 599 869	-	1 599 869	-	-
Water distribution	284 643	-	284 643	-	-
Sewer collection	308 236	-	308 236	-	-
Sewer treatment	828 079	-	828 079	-	-
Sanitation	-	1 974 663	1 974 663	-	-
Depreciation	656 598	-	656 598	289 589	41 945
TOTAL OPERATING EXPENSES	4 449 139	1 974 663	6 423 802	358 126	373 250
OPERATING INCOME	504 259	276 026	780 285	17 721	(125 655)
Nonoperating Revenues (Expenses):					
Income from investments	115 528	29 334	144 862	21 121	19 834
Other revenue	597	-	597	77 783	-
Interest expense	(31 899)	-	(31 899)	(9 872)	-
Grants and contributions	120 392	-	120 392	24 000	-
TOTAL NONOPERATING REVENUES (EXPENSES)	204 618	29 334	233 952	113 032	19 834
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS	708 877	305 360	1 014 237	130 753	(105 821)
Operating transfers in (out)	(674 288)	(200 000)	(874 288)	65 000	50 000
TOTAL NET OPERATING TRANSFERS	(674 288)	(200 000)	(874 288)	65 000	50 000
CHANGE IN NET POSITION	34 589	105 360	139 949	195 753	(55 821)
Beginning net position	12 683 034	563 424	13 246 458	960 947	376 989
NET POSITION, END OF YEAR	\$ 12 717 623	\$ 668 784	\$ 13 386 407	\$ 1 156 700	\$ 321 168

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

CITY OF CENTER, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2024

	BUSINESS-TYPE ACTIVITIES			INTERNAL SERVICE FUNDS	
	WATER AND SEWER FUND	SANITATION FUND	TOTAL	EQUIPMENT REPLACEMENT FUND	TECHNOLOGY FUND
Cash Flows from Operating Activities:					
Received from customers	\$ 4 814 823	\$ 2 193 882	\$ 7 008 705	\$ 375 847	\$ 249 549
Payments to suppliers	(2 426 991)	(1 899 580)	(4 326 571)	(68 132)	(330 192)
Payments to employees	(1 400 699)	-	(1 400 699)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>987 133</u>	<u>294 302</u>	<u>1 281 435</u>	<u>307 715</u>	<u>(80 643)</u>
Cash Flows from Noncapital Financing Activities:					
Contributions and grants received	120 392	-	120 392	-	-
Operating transfers in (out)	(674 288)	(200 000)	(874 288)	65 000	50 000
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(553 896)</u>	<u>(200 000)</u>	<u>(753 896)</u>	<u>65 000</u>	<u>50 000</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(409 354)	-	(409 354)	(287 830)	-
Debt proceeds	73 651	(49 310)	24 341	-	-
Principal paid on debt	(315 000)	-	(315 000)	(398 626)	(40 462)
Insurance proceeds	-	-	-	54 008	-
Gain on disposal of assets	-	-	-	23 775	-
Interest paid on debt	(31 899)	-	(31 899)	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(682 602)</u>	<u>(49 310)</u>	<u>(731 912)</u>	<u>(608 673)</u>	<u>(40 462)</u>
Cash Flows from Investing Activities:					
Interest on investments	115 528	29 334	144 862	21 121	19 834
Purchases of investments	597	-	597	221 379	43 449
Royalties	116 125	(19 976)	96 149	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>232 250</u>	<u>9 358</u>	<u>241 608</u>	<u>242 500</u>	<u>63 283</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(133 240)	74 326	(58 914)	6 542	(7 822)
Unrestricted Cash at beginning of year	236 595	(8 500)	228 095	(6 542)	5 011
UNRESTRICTED CASH AT END OF YEAR	<u>\$ 103 355</u>	<u>\$ 65 826</u>	<u>\$ 169 181</u>	<u>\$ -</u>	<u>\$ (2 811)</u>

Reconciliation of Operating Income to Net Cash
Provided by Operating Activities

Operating income (loss)	\$ 504 259	\$ 276 026	\$ 780 285	\$ 17 721	\$ (125 655)
Adjustments:					
Depreciation	656 598	-	656 598	289 589	41 945
Changes in:					
Accounts receivable	(143 061)	(56 807)	(199 868)	-	-
Inventory	(21 752)	-	(21 752)	-	-
Deferred charges	132 699	-	132 699	-	-
Accounts payable	15 680	75 083	90 763	405	1 954
Accrued expense	10 344	-	10 344	-	1 113
Accrued compensated absences	1 325	-	1 325	-	-
Pension and OPEB liability	(173 445)	-	(173 445)	-	-
Customer deposits	4 486	-	4 486	-	-
NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES	<u>\$ 987 133</u>	<u>\$ 294 302</u>	<u>\$ 1 281 435</u>	<u>\$ 307 715</u>	<u>\$ (80 643)</u>

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

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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:

A. 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.

B. 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.

C. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. 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.

2. 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.

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.

3. 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.

4. 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.

5. 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.

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Land/land improvement	Any Amount
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

6. **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.

7. **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.

8. **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).

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. 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.

10. 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.

11. Subsequent Events:

Management has evaluated subsequent events through April 14, 2025, the date the financial statements were available to be issued.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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).

B. 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 and deducting Airport departments. The rationale is this department receive a commensurate amount of funding from its own operations. The City now receives as much revenue from airport fuel sales to make the Center Municipal Airport self-sustaining.

The goal for this policy is that the City would retain in reserves a minimum of 20% and 25% optimally. This equates to 45 to 90 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.

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

FUND BALANCE ANALYSIS

	<u>2024</u>
Beginning fund balance	\$ 2 702 520
Total general fund revenues and transfers	6 653 075
Total general fund expenditures and transfers	<u>6 335 942</u>
ENDING GENERAL FUND BALANCE	<u>\$ 3 019 653</u>
Airport expense	\$ 197 731
General fund expenditures	<u>6 196 105</u>
ADJUSTED GENERAL FUND EXPENDITURES	<u>\$ 5 998 374</u>
Required Fund Balance	\$ <u>20%</u> 1 199 715 \$ <u>25%</u> 1 499 644

Actual Fund Balance calculation represents 50.33% of adjusted General Fund Expenditures and 48.73% of non-adjusted General Fund Expenditures.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Primary Government:	
Unrestricted cash and investments	\$ 7 269 786
Restricted cash and investments	302 386
Component Units:	
Cash and cash equivalents and investments	<u>2 223 782</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 9 795 954</u>
Primary Government:	
Deposits with financial institutions	\$ 523 326
Investments in LOGIC	7 097 184
Component Units:	
Deposits with financial institutions	4 131
Investments in LOGIC	<u>2 172 240</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 9 796 881</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 \$626,662 and \$51,542, 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 TYPE	FAIR VALUE	WEIGHTED AVERAGE MATURITIES (DAYS)	RATING
LOGIC Pool	\$ 9 269 424	31	AAAm

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.

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

B. 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.

		<u>RECEIVABLE</u>		<u>INTEREST</u>	
2025	\$	7 614	\$	365	
2026		7 544		361	
2027		7 447		357	
2028		5 171		248	
2029		4 123		197	
Thereafter		<u>16 590</u>		<u>794</u>	
	\$	<u>48 489</u>	\$	<u>2 322</u>	

C. Capital Assets

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

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in progress	\$ -	\$ 25 989	\$ -	\$ 25 989
Land	<u>73 072</u>	<u>-</u>	<u>-</u>	<u>73 072</u>
TOTAL ASSETS NOT BEING DEPRECIATED	<u>73 072</u>	<u>25 989</u>	<u>-</u>	<u>99 061</u>
Capital Assets, Being Depreciated:				
Buildings	9 366 164	-	-	9 366 164
Improvements other than buildings	6 309 601	37 961	-	6 347 562
Vehicles and equipment	2 520 572	41 923	(47 198)	2 515 297
Infrastructure	<u>23 501 920</u>	<u>1 297 647</u>	<u>-</u>	<u>24 799 567</u>
TOTAL ASSETS BEING DEPRECIATED	<u>41 698 257</u>	<u>1 377 531</u>	<u>(47 198)</u>	<u>43 028 590</u>
Less Accumulated Depreciation For:				
Buildings	3 453 274	221 214	-	3 674 488
Improvements other than buildings	2 016 806	171 454	-	2 188 260
Vehicles and equipment	2 002 403	107 506	(47 198)	2 062 711
Infrastructure	<u>10 156 293</u>	<u>1 023 496</u>	<u>-</u>	<u>11 179 789</u>
TOTAL ACCUMULATED DEPRECIATION	<u>17 628 776</u>	<u>1 523 670</u>	<u>(47 198)</u>	<u>19 105 248</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>24 069 481</u>	<u>(146 139)</u>	<u>-</u>	<u>23 923 342</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 24 142 553</u>	<u>\$ (120 150)</u>	<u>\$ -</u>	<u>\$ 24 022 403</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 665 250	\$ -	\$ -	\$ 665 250
Construction in progress	<u>138 676</u>	<u>364 124</u>	<u>-</u>	<u>502 800</u>
TOTAL ASSETS NOT BEING DEPRECIATED	<u>803 926</u>	<u>364 124</u>	<u>-</u>	<u>1 168 050</u>
Capital Assets, Being Depreciated:				
Buildings and systems	35 279 429	-	-	35 279 429
Vehicles and equipment	<u>3 856 230</u>	<u>45 230</u>	<u>-</u>	<u>3 901 460</u>
TOTAL ASSETS BEING DEPRECIATED	<u>39 135 659</u>	<u>45 230</u>	<u>-</u>	<u>39 180 889</u>
Less Accumulated Depreciation For:				
Buildings and systems	20 742 568	565 677	-	21 308 245
Vehicles and equipment	<u>3 227 578</u>	<u>90 921</u>	<u>-</u>	<u>3 318 499</u>
TOTAL ACCUMULATED DEPRECIATION	<u>23 970 146</u>	<u>656 598</u>	<u>-</u>	<u>24 626 744</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>15 165 513</u>	<u>(611 368)</u>	<u>-</u>	<u>14 554 145</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 15 969 439</u>	<u>\$ (247 244)</u>	<u>\$ -</u>	<u>\$ 15 722 195</u>
Internal Service Fund:				
Capital Assets, Being Depreciated:				
Vehicles and equipment	\$ 2 095 467	\$ 646 897	\$ 632 432	\$ 2 109 932
Right of use assets	<u>125 834</u>	<u>-</u>	<u>-</u>	<u>125 834</u>
TOTAL ASSETS NOT BEING DEPRECIATED	<u>2 221 301</u>	<u>646 897</u>	<u>632 432</u>	<u>2 235 766</u>
Less Accumulated Depreciation For:				
Vehicles and equipment	<u>1 027 008</u>	<u>331 534</u>	<u>273 365</u>	<u>1 085 177</u>
TOTAL ACCUMULATED DEPRECIATION	<u>1 027 008</u>	<u>331 534</u>	<u>273 365</u>	<u>1 085 177</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>\$ 1 194 293</u>	<u>\$ 315 363</u>	<u>\$ 359 067</u>	<u>\$ 1 150 589</u>

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

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	\$ 30 048
Public safety	130 313
Community services	350 219
Street and drainage	1 013 090
Internal Services	<u>331 534</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1 855 204</u>
Business-Type Activities:	
Water	\$ 396 361
Sewer	<u>260 237</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 656 598</u>

D. 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
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 7 570 000	\$ -	\$ (575 000)	\$ 6 995 000	\$ 587 500
Note payable	152 890	-	(23 636)	129 254	23 636
Compensated absences	148 438	15 696	-	164 134	-
Pension liability (asset)	1 087 433	-	(905 357)	182 076	-
OPEB liability	<u>140 207</u>	<u>10 089</u>	<u>-</u>	<u>150 296</u>	<u>-</u>
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	<u>\$ 9 098 968</u>	<u>\$ 25 785</u>	<u>\$ (1 503 993)</u>	<u>\$ 7 620 760</u>	<u>\$ 611 136</u>
Business-Type Activities:					
General obligation bonds	\$ 5 205 000	\$ -	\$ (315 000)	\$ 4 890 000	\$ 327 500
Compensated absences	55 955	11 254	-	67 209	-
Pension liability (asset)	374 069	-	(317 724)	56 345	-
OPEB liability	<u>47 947</u>	<u>7 063</u>	<u>-</u>	<u>55 010</u>	<u>-</u>
BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	<u>\$ 5 682 971</u>	<u>\$ 18 317</u>	<u>\$ (632 724)</u>	<u>\$ 5 068 564</u>	<u>\$ 327 500</u>
Internal Service Activities:					
Leases payable	\$ 378 225	\$ -	\$ (378 225)	\$ -	\$ -
Subscription based IT arrangement	82 389	-	(40 462)	41 927	41 927
Notes payable	<u>221 735</u>	<u>-</u>	<u>(33 126)</u>	<u>188 609</u>	<u>34 122</u>
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	<u>\$ 682 349</u>	<u>\$ -</u>	<u>\$ (378 225)</u>	<u>\$ 230 536</u>	<u>\$ 76 049</u>

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

General Obligation Debt:

\$2,070,000, 2014 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)	\$ 1 210 000
\$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 activities and business-type activities)	2 620 000
\$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 governmental activities)	3 705 000
\$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 governmental activities)	1 715 000
\$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)	<u>2 635 000</u>
	<u>\$ 11 885 000</u>

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

YEAR ENDING SEPTEMBER	GOVERNMENTAL FUNDS		PROPRIETARY FUNDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2025	\$ 587 500	\$ 179 941	\$ 327 500	\$ 142 497
2026	603 750	165 654	336 250	131 600
2027	618 750	151 891	346 250	122 800
2028	631 250	136 794	353 750	113 072
2029	647 500	121 013	367 500	102 778
Thereafter	<u>3 906 250</u>	<u>605 475</u>	<u>3 158 750</u>	<u>424 108</u>
TOTAL	<u>\$ 6 995 000</u>	<u>\$ 1 360 768</u>	<u>\$ 4 890 000</u>	<u>\$ 1 036 855</u>

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Notes Payable:

\$450,000 loan from the City of Center Economic Development Corporation to be paid in annual installments through 2029, with an interest rate of 3%	\$ 129 254
\$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%	188 609
	\$ 317 863

YEAR ENDING SEPTEMBER	NOTE PAYABLE		SBITA PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2025	\$ 57 758	\$ 12 060	\$ 41 927	\$ 1 418
2026	59 504	10 323	-	-
2027	144 415	10 653	-	-
2028	25 828	2 395	-	-
2029	30 358	1 620	-	-
Thereafter	-	-	-	-
TOTAL	\$ 317 863	\$ 37 051	\$ 41 927	\$ 1 418

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.

NOTE 4 - OTHER INFORMATION

A. 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.tmr.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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	46
Active employees	78
	172

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is 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.

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 4 - OTHER INFORMATION - CONTINUED

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 10.71% and 11.14% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 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, 2023, 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, 2023 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 2023 valuation pursuant to an experience study of the period 2022.
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:

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	\$ 16 866 014	\$ 15 404 511	\$ 1 461 503
Changes for the Year:			
Service cost	662 873	-	662 873
Interest	1 139 026	-	1 139 026
Change of benefit terms	-	-	-
Difference between expected and actual experience	121 446	-	121 446
Changes of assumptions	(109 172)	-	(109 172)
Contributions - Employer	-	422 346	(422 346)
Contributions - Employee	-	276 043	(276 043)
Net investment income	-	1 785 105	(1 785 105)
Benefit payments, including refunds of employee	(645 975)	(645 975)	-
Administrative expense	-	(11 342)	11 342
Other changes	-	(79)	79
NET CHANGES	<u>1 168 198</u>	<u>1 826 098</u>	<u>(657 900)</u>
BALANCE AT END OF THE YEAR	<u>\$ 18 034 212</u>	<u>\$ 17 230 609</u>	<u>\$ 803 603</u>

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 4 - OTHER INFORMATION - CONTINUED

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	\$ 3 424 235	\$ 803 603	\$ (1 334 328)

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.

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

For the year ended September 30, 2024, the City recognized pension expense of \$306,980.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual economic experience	\$ 133 330	\$ 112 704
Changes in actuarial assumptions	10 592	90 258
Difference between projected and actual investment earnings	1 388 038	984 764
Contributions subsequent to the measurement date	469 127	-
TOTAL	\$ 2 001 087	\$ 1 187 726

\$2,001,087 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

YEAR ENDED DECEMBER 31,	PENSION EXPENSE AMOUNT
2025	\$ 52 030
2026	122 793
2027	318 466
2028	(149 055)
2029	-
Thereafter	-
TOTAL	\$ 344 234

B. 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.

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.

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 4 - OTHER INFORMATION - CONTINUED

Employees Covered by Benefit Terms

Membership:

Number of:	
Inactive employees currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	8
Active employees	78
TOTAL	122

Covered Payroll \$ 4 107 231

Contributions

PLAN/ CALENDAR YEAR	TOTAL SDBF CONTRIBUTION (RATE)	RETIREE PORTION OF SDBF CONTRIBUTION (RATE)
2022	0.22%	0.00%
2023	0.37%	0.00%
2024	0.39%	0.00%

The City's contributions to the SDBF for the year ended September 30, 2024 were \$9,135, 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*	3.77%
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.

Changes in OPEB Liability

Total OPEB liability - Beginning of year	\$ <u>188 154</u>
Changes for the Year:	
Service cost	10 247
Interest on total OPEB liability	7 708
Differences between expenditures and actual	(3 253)
Changes in assumptions or other inputs	9 415
Benefit payments	(5 911)
NET CHANGES	18 206
TOTAL OPEB LIABILITY - END OF YEAR	\$ <u>206 360</u>

Total OPEB Liability as a Percentage of Covered Payroll 5.33%

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 3.77%, 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 (2.77%) or 1-percentage point higher (4.77%) than the current rate.

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB Liability	\$ 245 655	\$ 206 360	\$ 175 418

CITY OF CENTER, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

NOTE 4 - OTHER INFORMATION - CONTINUED

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$8,526.

As of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 26	\$ -
Changes in actuarial assumptions	-	33 410
Difference between projected and actual earnings	-	8 548
Subsequent contributions	9 134	-
TOTAL	\$ 9 160	\$ 41 958

\$9,160 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

YEAR ENDED AUGUST 31,	AMORTIZATION
2024	\$ (8 430)
2025	(13 326)
2026	(15 977)
2027	(4 247)
2028	46
Thereafter	-
TOTAL	\$ (41 934)

C. 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.

NOTE 5 - SUBSEQUENT EVENT

On October 22, 2024, the City issued a combination tax and waterworks and sewer system surplus revenue certificate of obligation for \$5,795,000 for construction of system improvements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CENTER, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues:				
General Property Taxes:				
Current taxes	\$ 1 302 250	\$ 1 302 250	\$ 1 300 187	\$ (2 063)
Delinquent taxes	27 500	27 500	36 669	9 169
Other taxes	106 750	106 750	130 265	23 515
Penalties, interest and cost	25 000	25 000	36 615	11 615
TOTAL GENERAL PROPERTY TAXES	<u>1 461 500</u>	<u>1 461 500</u>	<u>1 503 736</u>	<u>42 236</u>
Other Local Taxes and Permits:				
City sales taxes	2 792 400	2 792 400	2 659 358	(133 042)
Franchise taxes	751 300	751 300	709 910	(41 390)
Mixed drink taxes	2 750	2 750	13 529	10 779
License and permit fees	30 200	30 200	84 773	54 573
TOTAL OTHER LOCAL TAXES AND PERMITS	<u>3 576 650</u>	<u>3 576 650</u>	<u>3 467 570</u>	<u>(109 080)</u>
Fines and Fees:				
Municipal court fines	175 000	175 000	220 085	45 085
Court cost fees	27 000	27 000	24 348	(2 652)
Fines and fees	8 300	8 300	5 723	(2 577)
TOTAL FINES AND FEES	<u>210 300</u>	<u>210 300</u>	<u>250 156</u>	<u>39 856</u>
Charges For Service:				
Administration	-	-	60 000	60 000
Airport fuel	135 000	135 000	128 908	(6 092)
Airport hangar lease	25 000	25 000	39 280	14 280
Civic Center	52 100	52 100	59 282	7 182
Land lease	3 600	3 600	-	(3 600)
Building rental	14 500	14 500	12 290	(2 210)
TOTAL CHARGES FOR SERVICES	<u>230 200</u>	<u>230 200</u>	<u>299 760</u>	<u>69 560</u>
Contributions and Grants:				
Grant and donations	81 500	81 500	109 977	28 477
TOTAL CONTRIBUTIONS AND GRANTS	<u>81 500</u>	<u>81 500</u>	<u>109 977</u>	<u>28 477</u>
Miscellaneous Revenue:				
Miscellaneous receipts	1 350	1 350	50 407	49 057
TOTAL MISCELLANEOUS REVENUE	<u>1 350</u>	<u>1 350</u>	<u>50 407</u>	<u>49 057</u>
TOTAL REVENUES	<u>5 561 500</u>	<u>5 561 500</u>	<u>5 681 606</u>	<u>120 106</u>
Expenditures:				
General Government:				
City Hall:				
Payroll	922 800	922 800	904 508	18 292
Supplies	26 850	26 850	19 119	7 731
Contractual services	76 750	76 750	77 819	(1 069)
Utilities	12 200	12 200	9 859	2 341
Sundry charges	23 000	23 000	17 874	5 126
Maintenance	8 450	8 450	18 218	(9 768)
TOTAL CITY HALL	<u>1 070 050</u>	<u>1 070 050</u>	<u>1 047 397</u>	<u>22 653</u>
Nondepartmental:				
Payroll	1 700	1 700	1 680	20
Supplies	3 700	3 700	576	3 124
Contractual services	257 950	257 950	146 543	111 407
Sundry charges	103 840	103 840	79 010	24 830
Capital outlay	-	-	1 790	(1 790)
TOTAL NONDEPARTMENTAL	<u>367 190</u>	<u>367 190</u>	<u>229 599</u>	<u>137 591</u>
Municipal Court:				
Payroll	56 700	56 700	52 352	4 348
Supplies	1 750	1 750	2 187	(437)
Contractual services	55 700	55 700	59 798	(4 098)
Sundry charges	1 700	1 700	1 335	365
TOTAL MUNICIPAL COURT	<u>115 850</u>	<u>115 850</u>	<u>115 672</u>	<u>178</u>
TOTAL GENERAL GOVERNMENT	<u>1 553 090</u>	<u>1 553 090</u>	<u>1 392 668</u>	<u>160 422</u>

CITY OF CENTER, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - CONTINUED
Year Ended September 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Public Safety:				
Police Department:				
Payroll	2 181 480	2 181 480	2 011 601	169 879
Supplies	55 400	55 400	53 221	2 179
Contractual services	201 080	201 080	191 019	10 061
Utilities	37 500	37 500	35 211	2 289
Sundry charges	15 600	15 600	16 089	(489)
Maintenance	123 600	123 600	133 775	(10 175)
Capital outlay	-	-	54 652	(54 652)
TOTAL POLICE DEPARTMENT	<u>2 614 660</u>	<u>2 614 660</u>	<u>2 495 568</u>	<u>119 092</u>
Fire Department:				
Payroll	495 050	495 050	502 959	(7 909)
Supplies	15 200	15 200	8 566	6 634
Contractual services	36 890	36 890	37 612	(722)
Utilities	11 100	11 100	12 703	(1 603)
Sundry charges	11 100	11 100	5 057	6 043
Maintenance	50 500	50 500	38 723	11 777
Capital outlay	26 000	26 000	18 320	7 680
TOTAL FIRE DEPARTMENT	<u>645 840</u>	<u>645 840</u>	<u>623 940</u>	<u>21 900</u>
Animal Control Department:				
Supplies	10 100	10 100	7 720	2 380
Contractual services	16 000	16 000	19 098	(3 098)
Utilities	1 200	1 200	583	617
Sundry charges	1 100	1 100	194	906
Maintenance	1 000	1 000	2 540	(1 540)
TOTAL ANIMAL CONTROL DEPARTMENT	<u>29 400</u>	<u>29 400</u>	<u>30 135</u>	<u>(735)</u>
TOTAL PUBLIC SAFETY	<u>3 289 900</u>	<u>3 289 900</u>	<u>3 149 643</u>	<u>140 257</u>
Community Services:				
Airport Department:				
Payroll	28 750	28 750	29 412	(662)
Supplies	2 200	2 200	1 325	875
Contractual services	15 280	15 280	15 321	(41)
Utilities	17 950	17 950	17 120	830
Sundry charges	104 600	104 600	113 022	(8 422)
Maintenance	8 500	8 500	7 517	983
Capital outlay	10 000	10 000	14 014	(4 014)
TOTAL AIRPORT DEPARTMENT	<u>187 280</u>	<u>187 280</u>	<u>197 731</u>	<u>(10 451)</u>
Cemetery Department:				
Contractual services	22 200	22 200	26 515	(4 315)
TOTAL CEMETERY DEPARTMENT	<u>22 200</u>	<u>22 200</u>	<u>26 515</u>	<u>(4 315)</u>
Parks Department:				
Payroll	185 800	185 800	158 638	27 162
Supplies	16 500	16 500	12 379	4 121
Contractual services	107 500	107 500	107 798	(298)
Utilities	15 400	15 400	16 771	(1 371)
Sundry charges	500	500	303	197
Maintenance	33 000	33 000	35 653	(2 653)
TOTAL PARKS DEPARTMENT	<u>358 700</u>	<u>358 700</u>	<u>331 542</u>	<u>27 158</u>
Civic Center Department:				
Payroll	103 350	103 350	107 349	(3 999)
Supplies	8 200	8 200	6 597	1 603
Contractual services	26 300	26 300	33 542	(7 242)
Utilities	26 650	26 650	26 798	(148)
Sundry charges	6 000	6 000	2 938	3 062
Maintenance	20 850	20 850	40 554	(19 704)
Capital outlay	5 000	5 000	196	4 804
TOTAL CIVIC CENTER DEPARTMENT	<u>196 350</u>	<u>196 350</u>	<u>217 974</u>	<u>(21 624)</u>

CITY OF CENTER, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - CONTINUED
Year Ended September 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Community Facilities Department:				
Supplies	1 300	1 300	-	1 300
Contractual services	74 750	74 750	75 728	(978)
Utilities	21 000	21 000	22 525	(1 525)
Sundry charges	-	-	180	(180)
Maintenance	8 000	8 000	17 207	(9 207)
TOTAL COMMUNITY FACILITIES DEPARTMENT	<u>105 050</u>	<u>105 050</u>	<u>115 640</u>	<u>(10 590)</u>
TOTAL COMMUNITY SERVICES	<u>869 580</u>	<u>869 580</u>	<u>889 402</u>	<u>(19 822)</u>
Streets and Drainage:				
Streets Department:				
Payroll	338 850	338 850	353 667	(14 817)
Supplies	19 350	19 350	14 895	4 455
Contractual services	56 300	56 300	75 535	(19 235)
Utilities	85 600	85 600	99 009	(13 409)
Sundry charges	800	800	947	(147)
Maintenance	71 000	71 000	105 284	(34 284)
TOTAL STREETS DEPARTMENT	<u>571 900</u>	<u>571 900</u>	<u>649 337</u>	<u>(77 437)</u>
TOTAL STREETS AND DRAINAGE	<u>571 900</u>	<u>571 900</u>	<u>649 337</u>	<u>(77 437)</u>
Inspection Services:				
Inspection Department:				
Payroll	73 100	73 100	75 342	(2 242)
Supplies	2 800	2 800	2 905	(105)
Contractual services	14 080	14 080	10 817	3 263
Utilities	250	250	458	(208)
Sundry charges	2 500	2 500	2 167	333
Maintenance	4 000	4 000	5 866	(1 866)
TOTAL INSPECTION DEPARTMENT	<u>96 730</u>	<u>96 730</u>	<u>97 555</u>	<u>(825)</u>
TOTAL INSPECTION SERVICES	<u>96 730</u>	<u>96 730</u>	<u>97 555</u>	<u>(825)</u>
TOTAL EXPENDITURES	<u>6 381 200</u>	<u>6 381 200</u>	<u>6 178 605</u>	<u>202 595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(819 700)</u>	<u>(819 700)</u>	<u>(496 999)</u>	<u>322 701</u>
Other Financing Sources (Uses):				
Interest income	74 700	74 700	133 133	58 433
Operating transfers in	745 000	745 000	838 336	93 336
Operating transfers (out)	-	-	(157 337)	(157 337)
TOTAL OTHER FINANCING SOURCES (USES)	<u>819 700</u>	<u>819 700</u>	<u>814 352</u>	<u>5 568</u>
CHANGE IN FUND BALANCE	-	-	317 133	317 133
Fund balance at beginning of year	<u>2 702 520</u>	<u>2 702 520</u>	<u>2 702 520</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2 702 520</u>	<u>\$ 2 702 520</u>	<u>\$ 3 019 653</u>	<u>\$ 317 133</u>

See independent auditor's report.

CITY OF CENTER, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service cost	\$ 662 873	\$ 594 251	\$ 565 946	\$ 547 357	\$ 537 720	\$ 523 585	\$ 522 065	\$ 516 676	\$ 463 237	\$ 443 966
Interest (on the total pension liability)	1 139 026	1 058 253	1 005 970	956 535	902 764	873 880	879 442	867 048	860 379	804 999
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	121 446	86 888	(259 570)	(180 403)	(149 486)	(428 137)	(915 461)	(587 907)	(191 770)	21 180
Change of assumptions	(109 172)	-	-	-	71 120	-	-	-	(39 880)	-
Benefit payments, including refunds of employee contributions	(645 975)	(508 135)	(595 743)	(605 096)	(535 555)	(561 408)	(577 012)	(652 767)	(476 550)	(500 735)
NET CHANGE IN TOTAL PENSION LIABILITY	1 168 198	1 231 257	716 603	718 393	826 563	407 920	(90 966)	143 050	615 416	769 410
Total pension liability - Beginning	16 866 014	15 634 757	14 918 154	14 199 761	13 373 198	12 965 278	13 056 244	12 913 194	12 297 778	11 528 368
TOTAL PENSION LIABILITY - ENDING	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	12 297 778
Plan Fiduciary Net Position:										
Contributions - Employer	422 346	406 107	411 143	406 177	426 162	471 010	514 644	503 737	439 335	424 581
Contributions - Employee	276 043	248 492	238 652	229 294	226 734	217 772	216 496	212 499	199 181	197 742
Net investment income	1 785 105	(1 202 448)	1 894 330	1 023 371	1 790 717	(353 900)	1 420 322	645 178	13 834	500 976
Benefit payments, including refunds of employee contributions	(645 975)	(508 135)	(595 743)	(605 096)	(535 555)	(561 408)	(577 012)	(652 767)	(476 550)	(500 735)
Administrative	(11 342)	(10 396)	(8 758)	(6 617)	(10 111)	(6 836)	(7 356)	(7 282)	(8 424)	(5 230)
Other	(79)	12 406	60	(259)	(286)	(373)	(373)	(392)	(416)	(430)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1 826 098	(1 053 974)	1 939 684	1 046 870	1 897 661	(233 735)	1 566 721	700 973	166 960	616 904
Plan fiduciary net position - Beginning	15 404 511	16 458 485	14 518 801	13 471 931	11 574 270	11 808 005	10 241 284	9 540 311	9 373 351	8 756 447
PLAN FIDUCIARY NET POSITION - ENDING	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	9 373 351
NET PENSION LIABILITY (ASSET) - ENDING	\$ 803 603	\$ 1 461 503	\$ (823 728)	\$ 399 353	\$ 727 830	\$ 1 798 928	\$ 1 157 273	\$ 2 814 960	\$ 3 372 883	\$ 2 924 427
Plan fiduciary net position as a percentage of total pension liability	95.54%	91.33%	105.27%	97.32%	94.87%	86.55%	91.07%	78.44%	73.88%	76.22%
Covered employee payroll	\$ 3 940 981	\$ 3 549 884	\$ 3 509 894	\$ 3 258 954	\$ 3 195 006	\$ 3 111 024	\$ 3 092 802	\$ 3 035 696	2 845 439	2 824 891
Net pension liability as a percentage of covered employee payroll	20.39%	41.17%	(23.47)%	12.25%	22.78%	57.82%	37.42%	92.73%	118.54%	103.52%

SCHEDULE OF CONTRIBUTIONS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 469 127	\$ 433 994	\$ 409 403	\$ 434 350	\$ 418 708	\$ 405 655	\$ 495 007	\$ 462 058	\$ 446 765	\$ 390 666
Contributions in relation to the actuarially determined contribution	(469 127)	(433 994)	(409 403)	(434 350)	(418 708)	(405 655)	(495 007)	(462 058)	(446 765)	(390 666)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 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	\$ 2 845 439
Contributions as a percentage of covered employee payroll	11.42%	11.01%	11.53%	12.38%	12.85%	12.70%	15.91%	14.94%	14.72%	13.73%

Other Information

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

Details of the plan are included in the notes.

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*

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service cost	\$ 10 247	\$ 17 039	\$ 13 296	\$ 10 154	\$ 7 029	\$ 8 089	\$ 6 804
Interest on total OPEB liability	7 708	4 979	5 030	5 933	6 407	5 942	5 816
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(3 253)	43	(4 222)	(10 762)	(3 809)	(6 260)	-
Change of assumptions	9 415	(93 700)	7 821	32 098	33 293	(12 649)	14 252
Benefit payments, including refunds of employee contributions	(5 911)	(4 615)	(4 773)	(1 638)	(1 278)	(1 556)	(2 165)
NET CHANGE IN TOTAL OPEB LIABILITY	18 206	(76 254)	17 152	35 785	41 642	(6 434)	24 707
Total OPEB liability, beginning	188 154	264 408	247 256	211 471	169 829	176 263	151 556
TOTAL PENSION LIABILITY, ENDING (a)	206 360	188 154	264 408	247 256	211 471	169 829	176 263
Plan Fiduciary Net Position:							
Contributions - Employer	-	-	-	-	-	-	-
Contributions - Employee	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	-	-	-	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-	-	-	-
FIDUCIARY NET POSITION, ENDING (b)	-	-	-	-	-	-	-
NET OPEB LIABILITY ENDING (a) - (b)	\$ 206 360	\$ 188 154	\$ 264 408	\$ 247 256	\$ 211 471	\$ 169 829	\$ 176 263
Plan fiduciary net position as a % of total OPEB liability	00.00%	00.00%	00.00%	00.00%	00.00%	00.00%	00.00%
Covered employee payroll	\$ 3 868 992	\$ 3 549 884	\$ 3 509 894	\$ 3 275 628	\$ 3 195 006	\$ 3 111 024	\$ 3 092 802
Net OPEB liability as a % of covered employee payroll	5.33%	5.30%	7.53%	7.55%	6.62%	5.46%	5.70%

SCHEDULE OF CONTRIBUTIONS

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 9 135	\$ 8 603	\$ 7 400	\$ 7 414	\$ 5 167	\$ 4 902	\$ 1 723
Contributions in relation to the actuarially determined contribution	(9 135)	(8 603)	(7 400)	(7 414)	(5 167)	(4 902)	(1 723)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 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	(0.22)%	(0.22)%	(0.21)%	(0.21)%	(1.66)%	(0.16)%	(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.

SUPPLEMENTARY INFORMATION

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.

Texas Capital Fund - Grant Repayment Funds - To account revenues and expenditures related to Texas Department of Agriculture loans.

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.

American Rescue Plan - To account for federal COVID recovery grant funds.

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.

CITY OF CENTER, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2024

			PERMANENT FUND		
	DEBT SERVICE FUND	NONMAJOR SPECIAL REVENUE FUNDS	CEMETERY ENDOWMENT FUND	ANIMAL WELFARE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ -	\$ 126 712	\$ -	\$ 45 929	\$ 172 641
Investments	106 625	1 414 960	126 353	-	1 647 938
Receivables	-	115 334	-	-	115 334
Due from other funds	-	500	-	-	500
TOTAL ASSETS	<u>\$ 106 625</u>	<u>\$ 1 657 506</u>	<u>\$ 126 353</u>	<u>\$ 45 929</u>	<u>\$ 1 936 413</u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 2 637	\$ -	\$ -	\$ 2 637
Due to other funds	-	68 009	-	-	68 009
Accrued expenses	-	1 061	-	-	1 061
TOTAL LIABILITIES	<u>-</u>	<u>71 707</u>	<u>-</u>	<u>-</u>	<u>71 707</u>
 Deferred Inflows:					
Unavailable revenue	-	114 000	-	-	114 000
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>114 000</u>	<u>-</u>	<u>-</u>	<u>114 000</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>-</u>	<u>185 707</u>	<u>-</u>	<u>-</u>	<u>185 707</u>
 Fund Balances:					
Restricted for grants	-	1 471 799	-	-	1 471 799
Restricted for debt service	106 625	-	-	-	106 625
Other restrictions	-	-	126 353	45 929	172 282
TOTAL FUND BALANCES	<u>106 625</u>	<u>1 471 799</u>	<u>126 353</u>	<u>45 929</u>	<u>1 750 706</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 106 625</u>	<u>\$ 1 657 506</u>	<u>\$ 126 353</u>	<u>\$ 45 929</u>	<u>\$ 1 936 413</u>

See independent auditor's report.

CITY OF CENTER, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

	DEBT SERVICE FUND	NONMAJOR SPECIAL REVENUE FUNDS	PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS
			CEMETERY ENDOWMENT FUND	ANIMAL WELFARE FUND	
Revenues:					
Taxes	\$ 738 838	\$ 369 838	\$ -	\$ -	\$ 1 108 676
Grants and contributions	-	5 123	-	-	5 123
Fines and fees	-	15 666	-	-	15 666
Charges for services	-	81 378	-	-	81 378
Other	-	6 423	-	-	6 423
TOTAL REVENUES	738 838	478 428	-	-	1 217 266
Expenditures:					
Public safety	-	5 976	-	-	5 976
Community services	-	210 963	4 800	-	215 763
Street and drainage	-	1 296 647	-	-	1 296 647
Debt Service:					
Principal	575 000	21 001	-	-	596 001
Interest and fiscal charges	318 963	7 222	-	-	326 185
TOTAL EXPENDITURES	893 963	1 541 809	4 800	-	2 440 572
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(155 125)	(1 063 381)	(4 800)	-	(1 223 306)
Other Financing Sources (Uses):					
Interest	13 013	69 765	6 927	2 196	91 901
Operating transfers in	120 952	1 326 207	-	-	1 447 159
Operating transfers (out)	(10 723)	(110 000)	-	-	(120 723)
TOTAL OTHER FINANCING SOURCES (USES)	123 242	1 285 972	6 927	2 196	1 418 337
NET CHANGE IN FUND BALANCE	(31 883)	222 591	2 127	2 196	195 031
Fund balance at beginning of year	138 508	1 249 208	124 226	43 733	1 555 675
FUND BALANCES AT END OF YEAR	\$ 106 625	\$ 1 471 799	\$ 126 353	\$ 45 929	\$ 1 750 706

See independent auditor's report.

CITY OF CENTER, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2024

	CIVIC CENTER FUND	HOTEL/ MOTEL FUND	COURT TECHNOLOGY FUND	COURT SECURITY FUND	POLICE DEPARTMENT FORFEITURE FUND
ASSETS					
Cash and cash equivalents	\$ 68 748	\$ 1 102	\$ 749	\$ 913	\$ -
Investments	-	1 045 084	32 728	40 980	25 780
Receivables	-	1 334	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	\$ 68 748	\$ 1 047 520	\$ 33 477	\$ 41 893	\$ 25 780
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 379	\$ -	\$ -	\$ -	\$ 971
Due to other funds	66 971	-	-	-	-
Accrued expenses	-	-	-	-	-
TOTAL LIABILITIES	67 350	-	-	-	971
Deferred Inflows:					
Unavailable revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	67 350	-	-	-	971
Fund Balance:					
Restricted	1 398	1 047 520	33 477	41 893	24 809
TOTAL FUND BALANCE	1 398	1 047 520	33 477	41 893	24 809
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 68 748	\$ 1 047 520	\$ 33 477	\$ 41 893	\$ 25 780

See independent auditor's report.

AIRPORT CONSTRUCTION FUND	HOME GRANT	TAX INCREMENT FINANCING FUND	INDUSTRIAL DEVELOPMENT FUND	LOGIC PARK FUND	RECREATION FUND	JURY FUND
\$ 27 845	\$ 1 342	\$ 1 100	\$ 9 006	\$ 2 850	\$ (12 018)	\$ 439
-	-	227 519	-	19 982	-	-
-	-	-	-	114 000	-	-
500	-	-	-	-	-	-
<u>\$ 28 345</u>	<u>\$ 1 342</u>	<u>\$ 228 619</u>	<u>\$ 9 006</u>	<u>\$ 136 832</u>	<u>\$ (12 018)</u>	<u>\$ 439</u>
\$ -	\$ -	\$ -	\$ -	\$ 625	\$ 662	\$ -
-	1 038	-	-	-	-	-
-	-	-	-	-	1 061	-
-	1 038	-	-	625	1 723	-
-	-	-	-	114 000	-	-
-	-	-	-	114 000	-	-
-	1 038	-	-	114 625	1 723	-
28 345	304	228 619	9 006	22 207	(13 741)	439
28 345	304	228 619	9 006	22 207	(13 741)	439
<u>\$ 28 345</u>	<u>\$ 1 342</u>	<u>\$ 228 619</u>	<u>\$ 9 006</u>	<u>\$ 136 832</u>	<u>\$ (12 018)</u>	<u>\$ 439</u>

CITY OF CENTER, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2024

	TRUANCY FUND	STREET IMPROVEMENT FUND	OPIOID FUND	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS				
Cash and cash equivalents	\$ 926	\$ -	\$ 23 710	\$ 126 712
Investments	22 887	-	-	1 414 960
Receivables	-	-	-	115 334
Due from other funds	-	-	-	500
TOTAL ASSETS	\$ 23 813	\$ -	\$ 23 710	\$ 1 657 506
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2 637
Due to other funds	-	-	-	68 009
Accrued expenses	-	-	-	1 061
TOTAL LIABILITIES	-	-	-	71 707
Deferred Inflows:				
Unavailable revenue	-	-	-	114 000
TOTAL DEFERRED INFLOWS	-	-	-	114 000
TOTAL LIABILITIES AND DEFERRED INFLOWS	-	-	-	185 707
Fund Balance:				
Restricted	23 813	-	23 710	1 471 799
TOTAL FUND BALANCE	23 813	-	23 710	1 471 799
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 23 813	\$ -	\$ 23 710	\$ 1 657 506

See independent auditor's report.

CITY OF CENTER, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2024

	CIVIC CENTER FUND	HOTEL/ MOTEL FUND	COURT TECHNOLOGY FUND	COURT SECURITY FUND	POLICE DEPARTMENT FORFEITURE FUND
Revenues:					
Taxes	\$ 2 319	\$ 337 588	\$ -	\$ -	\$ -
Grants and contributions	-	-	-	-	-
Fines and fees	-	-	4 521	5 497	-
Charges for services	-	-	-	-	-
Other	-	2 830	-	-	-
TOTAL REVENUES	<u>2 319</u>	<u>340 418</u>	<u>4 521</u>	<u>5 497</u>	<u>-</u>
Expenditures:					
Public safety	-	-	3 894	1 111	971
Community services	379	60 717	-	-	-
Streets and drainage	-	-	-	-	-
Debt service	-	-	-	-	-
TOTAL EXPENDITURES	<u>379</u>	<u>60 717</u>	<u>3 894</u>	<u>1 111</u>	<u>971</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1 940</u>	<u>279 701</u>	<u>627</u>	<u>4 386</u>	<u>(971)</u>
Other Financing Sources (Uses):					
Interest	-	48 535	1 728	2 073	1 368
Operating transfers in	-	-	-	-	-
Operating transfers (out)	-	(110 000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(61 465)</u>	<u>1 728</u>	<u>2 073</u>	<u>1 368</u>
NET CHANGE IN FUND BALANCE	1 940	218 236	2 355	6 459	397
Fund balance, beginning of year	<u>(542)</u>	<u>829 284</u>	<u>31 122</u>	<u>35 434</u>	<u>24 412</u>
FUND BALANCE, END OF YEAR	<u>\$ 1 398</u>	<u>\$ 1 047 520</u>	<u>\$ 33 477</u>	<u>\$ 41 893</u>	<u>\$ 24 809</u>

See independent auditor's report.

AIRPORT CONSTRUCTION FUND	HOME GRANT	TAX INCREMENT FINANCING FUND	INDUSTRIAL DEVELOPMENT FUND	LOGIC PARK FUND	RECREATION FUND	JURY FUND
\$ -	\$ -	\$ 29 931	\$ -	\$ -	\$ -	\$ -
399	-	-	-	4 000	724	-
-	-	-	-	-	-	111
-	-	-	-	-	81 378	-
-	-	-	-	-	-	-
<u>399</u>	<u>-</u>	<u>29 931</u>	<u>-</u>	<u>4 000</u>	<u>82 102</u>	<u>111</u>
-	-	-	-	-	-	-
40 057	-	-	-	17 650	92 160	-
-	-	-	-	-	-	-
-	-	28 223	-	-	-	-
<u>40 057</u>	<u>-</u>	<u>28 223</u>	<u>-</u>	<u>17 650</u>	<u>92 160</u>	<u>-</u>
<u>(39 658)</u>	<u>-</u>	<u>1 708</u>	<u>-</u>	<u>(13 650)</u>	<u>(10 058)</u>	<u>111</u>
-	-	11 443	478	1 915	-	-
-	-	29 560	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>41 003</u>	<u>478</u>	<u>1 915</u>	<u>-</u>	<u>-</u>
<u>(39 658)</u>	<u>-</u>	<u>42 711</u>	<u>478</u>	<u>(11 735)</u>	<u>(10 058)</u>	<u>111</u>
<u>68 003</u>	<u>304</u>	<u>185 908</u>	<u>8 528</u>	<u>33 942</u>	<u>(3 683)</u>	<u>328</u>
\$ <u>28 345</u>	\$ <u>304</u>	\$ <u>228 619</u>	\$ <u>9 006</u>	\$ <u>22 207</u>	\$ <u>(13 741)</u>	\$ <u>439</u>

CITY OF CENTER, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
 For the Year Ended September 30, 2024

	<u>TRUANCY</u>	<u>STREET</u>	<u>OPIOID</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>IMPROVEMENT</u>	<u>FUND</u>	<u>NONMAJOR</u>
		<u>FUND</u>		<u>SPECIAL</u>
				<u>REVENUE</u>
				<u>FUNDS</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 369 838
Grants and contributions	-	-	-	5 123
Fines and fees	5 537	-	-	15 666
Charges for services	-	-	-	81 378
Other	-	-	3 593	6 423
TOTAL REVENUES	<u>5 537</u>	<u>-</u>	<u>3 593</u>	<u>478 428</u>
Expenditures:				
Public safety	-	-	-	5 976
Community services	-	-	-	210 963
Streets and drainage	-	1 296 647	-	1 296 647
Debt service	-	-	-	28 223
TOTAL EXPENDITURES	<u>-</u>	<u>1 296 647</u>	<u>-</u>	<u>1 541 809</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5 537</u>	<u>(1 296 647)</u>	<u>3 593</u>	<u>(1 063 381)</u>
Other Financing Sources (Uses):				
Interest	1 076	-	1 149	69 765
Operating transfers in	-	1 296 647	-	1 326 207
Operating transfers (out)	-	-	-	(110 000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1 076</u>	<u>1 296 647</u>	<u>1 149</u>	<u>1 285 972</u>
NET CHANGE IN FUND BALANCE	6 613	-	4 742	222 591
Fund balance, beginning of year	<u>17 200</u>	<u>-</u>	<u>18 968</u>	<u>1 249 208</u>
FUND BALANCE, END OF YEAR	<u>\$ 23 813</u>	<u>\$ -</u>	<u>\$ 23 710</u>	<u>\$ 1 471 799</u>

See independent auditor's report.

CITY OF CENTER, TEXAS
SCHEDULE OF REVENUES - PROPRIETARY FUNDS
Year Ended September 30, 2024

	BUSINESS TYPE ACTIVITIES		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
	Operating Revenues:		
Charges for Service:			
Water charges	\$ 3 417 750	\$ -	\$ 3 417 750
Sewer charges	1 256 341	-	1 256 341
Sanitation charges	-	2 249 895	2 249 895
TOTAL	4 674 091	2 249 895	6 923 986
Taps and Connections:			
Water taps and connections	16 125	-	16 125
Sewer taps and connections	3 500	-	3 500
TOTAL	19 625	-	19 625
Miscellaneous Revenue:			
Administrative fees	6 120	-	6 120
Penalties	60 558	-	60 558
Reconnection fees	27 168	-	27 168
Miscellaneous receipts	165 836	794	166 630
TOTAL	259 682	794	260 476
TOTAL OPERATING REVENUES	\$ 4 953 398	\$ 2 250 689	\$ 7 204 087
Nonoperating Revenues:			
Grants and contributions	\$ 120 392	\$ -	\$ 120 392
Other revenue	597	-	597
Income from investments	115 528	29 334	144 862
TOTAL NONOPERATING REVENUES	\$ 236 517	\$ 29 334	\$ 265 851

See independent auditor's report.

CITY OF CENTER, TEXAS
SCHEDULE OF EXPENSES - PROPRIETARY FUNDS
Year Ended September 30, 2024

	BUSINESS TYPE ACTIVITIES		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
Operating Expenses:			
Nondepartmental:			
Supplies	\$ 21 793	\$ -	\$ 21 793
Contractual services	36 416	-	36 416
Sundry charges	61 044	-	61 044
Utilities	136 168	-	136 168
Capital outlay	166 150	-	166 150
TOTAL	<u>421 571</u>	<u>-</u>	<u>421 571</u>
Public Works:			
Payroll	235 996	-	235 996
Supplies	6 712	-	6 712
Contractual services	65 863	-	65 863
Utilities	9 789	-	9 789
Sundry charges	2 758	-	2 758
Maintenance	29 025	-	29 025
TOTAL	<u>350 143</u>	<u>-</u>	<u>350 143</u>
Water Production:			
Payroll	524 194	-	524 194
Supplies	555 787	-	555 787
Contractual services	149 551	-	149 551
Utilities	267 782	-	267 782
Sundry charges	10 723	-	10 723
Maintenance	91 458	-	91 458
Capital outlay	374	-	374
TOTAL	<u>1 599 869</u>	<u>-</u>	<u>1 599 869</u>
Water Distribution:			
Payroll	211 721	-	211 721
Supplies	9 190	-	9 190
Contractual services	41 010	-	41 010
Utilities	2 018	-	2 018
Sundry charges	1 393	-	1 393
Maintenance	15 920	-	15 920
Capital outlay	3 391	-	3 391
TOTAL	<u>284 643</u>	<u>-</u>	<u>284 643</u>
Sewer Collection:			
Payroll	148 907	-	148 907
Supplies	5 188	-	5 188
Contractual services	53 058	-	53 058
Utilities	40 620	-	40 620
Sundry charges	358	-	358
Maintenance	60 105	-	60 105
TOTAL	<u>308 236</u>	<u>-</u>	<u>308 236</u>
Sewer Treatment:			
Payroll	250 804	-	250 804
Supplies	180 814	-	180 814
Contractual services	195 110	-	195 110
Utilities	120 791	-	120 791
Sundry charges	18 814	-	18 814
Maintenance	61 746	-	61 746
TOTAL	<u>828 079</u>	<u>-</u>	<u>828 079</u>
Sanitation:			
Supplies	-	392	392
Contractual services	-	1 974 314	1 974 314
Sundry charges	-	(43)	(43)
TOTAL	<u>-</u>	<u>1 974 663</u>	<u>1 974 663</u>
Depreciation:			
Depreciation	656 598	-	656 598
TOTAL OPERATING EXPENSES	<u>\$ 4 449 139</u>	<u>\$ 1 974 663</u>	<u>\$ 6 423 802</u>
Nonoperating Expense:			
Interest expense	\$ 31 899	\$ -	\$ 31 899
TOTAL NONOPERATING EXPENSE	<u>\$ 31 899</u>	<u>\$ -</u>	<u>\$ 31 899</u>

See independent auditor's report.

CITY OF CENTER, TEXAS
 COMBINED COMPONENT UNITS
 STATEMENT OF NET POSITION
 Year Ended September 30, 2024

	ECONOMIC DEVELOPMENT CORPORATION	STREET IMPROVEMENT ECONOMIC DEVELOPMENT CORPORATION	LOCAL GOVERNMENT HOUSING CORPORATION	TOTAL COMPONENT UNITS
ASSETS				
Cash	\$ 1 281	\$ 1 100	\$ 49 161	\$ 51 542
Investments	571 073	1 601 167	-	2 172 240
Due from state	43 847	87 690	-	131 537
Notes receivable	169 254	-	-	169 254
Accrued interest receivable	3 042	-	-	3 042
Land	289 530	-	-	289 530
TOTAL ASSETS	\$ <u>1 078 027</u>	\$ <u>1 689 957</u>	\$ <u>49 161</u>	\$ <u>2 817 145</u>
NET POSITION				
Net investment in capital assets	\$ 289 530	\$ -	\$ -	\$ 289 530
Unrestricted	788 497	1 689 957	49 161	2 527 615
TOTAL NET POSITION	\$ <u>1 078 027</u>	\$ <u>1 689 957</u>	\$ <u>49 161</u>	\$ <u>2 817 145</u>

See independent auditor's report.

CITY OF CENTER, TEXAS
 COMBINED COMPONENT UNITS
 STATEMENT OF ACTIVITIES
 Year Ended September 30, 2024

	ECONOMIC DEVELOPMENT CORPORATION	STREET IMPROVEMENT ECONOMIC DEVELOPMENT CORPORATION	LOCAL GOVERNMENT HOUSING CORPORATION	TOTAL COMPONENT UNITS
Revenues:				
Sales tax	\$ 531 872	\$ 1 063 741	\$ -	\$ 1 595 613
Miscellaneous	-	-	12 500	12 500
TOTAL REVENUES	531 872	1 063 741	12 500	1 608 113
Expenditures:				
Administration	30 000	30 000	-	60 000
Contractual	6 900	4 425	3 040	14 365
Sundry	1 855	72	-	1 927
Incentives and projects	2 398 850	-	-	2 398 850
TOTAL EXPENDITURES	2 437 605	34 497	3 040	2 475 142
NET OPERATING INCOME (LOSS)	(1 905 733)	1 029 244	9 460	(867 029)
Other Financing Sources (Uses):				
Interest income	81 625	93 724	848	176 197
TIF loan interest income	4 588	-	-	4 588
Transfer (to) from City	-	(1 296 647)	-	(1 296 647)
TOTAL OTHER FINANCING SOURCES (USES)	86 213	(1 202 923)	848	(1 115 862)
CHANGE IN NET POSITION	(1 819 520)	(173 679)	10 308	(1 982 891)
Fund Balance/Net Position:				
Beginning of year	2 897 547	1 863 636	38 853	4 800 036
END OF YEAR	\$ 1 078 027	\$ 1 689 957	\$ 49 161	\$ 2 817 145

See independent auditor's report.

STATISTICAL SECTION

CITY OF CENTER, TEXAS
INSURANCE COVERAGE
September 30, 2024
"UNAUDITED"

INSURER	RISK COVERED	PERIOD COVERED	AMOUNT OF INSURANCE
Texas Municipal League	Law Enforcement Liability	* 10/01/23 to 10/01/24	\$ 1 000 000
Texas Municipal League	Public Officials (Excess Coverage)	* 10/01/23 to 10/01/24	\$ 100 000
Deep East Texas Self Insurance Fund	Worker's Compensation	* 10/01/23 to 10/01/24	Statutory
Texas Municipal League	Real and Personal Property	* 10/01/23 to 10/01/24	\$ 18 139 672
Texas Municipal League	General Liability	* 10/01/23 to 10/01/24	\$ 1 000 000
Texas Municipal League	Airport Liability	* 10/01/23 to 10/01/24	\$ 1 000 000
Texas Municipal League	Mobile Equipment	* 10/01/23 to 10/01/24	\$ 277 482
Texas Municipal League	Automobile Liability	* 10/01/23 to 10/01/24	\$ 1 000 000
Texas Municipal League	Auto Physical Damage	* 10/01/23 to 10/01/24	\$ Actual Cash Value
Texas Municipal League	Public Employee Dishonesty	* 10/01/23 to 10/01/24	\$ 25 000
Texas Municipal League	Errors and Omissions Liability	* 10/01/23 to 10/01/24	\$ 1 000 000
Texas Municipal League	Sudden Events Involving Pollution	* 10/01/23 to 10/01/24	\$ 1 000 000

* Renewed at 10/01/2024

CITY OF CENTER, TEXAS
WATER AND SEWER RATES AND SYSTEM CONNECTIONS
September 30, 2024
"UNAUDITED"

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

Water Rates:

A. 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				

B. 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

C. 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 1/2 of Water
Maximum	\$45.00

Commercial:

Minimum	\$18.00 plus 1/2 of Water
Maximum	None

Industrial:

Minimum	\$21.00 plus 1/2 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

CITY OF CENTER, TEXAS
WATER AND SEWER RATES AND SYSTEM CONNECTIONS - CONTINUED
September 30, 2024
"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:

1. 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

2. 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

CITY OF CENTER, TEXAS
WATER AND SEWER RATES AND SYSTEM CONNECTIONS - CONTINUED
September 30, 2024
"UNAUDITED"

PERMIT TYPE		
Building Permit and Inspections:		
Residential Construction		\$0.30 per sf for 1 st 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 st \$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

CITY OF CENTER, TEXAS
 WATER AND SEWER RATES AND SYSTEM CONNECTIONS - CONTINUED
 September 30, 2024
 "UNAUDITED"

Windham Civic Center Rental:

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

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

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 nd Rate**	Damage Deposit	Rate	2 nd Rate**	Damage Deposit
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 3rd party convenience fees.

CITY OF CENTER, TEXAS
WATER AND SEWER RATES AND SYSTEM CONNECTIONS - CONTINUED
September 30, 2024
"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

COMPLIANCE SECTION

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, 2024, 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 April 14, 2025.

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.

Lufkin, Texas
April 14, 2025


CERTIFIED PUBLIC ACCOUNTANTS