

**CITY OF CENTREVILLE
CENTREVILLE, ALABAMA**

**ANNUAL REPORT
SEPTEMBER 30, 2023**

**DON WALLACE, CPA, PC
CERTIFIED PUBLIC ACCOUNTANT
NORTHPORT, ALABAMA**

**City of Centreville
Annual Report
September 30, 2023**

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June 7, 2024

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor Mike Oakley
Members of the City Council
City of Centreville, Alabama

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Centreville, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Centreville, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, Budget Comparison Schedules, and the Schedules of Funding progress be presented to supplement the basic financial statements. Such information, although not 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. I 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 financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Don Wallace CPA

Don Wallace, CPA, PC

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ALABAMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**City of Centreville
Annual Report
September 30, 2023
Management's Discussion & Analysis**

This section of the City of Centreville's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended September 30, 2023. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Combined tax revenues and licenses increased 5% over the previous year, while utility system revenues, other than grants, decreased by 3%.
- Net Pension Liability is recorded in the Government-Wide financial statements per GASB 68. The total government liability through RSA is recorded at \$668,552, an increase of 5%. Employer contribution rates for the upcoming fiscal year are just over 10%, costing \$103,142 in 2023.
- Governmental net assets decreased by \$108,402. Business-type net assets decreased by \$94,602, including \$49,423 in utility system grants
- Combined long-term debt was \$5,187,444, down \$306,943. Net income available for debt service in the Water Works and Sewer Board of \$379,224 was 96% of the amount required under its debt service ratio.
- Total depreciation charges were \$131,299 for governmental activities, \$387,354 for utilities and \$37,744 for the park for the year.
- The City's General Fund Balance decreased \$145,391. Overall fund balances grew \$5,011.
- A total of \$995,946 in net assets are held in special revenue accounts restricted for roads, fire protection, courts, and debt service related to utilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Combining Statements for nonmajor governmental funds. The Basic Financial Statements include two types of statements that present different views of the City:

- The first two statements are "government-wide", which provide short and long-term information about the City's overall financial status.
- The remaining statements are "fund financial statements" that focus on individual parts of the government, reporting operations in more detail than the government-wide statements.

The financial statements also include Notes that explain some of the information in the report and provide further detailed data. Required Supplementary Information includes the Schedule of Funding Progress.

Government-Wide Financial Statements

Report information about the City as a whole, using methods similar to those of private-sector companies. Report Net Assets – the difference between assets and liabilities – as one way to measure financial health.

**City of Centreville
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September 30, 2023
Management's Discussion & Analysis**

Fund Financial Statements

Provide more detail about the most significant funds, not the City as a whole. Funds keep track of specific sources of funding. Some funds are required by law, others by bond covenants or resolution.

Centreville currently has Governmental and Business-Type activities reflected in its financial statements. The Governmental funds include the City's basic services, such as police and administration. Sales and Franchise taxes finance most of these activities. The Business-type activity includes the Sewer.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

A comparison of the City's assets and liabilities is shown below.

	Governmental Activities		Business-Type Activities		Total Activities	
	<u>9/30/22</u>	<u>9/30/23</u>	<u>9/30/22</u>	<u>9/30/23</u>	<u>9/30/22</u>	<u>9/30/23</u>
<u>Assets</u>						
Current	\$1,727,587	\$1,729,934	\$1,090,702	\$1,076,339	\$2,818,289	\$2,806,273
Restricted	42,837	39,673	426,908	453,409	469,745	493,082
Capital	1,322,301	1,147,227	8,931,921	8,676,582	10,254,222	9,823,809
Total Assets	<u>3,092,725</u>	<u>2,916,834</u>	<u>10,449,531</u>	<u>10,206,330</u>	<u>13,542,256</u>	<u>13,123,164</u>
<u>Liabilities</u>						
Current	291,557	263,313	339,133	398,528	630,690	661,841
Long-Term	988,576	949,331	5,070,870	4,862,876	6,059,446	5,812,207
Total Liabilities	<u>1,280,133</u>	<u>1,212,644</u>	<u>5,410,003</u>	<u>5,261,404</u>	<u>6,690,136</u>	<u>6,474,048</u>
<u>Net Assets</u>						
Investment in net capital assets	616,493	537,783	4,143,342	4,098,582	4,759,835	4,636,365
Restricted	462,641	613,043	351,702	382,903	814,343	995,946
Unrestricted	733,458	553,364	544,484	463,441	1,277,942	1,016,805
Total Net Assets	<u>1,812,592</u>	<u>1,704,190</u>	<u>5,039,528</u>	<u>4,944,926</u>	<u>6,852,120</u>	<u>6,649,116</u>

Combined net assets of the City decreased by \$203,004 to \$6,649,116. A net total of \$4,636,365 are invested in capital assets. Another \$995,946 are held in restricted funds, leaving an unrestricted balance of \$1,016,805. The net assets of Governmental activities decreased by \$108,402, while net assets of the Business-type activities decreased by \$94,602, largely due to depreciation charges.

Assets and liabilities of the Business-type activities were 95% dominated by the Water Works and Sewer Board. Net assets invested in capital assets decreased by \$430,413.

**City of Centreville
Annual Report
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Management's Discussion & Analysis**

A comparison of the changes in net assets is shown below. The prior year information was audited by a different firm, and no opinion is expressed on that data, which is presented for comparative purposes.

	Governmental Activities		Business-Type Activities		Total Activities	
Year Ended:	<u>9/30/22</u>	<u>9/30/23</u>	<u>9/30/22</u>	<u>9/30/23</u>	<u>9/30/22</u>	<u>9/30/23</u>
<u>Revenues</u>						
Taxes	\$1,121,191	\$1,154,576	\$ 0	\$ 0	\$1,121,191	\$1,154,576
Licenses & Permits	299,414	333,563	0	0	299,414	333,563
Intergovernmental Support	665,794	339,034	496,577	49,423	1,162,371	388,457
Charges for Service	309,801	465,087	1,700,997	1,694,718	2,010,798	2,159,805
Fines & Forfeitures	136,457	149,500	0	0	136,457	149,500
Rental	61,800	67,000	0	0	61,800	67,000
Donations/Other	67,728	80,892	69,999	11,541	137,727	92,433
Total Revenues	<u>2,662,185</u>	<u>2,589,652</u>	<u>2,267,573</u>	<u>1,755,682</u>	<u>4,929,758</u>	<u>4,345,334</u>
<u>Expenses</u>						
Administrative	510,625	711,063	0	0	510,625	711,063
Street	694,903	978,517	0	0	694,903	978,517
Police	735,443	673,315	0	0	735,443	673,315
Court	93,555	101,128	0	0	93,555	101,128
Culture & Recreation	8,966	172,691	37,744	37,744	46,710	210,435
Water & Sewer	0	0	1,667,772	1,812,540	1,667,772	1,812,540
Fire Protection	68,186	61,340	0	0	68,186	61,340
Total Expenditures	<u>2,111,678</u>	<u>2,698,054</u>	<u>1,705,516</u>	<u>1,850,284</u>	<u>3,817,194</u>	<u>4,548,338</u>
Changes before other items	550,507	-108,402	562,057	-94,602	1,112,564	-203,004
PPA/Equity transfers	0	0	0	0	0	0
Change in Net Assets	<u>550,507</u>	<u>-108,402</u>	<u>562,057</u>	<u>-94,602</u>	<u>1,112,564</u>	<u>-203,004</u>

The overall decrease in net assets \$203,004, as intergovernmental revenues declined to more normal levels, and expenses, including depreciation of \$556,397. Overall revenues decreased by 12%, while expenses increased by 19%. Expenses for governmental activities and business-type expenses increased. Net assets of governmental activities decreased by \$108,402, while business-type net assets decreased by \$94,602.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, the governmental funds reported a combined fund balance of \$1,541,236. Included in the year's \$5,011 increase in fund balance are \$904,525 of sales and use taxes, \$333,563 in licenses and permits and \$465,087 in sanitation service revenues. Taxes, business licenses and permits, garbage collection fees, and intergovernmental were the primary sources of revenue. Without those revenues, the City's ability to provide services such as the police, street maintenance and general administration would not be achieved.

**City of Centreville
Annual Report
September 30, 2023
Management's Discussion & Analysis**

BUDGET ANALYSIS

A comparison of budget to actual results follows.

	Budget	Actual
General Fund		
Revenues	\$ 2,236,310	\$2,311,799
Disbursements (less)	-2,121,310	-2,457,190
Net transfers	0	0
Change in fund balance	<u>115,000</u>	<u>-145,391</u>
Water & Sewer Fund		
Revenues	1,590,000	1,755,682
Expenses (less)	-1,533,300	-1,812,540
Transfers	0	0
Change in net assets	<u>56,700</u>	<u>-56,858</u>

CAPITAL ASSET ADMINISTRATION

After recording capital outlays of \$293,784, depreciation charges of \$556,397, and asset removals of \$167,800, net capital asset balances decreased to \$9,823,809. Historical property was sold for a book loss of \$137,800, subject to improvement restrictions in the future. The capital asset summary for the fiscal year ended September 30, 2023 is as follows:

	<u>9/30/22</u>	<u>9/30/21</u>
<u>Capital Assets, Net of Depreciation</u>		
Governmental Activities:		
Land	\$ 30,500	\$ 18,500
Buildings	783,462	602,594
Infrastructure	282,231	250,483
Equipment	<u>226,108</u>	<u>275,650</u>
Governmental capital assets, net	<u>1,322,301</u>	<u>1,147,227</u>
Proprietary Activities: Park		
Buildings	298,783	284,910
Improvements	45,336	39,921
Park Equipment	<u>99,193</u>	<u>80,737</u>
Park capital assets, net	<u>443,312</u>	<u>405,568</u>
Proprietary Activities: Water & Sewer		
Land & improvements	45,140	41,836
Buildings	120,012	113,377
Utility System	7,998,850	7,706,493
Machinery & equipment	<u>324,607</u>	<u>409,308</u>
Water & Sewer capital assets, net	<u>8,488,609</u>	<u>8,271,014</u>

**City of Centreville
Annual Report
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Management's Discussion & Analysis**

DEBT ADMINISTRATION

The Town had the following long-term debt for the year ended September 30, 2023.

<u>Activity</u>		<u>10-1-22</u>	<u>Additions</u>	<u>Retirements</u>	<u>9-30-23</u>
Governmental	\$	705,808	0	96,364	\$ 609,444
Business-Type		4,788,579	0	210,579	4,578,000

Total interest expense for the year was \$27,393 for governmental and \$104,992 for business-type activities.

ECONOMIC FACTORS

The City of Centreville is located off Highway 82 in Bibb County, between Tuscaloosa and Montgomery. The northern part of the county has experienced manufacturing related growth, and as the county seat, the City hopes to see future growth as a result of residential and commercial growth along the highway. The City of Centreville is a member of the Alabama League of Municipalities and participates in the Alabama Municipal Insurance Corporation. The City has approximately 1,200 utility customers, including commercial and residential, and a total population of approximately 2,700 persons.

CONTACTING THE CITY'S MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Centreville, City Clerk, 1270 Walnut Street, Centreville, AL 35042.

CITY OFFICIALS AS OF SEPTEMBER 30, 2023

Mayor:	Mike Oakley	
City Clerk:	Megan Batte	
Police Chief:	Rodney Smith	
Superintendent:	Larry Oikle	
Council:	Mike Nichols, Pro Tem	
	Don Mack	Brad Colburn
	Linda Lawrence	Diane Epperson
Water Works & Sewer Board:	Jerome Chism, Chair	
	Kent Watkins	Josh Colburn
	Linda Lawrence	Beth Downs

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**

City of Centreville
Statement of Net Assets
September 30, 2023

	Governmental Activities	Business-Type Activities	Total Government
<u>ASSETS</u>			
Current:			
Cash	\$ 1,338,074	\$ 771,659	\$ 2,109,733
General Receivables	121,238	207,269	328,507
Court Receivables, net	116,577	0	116,577
Due from other funds	122,532	59,301	181,833
Prepaid assets	<u>31,513</u>	<u>38,110</u>	<u>69,623</u>
	<u>1,729,934</u>	<u>1,076,339</u>	<u>2,806,273</u>
Noncurrent:			
Capital:			
Nondepreciable	18,500	93,309	111,809
Depreciable, net	<u>1,128,727</u>	<u>8,583,273</u>	<u>9,712,000</u>
	<u>1,147,227</u>	<u>8,676,582</u>	<u>9,823,809</u>
Other Assets: Bond investments	<u>39,673</u>	<u>453,409</u>	<u>493,082</u>
Total assets	<u>2,916,834</u>	<u>10,206,330</u>	<u>13,123,164</u>
<u>LIABILITIES</u>			
Current:			
Accounts payable	84,683	135,910	220,593
Payroll liabilities	8,567	13,191	21,758
Accrued absences	36,147	17,891	54,038
Accrued interest payable	0	32,536	32,536
Due to other funds	59,301	0	59,301
Current portion of long-term debt	<u>74,615</u>	<u>199,000</u>	<u>273,615</u>
	<u>263,313</u>	<u>398,528</u>	<u>661,841</u>
Noncurrent:			
Customer meter deposits	0	39,057	39,057
RSA pension liability, net	414,502	254,050	668,552
Bond premium, unamortized	0	190,769	190,769
Long-term debt	<u>534,829</u>	<u>4,379,000</u>	<u>4,913,829</u>
	<u>949,331</u>	<u>4,862,876</u>	<u>5,812,207</u>
Total liabilities	<u>1,212,644</u>	<u>5,261,404</u>	<u>6,474,048</u>
<u>NET ASSETS</u>			
Investment in net capital assets	537,783	4,098,582	4,636,365
Restricted for:			
Capital projects	98,467	0	98,467
Road & bridge	329,763	0	329,763
Fire protection	54,612	0	54,612
Other restricted	130,201	382,903	513,104
Unrestricted (deficit)	<u>553,364</u>	<u>463,441</u>	<u>1,016,805</u>
Total net assets	<u>1,704,190</u>	<u>4,944,926</u>	<u>6,649,116</u>

City of Centreville
Statement of Activities
Year Ended September 30, 2023

<u>FUNCTION/PROGRAM</u>	<u>PROGRAM REVENUES</u>				<u>Net Revenue (Expense)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	
Governmental activities:					
Administration	\$ 711,063	\$ 67,000	\$ 12,600	\$ 0	\$ -631,463
Street	978,517	465,087	35,008	63,453	-414,969
Police	673,315	98,507	37,620	0	-537,188
Court	101,128	50,993	0	0	-50,135
Culture & recreation	172,691	31,075	0	0	-141,616
Fire protection	61,340	9,926	42,780	0	-8,634
Total governmental	<u>2,698,054</u>	<u>722,588</u>	<u>128,008</u>	<u>63,453</u>	<u>-1,784,005</u>
Business-type activities:					
Water Works & Sewer	1,812,540	1,694,718	0	49,423	-68,399
Park & recreation	37,744	0	0	0	-37,744
Total business-type	<u>1,850,284</u>	<u>1,694,718</u>	<u>0</u>	<u>49,423</u>	<u>-106,143</u>
Government-wide	<u>4,548,338</u>	<u>2,417,306</u>	<u>128,008</u>	<u>112,876</u>	<u>-1,890,148</u>
		Governmental Activities	Business-Type Activities	Total	
Net program revenue		<u>\$ -1,784,005</u>	<u>-106,143</u>	<u>-1,890,148</u>	
<u>GENERAL REVENUES</u>					
Taxes:					
Sales & use		904,525	0	904,525	
Ad valorem		115,773	0	115,773	
Gasoline		73,140	0	73,140	
Other taxes		61,138	0	61,138	
Business licenses & permits		333,563	0	333,563	
Intergovernmental:					
TVA distribution		57,918	0	57,918	
Other distributions		25,477	0	25,477	
Financial excise		36,022	0	36,022	
Capital grant		28,156	0	28,156	
Miscellaneous		<u>39,891</u>	<u>11,541</u>	<u>51,432</u>	
Total general revenues		<u>1,675,603</u>	<u>11,541</u>	<u>1,687,144</u>	
Change in net assets		-108,402	-94,602	-203,004	
Prior Period Adjustment		0	0	0	
Beginning net assets		<u>1,812,592</u>	<u>5,039,528</u>	<u>6,852,120</u>	
Ending net assets		<u>1,704,190</u>	<u>4,944,926</u>	<u>6,649,116</u>	

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

FUND
FINANCIAL STATEMENTS

**City of Centreville
Governmental Funds
Balance Sheet
September 30, 2023**

	General Fund	Fire Dept. Fund	Nonmajor Funds	Total Governmental
<u>ASSETS</u>				
Cash	\$ 522,538	\$ 56,809	\$ 455,142	\$ 1,034,489
Cash – ARPA	192,478	0	0	192,478
Cash – court funds	16,641	0	94,466	111,107
Due from other funds	122,532	0	0	122,532
General receivables	112,415	0	8,823	121,238
Court receivables, net	116,577	0	0	116,577
Prepaid expenses	31,513	0	0	31,513
Total assets	<u>1,114,694</u>	<u>56,809</u>	<u>558,431</u>	<u>1,729,934</u>
<u>LIABILITIES</u>				
Accounts payable	73,153	2,197	0	75,350
Court payables	9,333	0	0	9,333
Payroll liabilities	8,567	0	0	8,567
Accrued absences	36,147	0	0	36,147
Due to other funds	59,301	0	0	59,301
Total liabilities	<u>186,501</u>	<u>2,197</u>	<u>0</u>	<u>188,698</u>
<u>FUND BALANCE</u>				
Non-Spendable	31,513	0	0	31,513
Restricted	0	54,612	558,431	613,043
Unrestricted:				
Assigned	0	0	0	0
Unassigned	896,680	0	0	896,680
Total fund balance	<u>928,193</u>	<u>54,612</u>	<u>558,431</u>	<u>1,541,236</u>

City of Centreville
Governmental Funds
Statement of Revenues, Expenditures & Change in Fund Balance
Year Ended September 30, 2023

	General Fund	Fire Dept. Fund	Nonmajor Funds	Total Governmental
<u>REVENUES</u>				
Taxes	\$ 1,154,576	\$ 0	\$ 0	\$ 1,154,576
Licenses & franchises	333,563	0	0	333,563
Charges for services	465,057	9,889	0	474,946
Intergovernmental support	169,667	42,780	134,187	346,634
Fines & forfeitures	98,507	0	42,874	141,381
Other	90,429	37	31,913	122,379
Total revenues	<u>2,311,799</u>	<u>52,706</u>	<u>208,974</u>	<u>2,573,479</u>
<u>EXPENDITURES</u>				
Administration	770,418	0	19,025	789,443
Street	970,549	0	8,550	979,099
Police	618,007	0	16,765	634,772
Court	77,432	0	31,838	109,270
Culture & recreation	3,000	0	251	3,251
Fire protection	17,784	34,849	0	52,633
Total expenditures	<u>2,457,190</u>	<u>34,849</u>	<u>76,429</u>	<u>2,568,468</u>
Changes before transfers	-145,391	17,857	132,545	5,011
Transfers from (to) other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in fund balance	-145,391	17,857	132,545	5,011
Beginning fund balance	1,073,584	36,755	425,886	1,536,225
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending fund balance	<u>928,193</u>	<u>54,612</u>	<u>558,431</u>	<u>1,541,236</u>

City of Centreville
Reconciliation of Fund Balance and Net Assets
Year Ended September 30, 2023

Governmental Fund Balance- September 30, 2023	\$ 1,541,236
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$2,645,124	1,147,227
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Net Pension Liability and related Deferred Inflows and Outflows	-414,502
---	----------

Long-term liabilities and accrued interest are not due and payable in the current period and therefore are not reported in the funds: This is the amount of long-term liabilities, net of discounts/costs	<u>-569,771</u>
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Net Assets of Governmental Activities	<u>1,704,190</u>
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City of Centreville
Reconciliation of the Statement of Revenues, Expenditures &
Change in Fund Balance to the Statement of Activities
Year Ended September 30, 2023

Change in fund balances – total governmental funds \$ 5,011

Governmental funds report payments on long-term debt as expenditures, rather than decreases in liabilities and interest expense in the Statement of Activities. This is the amount of principal payments on long-term debt during the year, including changes in bond costs, discounts. 93,200

Basis of assets sold during the year. Proceeds from sale of property are recorded as resources in the funds, rather than as gain or loss on sale of assets. -167,800

Changes in net RSA actuarial valuation -31,539

Amounts reported for governmental activities in the Statement of Activities are different because governmental funds report capital outlays as expenditures, rather than as depreciated in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation of \$131,299 in the current year, -7,274

Changes in net assets – governmental activities -108,402

Reconciliation of Fund Disbursements to Program Expenses:

	Admin	Street	Police	Court	Fire Depart	Cultural & Rec	TOTAL
Disbursements	789,443	979,099	634,772	109,270	68,806	3,251	2,584,641
Add: Depreciation	14,571	54,733	37,369	1,718	21,268	1,640	131,299
Add: NPL changes	7,885	7,885	15,770	0	0	0	31,539
Add: Loss on disposal	0	0	0	0	0	167,800	167,800
Less: Debt Reduction	-65,000	-28,200	0	0	0	0	-93,200
Less: Capital assets	-35,835	-35,000	-14,596	-9,860	-28,734	0	-124,025
Program Expenses	<u>711,063</u>	<u>978,517</u>	<u>673,315</u>	<u>101,128</u>	<u>61,340</u>	<u>172,691</u>	<u>2,698,054</u>

**City of Centreville
Proprietary Funds
Combining Balance Sheet
September 30, 2023**

<u>ASSETS</u>	<u>Water Works & Sewer</u>	<u>Park & Recreation</u>	<u>Total</u>
Current Assets:			
Cash- unrestricted	\$ 680,135	\$ 16	\$680,151
Receivables - net	207,269	0	207,269
Due from City	59,301	0	59,301
Prepaid expenses & inventory	38,110	0	38,110
Total Current Assets	984,815	16	984,831
Restricted Assets:			
Cash- restricted for deposits	91,508	0	91,508
Capital Assets:			
Nondepreciable	93,309	0	93,309
Depreciable, net	8,177,705	405,568	8,583,273
Total Capital Assets	8,271,014	405,568	8,676,582
Other Assets:			
Unamortized bond discounts	70,506	0	70,506
Bond investments	382,903	0	382,903
Total Other Assets	453,409	0	453,409
Total Assets	9,800,746	405,584	10,206,330
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	135,910	0	135,910
Payroll liabilities	13,191	0	13,191
Accrued absences	17,891	0	17,891
Accrued interest	32,536	0	32,536
Current portion of long-term debt	199,000	0	199,000
Total Current Liabilities	398,528	0	398,528
Noncurrent Liabilities:			
Customer deposits	39,057	0	39,057
Bond premium, net	190,769	0	190,769
RSA Pension Liability, net	254,050	0	254,050
Bonds/Notes payable, long-term portion	4,379,000	0	4,379,000
Total Noncurrent Liabilities	4,862,876	0	4,862,876
Total Liabilities	5,261,404	0	5,261,404
<u>NET ASSETS</u>			
Investment in net capital assets	3,693,014	405,568	4,098,582
Restricted	382,903	0	382,903
Unrestricted	463,425	16	463,441
Total Net Assets	4,539,342	405,584	4,944,926

City of Centreville
Proprietary Funds
Combining Statement of Revenues, Expenses & Changes in Net Assets
Year Ended September 30, 2023

	<u>Water & Sewer Board</u>	<u>Park & Recreation</u>	<u>Total</u>
<u>OPERATING REVENUES</u>			
Charges for Services:			
Water	\$ 1,285,055	\$ 0	\$ 1,285,055
Sewer	313,512	0	313,512
Other fees	76,453	0	76,453
Miscellaneous/Donations	19,698	0	19,698
<u>TOTAL OPERATING REVENUES</u>	<u>1,694,718</u>	<u>0</u>	<u>1,694,718</u>
<u>OPERATING EXPENSES</u>			
Payroll & benefits	471,200	0	471,200
Health insurance	112,015	0	112,015
System repairs & maintenance	99,495	0	99,495
Lagoon repairs and operations	63,277	0	63,277
Materials & supplies	165,405	0	165,405
Utilities	135,119	0	135,119
Insurance	65,854	0	65,854
Fuel, oil & truck expenses	89,990	0	89,990
Office supplies & postage	19,524	0	19,524
Legal & accounting	18,279	0	18,279
Telephone & pager	16,257	0	16,257
Professional fees	26,239	0	26,239
Depreciation & amortization	387,354	37,744	425,098
Building expense	5,320	0	5,320
Dues & subscription expense	7,287	0	7,287
Other operating expense	20,233	0	20,233
Total Operating Expenses	<u>1,702,848</u>	<u>37,744</u>	<u>1,740,592</u>
 Operating Income (Loss)	 <u>-8,130</u>	 <u>-37,744</u>	 <u>-45,874</u>
<u>NONOPERATING ITEMS</u>			
USDA Grant	49,423	0	49,423
Interest income	10,283	0	10,283
Amortization expense	-4,700	0	-4,700
RSA actuarial credit (costs)	1,258	0	1,258
Interest expense	-104,992	0	-104,992
Net Non-operating Items	<u>-48,728</u>	<u>0</u>	<u>-48,728</u>
 Change in Net Assets	 -56,858	 -37,744	 -94,602
Beginning Net Assets	4,596,200	443,328	5,039,528
Ending Net Assets	<u>4,539,342</u>	<u>405,584</u>	<u>4,944,926</u>

**City of Centreville
Proprietary Funds
Combining Statement of Cash Flows
Year Ended September 30, 2023**

	<u>Water & Sewer Board</u>	<u>Park & Recreation</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING</u>			
Receipts from Customers/User Fees	\$ 1,656,044	\$ 0	\$ 1,656,044
Other receipts	19,698	0	19,698
Payments:			
Personnel costs	-567,887	0	-567,887
Utilities & telephone	-151,376	0	-151,376
System maintenance & operations	-146,672	0	-146,672
Insurance	-62,782	0	-62,782
Materials & supplies	-175,921	0	-175,921
Fuel & truck	-89,900	0	-89,900
Professional & Other	-49,044	0	-49,044
Net cash provided (used) by operations	381,160	0	381,160
<u>CASH FLOWS FROM CAPITAL & RELATED FINANCING</u>			
Proceeds from USDA Grant	49,428	0	49,428
Purchase of equipment/system assets	-169,759	0	-169,759
Proceeds from construction loan/grant	21,026	0	21,026
Principal payments on long-term debt	-231,605	0	-231,605
Interest paid on long-term debt	-125,999	0	-125,999
Net cash used by capital & related financing	-456,909	0	-456,909
<u>CASH FLOWS FROM INVESTING</u>			
Interest Income	10,283	0	10,283
<u>CASH FLOWS FROM OTHER FINANCING</u>			
Changes in due from other funds	46,173	0	46,173
Transfers from (to) Other Funds	0	0	0
Net cash provided (used) by financing	46,173	0	46,173
Net Increase (Decrease) in cash	-19,293	0	-19,293
Beginning Cash Balance	790,936	16	790,952
Ending Cash Balance	771,643	16	771,659
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATIONS</u>			
Operating Income	-8,130	-37,744	-45,874
Depreciation	387,354	37,744	425,098
Changes in operating assets/liabilities			
Receivables	-20,926	0	-20,926
Prepaid assets	-10,516	0	-10,516
Payroll liabilities	15,328	0	15,328
Accounts payable	16,100	0	16,100
Customer meter deposits	1,950	0	1,950
Net Cash Flows From Operations	381,160	0	381,160

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

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. These principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity is comprised of the following in accordance with financial accountability defined by the GASB:

Primary Government:	City of Centreville
Blended Component Units:	Water Works and Sewer Board Park and Recreation Board

The City is a municipality that operates under a Mayor-Council form of government, with a five-member City Council. The primary government financial statements presented in this report include the Water Works and Sewer Board, which also issues a separate audit report for its specified activities.

1.B BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures. Funds of the City consist of governmental funds, with an emphasis placed on major funds, and a proprietary fund for sewer service. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The funds of the City are described below:

General Fund – the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally required to be accounted for in other funds.

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for certain purposes.

Proprietary Fund – is used to account for the activities of the water and sewer service provided to the citizens of the City, and the municipal ball park that is operated by a nonprofit entity.

Governmental Funds

General	See above for description
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Special Revenue Funds:

Volunteer Fire Department	City's volunteer fire department, including funds received through Bibb County, federal or state grants.
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Street 7-cent Gas Tax	Accounts for revenues from the State of Alabama 7¢ gas excise tax and related expenditures for street repairs, maintenance and utilities.
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Street 4-cent Gas Tax Accounts for revenues from the State of Alabama 4¢ and 5¢ gas excise taxes and related expenditures for street improvements.

Capital Improve. Fund	Accounts for revenues from the State of Alabama Oil and Gas Windfall Trust funds and related expenditures for capital purposes.
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Corrections, etc	Accounts for court fines designated for municipal court operations, training, or other law enforcement concerns.
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Proprietary Funds

Enterprise Funds:

Water Works & Sewer Accounts for the operations of the City's water and sewer system.

Park & Recreation	Accounts for leasing operations of the City's ball park.
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1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are included on their balance sheets. Their operating statements present sources and uses of available expendable financial resources in a given period. These funds use fund balance as their measure of resources.
- b. The proprietary funds utilize the “economic resources” measurement focus. Also referred to as enterprise funds, they report assets, liabilities, and results of operations in a manner consistent with “for profit” business activities, including the depreciation of fixed assets.

Basis of Accounting

In the government-wide statements activities are presented using the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this method, revenues are recognized when “measurable and available”. Expenditures (including capital outlays) are recorded when the related fund liability is incurred. Proprietary funds are presented using the accrual basis of accounting.

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.

1.D. ASSETS, LIABILITIES, AND EQUITY

Cash & Investments

For the purpose of the Statement of Net Assets, cash includes all demand, savings, and certificates of deposit of the City with an original maturity of three months or less. Investments are carried at fair value, based on quoted market price.

Fixed Assets

The City has adopted a fixed asset capitalization policy for the purpose of depreciating acquisition of assets with a cost of \$1,500 or more. Assets are depreciated over their estimated useful life, using the straight-line method. Repairs that significantly extend the useful lives of assets are capitalized in the fixed asset section of the financial statements. General capital assets are initially recorded as expenditures in the governmental funds. Those assets are capitalized and depreciated in the government-wide statements, in the same manner as proprietary funds.

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

Estimated useful lives are as follows:

Buildings	40 years
Utility Systems & Infrastructure	40-50 years
Improvements	10-15 years
Machinery & Equipment	5-10 years
Furniture & Fixtures	5-7 years

Interfund Receivables & Payables

Those transactions that occur between individual funds that may result in amounts owed between funds are classified as “due to and from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Equity Classifications - Government-Wide Statements

Equity is classified as net assets and displayed in 3 components:

- a. Invested in capital assets, net of related debt.
- b. Restricted net assets – those with constraints placed on the use either by (1) external groups such as grantors, creditors, or laws and regulations, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets”.
- d. Fund Statements
- e. Governmental fund equity is classified as fund balance. Fund balance is further classified as Non-spendable, Restricted and Unrestricted in accordance with GASB 54. Unrestricted is further divided into Committed, Assigned and Unassigned per GASB 54. Proprietary fund equity is presented as retained earnings.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

Key components of the Statement of Activities in the Government-wide financial statements include governmental programs such as administration, police & court, street & highway, senior and park programs, and proprietary activities of the sewer system.

Revenue Recognition

Governmental fund revenues are recognized as being available within 60 days in the governmental funds financial statements. Significant categories of governmental revenues include sales and property tax, franchise/business licenses, court fines and sanitation fees. Proprietary funds account for operations that are primarily financed by user charges. Those revenues are recognized when earned.

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

Contracts with Customers

The Board records water revenue from contracts with customers in accordance with ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The Board must identify the contract with the customer, identify the performance obligations, determine the price, allocate the transaction price to the performance obligations and recognize revenue when the Town satisfies the obligation, or as it is earned.

The Board has evaluated the nature of its contracts with customers and determined that further disaggregation of revenue from contracts with customers into more granular categories beyond what is presented in the Statements of Net Position and Revenues, Expenses and Changes in Net Position was not necessary. The Board generally satisfies its obligations on its contracts with customers as services are rendered and transaction prices are fixed. The Board has made no significant judgements in applying the revenue guidance prescribed in ASC 606 that affect the determination of the amount and timing of revenue from contracts with customers.

Expenditure Recognition

Governmental funds focus on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Long-term debt expenses are recognized when paid, while depreciation is not recognized in the governmental funds. Proprietary expenses are recognized when incurred. In the government-wide statements, expenses are classified by function for governmental or business-type activities. In the fund financial statements, expenditures are classified by character (function, debt service or capital outlay) for governmental funds, and by Operating and Non-Operating for proprietary funds.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government, the City is subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with laws and demonstration of stewardship over resources is as follows:

2.A. FUND ACCOUNTING REQUIREMENTS

The City complies with all state and local laws requiring the use of separate funds, including the following:

State Gasoline Excise Tax Funds	Required by State of Alabama
Capital Improvement Fund	Required by State of Alabama
Corrections & related funds	Required by State of Alabama

2.B. BUDGETS AND APPROPRIATIONS

Under laws of the State of Alabama, the City is required to adopt a budget for all major funds. Budgets have been adopted for fiscal year 2023 and are presented for the combined General and Sales Tax funds.

City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023

2.C. SPENDING POLICY & LIQUIDITY

The City would typically use restricted fund balances first, followed by committed or assigned resources. The City reserves the right to selectively spend unassigned resources first to defer the use of other classified funds.

The City and its utility system strive to keep a three-month operating reserve based upon cash to expenditures. Both areas of City government were in excess of such a reserve. The City continues to monitor its revenue and results of operations to comply with state laws, bond covenants and to maintain financial stability.

2.D. SUBSEQUENT REVIEW

Management has evaluated events and transactions that have occurred between September 30, 2023 and June 7, 2023, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3: DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

3.A. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023:

	10/1/22	Additions	Disposals	9/30/23
<u>GOVERNMENTAL ACTIVITIES</u>				
Land	\$ 30,500	\$ 0	\$ 12,000	\$ 18,500
Buildings	1,605,522	0	155,800	1,449,722
Infrastructure	824,924	0	0	824,924
Furniture & equipment	1,375,180	124,025	0	1,499,205
Total, at historical cost	<u>3,836,126</u>	<u>124,025</u>	<u>167,800</u>	<u>3,792,351</u>
Accumulated Depreciation:				
Buildings	822,060	25,068	0	847,128
Infrastructure	542,693	31,748	0	574,441
Furniture & equipment	1,149,072	74,483	0	1,223,555
Total Depreciation	<u>2,513,825</u>	<u>131,299</u>	<u>0</u>	<u>2,645,124</u>
Governmental Capital Assets, net	<u>1,322,301</u>	<u>-7,274</u>	<u>-167,800</u>	<u>1,147,227</u>

Depreciation expense charged to governmental activities was allocated as follows:

Administration	\$ 14,571
Street	54,733
Police	37,369
Court	1,718
Park	508
Historical/Cultural	1,132
Fire protection	21,268
Total depreciation expense	<u>131,299</u>

City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023

PROPRIETARY ACTIVITY:

PARK & RECREATION:

	10/1/22	Additions	Disposals	9/30/23
Buildings	\$ 416,183	\$ 0	\$ 0	\$ 416,183
Improvements	93,223	0	0	93,223
Park equipment	262,302	0	0	262,302
Total, at historical cost	771,708	0	0	771,708
Accumulated Depreciation:				
Buildings	117,400	13,873	0	131,273
Improvements	47,887	5,415	0	53,302
Park equipment	163,109	18,456	0	181,565
Total Depreciation	328,396	37,744	0	366,140
Proprietary Capital Assets, net	443,312	-37,744	0	405,568

WATER WORKS AND SEWER BOARD:

	10/1/22	Additions	Disposals	9/30/23
Land and improvements	\$ 93,309	\$ 0	\$ 0	\$ 93,309
Building	200,742	0	0	200,742
Utility system - Water	7,064,153	50,935	0	7,115,088
Utility system - Sewer	7,895,260	0	0	7,895,260
Machinery and vehicles	718,630	118,824	0	837,454
Furniture and equipment	77,380	0	0	77,380
Totals, at historical cost	16,049,474	169,759	0	16,219,233
Less: Accumulated depreciation	7,560,865	387,354	0	7,948,219
Net fixed assets	8,488,609	-217,595	0	8,271,014

3.B. LONG-TERM DEBT AS OF SEPTEMBER 30, 2023

Governmental Activities

Trustmark National Bank, note payable, \$1,308/month, with interest at 4.67%, final payment due 11-15-2023	\$ 3,831
First US Bank, note payable, \$977/month, with interest at 3.6% for 60 months, final payment due 6-15-2026	30,613
Regions Bank, bonds payable, \$7,348 maximum per month, including interest of 1.75-3.6%, final payment due 4-1-2031	575,000
Total Debt	609,444
Less: Current portion	-74,615
Long-Term Debt	534,829

Interest paid for the year was \$27,393.

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

Future expected principal payments are expected to be as follows:

	<u>Principal</u>	<u>Interest</u>
September 30, 2024	\$ 74,615	\$ 21,671
September 30, 2025	76,178	17,472
September 30, 2026	78,651	15,123
September 30, 2027	70,000	12,892
September 30, 2028	75,000	10,618
September 30, 2029	80,000	8,180
September 30, 2030	75,000	5,580
September 30, 2031	<u>80,000</u>	<u>2,880</u>
Total	<u>609,444</u>	<u>94,416</u>

Proprietary Activities: Water Works and Sewer Board

Series 2019 Bonds Payable – Bank of New York
Original issue of \$3,045,000, with interest payable
semi-annually on May 1 and Nov 1, with interest
from 3-4%, maximum debt service \$229,900 \$2,670,000

State Revolving Fund – ADWFA
Original issue of \$1,405,000, less debt forgiveness of
\$350,000, with interest payable semi-annually on
February 15 and August 15 at 2.25%, maximum debt
service of \$67,925 690,000

USDA Bonds Payable – Series 2022
\$1,237,000 Water & Sewer Revenue Bond
with 2.375% interest, principal and interest due
annually on January 1. Final payment 1-1-2062 1,218,000
Total Bonds and Notes 4,578,000
Less: Current Portion -199,000
Long-term debt 4,379,000

City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023

Future expected principal payments are expected to be as follows:

	<u>USDA 2023</u>	<u>SRF Loan</u>	<u>Series 2019 Bond</u>
September 30, 2024	19,000	50,000	130,000
September 30, 2025	20,000	50,000	140,000
September 30, 2026	20,000	55,000	150,000
September 30, 2027	21,000	55,000	150,000
September 30, 2028	21,000	55,000	160,000
September 30, 2029	22,000	55,000	165,000
September 30, 2030	22,000	60,000	170,000
September 30, 2031	23,000	60,000	180,000
September 30, 2032	23,000	60,000	190,000
September 30, 2033	24,000	60,000	190,000
September 30, 2034	24,000	65,000	195,000
September 30, 2035	25,000	65,000	205,000
September 30, 2036	26,000	0	210,000
September 30, 2037	26,000	0	215,000
September 30, 2038	27,000	0	220,000
Thereafter	<u>975,000</u>	<u>0</u>	<u>0</u>
TOTALS	<u>1,218,000</u>	<u>690,000</u>	<u>2,670,000</u>

Interest expense is estimated to be \$122,000-\$102,000 for the next five years. Interest payments are due monthly and semi-annually as required. Total interest expense for the year was \$104,992 and accrued interest was \$32,536.

Unamortized Loan Costs Asset/Debt Service Ratio

Unamortized bond discounts related to the Series 2019 bonds were valued at \$70,506 at yearend and are shown on the Statement of Financial Position as an Other Asset. Bond Premiums related to the issuance of the 2019 bonds were \$190,769, which will be amortized in future periods against interest expense and are recorded as an Other Long-Term Liability.

Pursuant to the Series 2019 Bond/SRF Agreements, the Utilities Board must maintain net operating income plus depreciation and interest expense in an amount equal to or greater than maximum debt service. The Board's 2023 adjusted net income of \$379,224 is 96% of the maximum debt service of \$397,000.

<u>Summary:</u>	<u>10-1-22</u>	<u>Additions</u>	<u>Repayments</u>	<u>9-30-23</u>
General Government	\$ 705,808	0	96,364	\$ 609,444
Water Works & Sewer	4,788,579	0	210,579	4,578,000

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

NOTE 4: INSURANCE

Insurance coverage for the fiscal year ended September 30, 2023, was reviewed with the City Clerk and the agent handling the insurance for the City of Centreville. The City has maintained adequate coverage for all physical properties, as well as liability and employees' insurance coverage.

NOTE 5: DEPOSITS WITH FINANCIAL INSTITUTIONS

As of September 30, 2023, the City had the deposits with First Financial Bank, First US Bank and Regions Bank. These banking institutions are participants in the Security for Alabama Funds Enhancement Program (SAFE). Under the SAFE program, funds in excess of \$100,000 are collateralized by pledging securities directly to the State Treasurer for the SAFE collateral pool. Under Section 41-14A of the Code of Alabama, both institutions are a Qualified Public Depository. This Program is mandatory for banks to hold public deposits.

NOTE 6: ALLOCATION OF EXPENSES

Expenditures in the General Fund for payroll, utilities and insurance are attributed directly to their respective departments. If necessary, some expenses may be allocated based on a percentage of payroll for the respective departments.

NOTE 7: RECEIVABLES

As of September 30, 2023, the City reflected general receivables of \$112,415 for monthly sales and other related taxes collected and remitted in the following month, which are deemed collectible in full. Additional receivables are recorded for outstanding court fines based on an estimate of 50% of total outstanding fines. Allowance for uncollectible dockets receivable is based on an estimate of receivables in excess of 36 months in arrears as follows:

Court Dockets Receivable	\$291,442
Less: Allowance for doubtful accounts	<u>-174,865</u>
Net Receivables	<u>116,577</u>

The City's Water Works and Sewer Board had the following balances in accounts receivable for services as of September 30, 2023, net of an allowance for doubtful accounts based on aging of receivables in excess of 120 days:

Accounts Receivable	\$ 405,885
Allowance for Doubtful Accounts	<u>-198,616</u>
Net Receivables	<u>207,269</u>

After adjustments, bad debt expense recognized for the year was \$19,661.

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

NOTE 8: PROPERTY TAX

Property is assessed and property taxes are collected by Bibb County. Property is assessed and property taxes attach as an enforceable lien on property as of October 1 of each fiscal year. The taxes are due and payable October 1 of the subsequent fiscal year and delinquent after January 1.

Property tax revenues are accounted for using the modified accrual basis of accounting. Tax collections received by the county tax collectors are remitted to the City on a monthly basis. All amounts remitted to the City within the bill-paying period are included in revenue. Taxes collected by the county tax collectors within the fiscal year but remitted to the City after the fiscal year-end are accrued.

NOTE 9: RETIREMENT PLAN DESCRIPTION

The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established as of October 1, 1945, under the provisions of Act 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for State employees, State police, and on an elective basis to all cities, counties, Cities and quasi-public organizations. The responsibility for general administration and operation of the ERS is vested in the Board of Control, which consists of 13 trustees. The Plan is administered by the RSA. Title 36-Chapter 27 of the Code of Alabama grants authority to establish and amend the benefit terms of the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits vest after 10 years of creditable service. Vested employees may retire with full benefits at age 60 with 10 years or more creditable service or after 25 or 30 years of service, regardless of age, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the retiree receiving payment under the method that yields the highest monthly benefit. Under the Formula method, members are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after 1-1-2013. Tier 2 members are eligible to retire after age 62 with 10 years or more creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the retiree receiving payment under the method that yields the highest monthly benefit. Under the Formula method, Tier 2 members are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

The ERS serves approximately 1,023 local participating employers. The ERS membership includes approximately 85,116 active participants as of September 30, 2023.

Contributions. Covered members of the ERS contributed 5% of earned compensation until September 30, 2011. From October 2011 through September 2012, covered members were required to contribute 7.25%, with 7.5% thereafter. Certified law enforcement members of the ERS contributed 6% of earned compensation until September 30, 2011. From October 2011 through September 2012, covered members were required to contribute 8.25%, with 8.5% thereafter. Tier 2 covered members contribute 6% by statute, while Tier 2 law enforcement officers contribute 7%.

The ERS establishes rates based upon an actuarially determined rate, necessary to finance the costs of benefits earned during the year, with additional amounts to finance unfunded pension liability, pre-retirement death benefit and administrative costs of The Plan. For the year ended September 30, 2023, the City's active employee contribution rate was 5-6% of covered payroll, and the Board's average contribution rate to cover normal and accrued liability costs was 10.14%. The Board's contractually required contribution rate for the year was 10.4% for Tier 1 employees. Total employer contributions to the pension plan from the Board were \$39,862, with an additional \$63,280 from the City for total contributions of \$103,142.

Net Pension Liability

The City's net pension liability is consolidated with the Board by the RSA, so the following statistical information presents combined data (with allocated balances to the Board noted and based on percentage of payroll for the current period). The Net pension liability was measured on September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021 rolled forward using standard roll-forward techniques as shown in the following table:

		Expected	Actual Pre-Plan Changes	Actual After Plan Changes
a.	Total Pension Liability (TPL) @ 9-30-21	\$2,614,385	\$2,650,269	\$2,652,223
b.	Discount Rate	7.45%	7.45%	7.45%
c.	Entry Age Normal Cost for FY 2022	81,406	81,406	81,489
d.	Transfers Among Employers			0
e.	Actual Benefit Paymnts & Refunds for FY 2022	-138,317	-138,317	-138,317
f.	TPL as of 9-30-22 = (a*1b)+b-(c*1.05)	\$2,747,093	<u>\$2,785,651</u>	<u>\$2,787,833</u>
g.	Difference between Expected & Actual Results		\$ 38,558	
h.	Less Liability Transfers		<u>0</u>	
i.	Experience Gain or Loss		<u>\$ 38,558</u>	
j.	Difference between Actual TPL before and after plan changes			<u>\$ 2,182</u>

City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023

Changes in Net Pension Liability Table:

Increases (Decreases)

	<u>TPL</u>	<u>Net Position</u>	<u>NPL</u>
Balances at 9-30-2021	<u>\$2,614,385</u>	<u>\$1,979,129</u>	<u>\$635,256</u>
Changes for the year:			
Service Cost	81,406		81,406
Interest	189,619		189,619
Changes in Benefit terms	2,182		2,182
Changes in Assumptions	0		0
Difference between expected and actual	38,558		38,558
Contributions – employer		79,312	-79,312
Contributions – employee		62,079	-62,079
Net investment income		-253,306	253,306
Benefit payments, including refunds	-138,317	-138,317	0
Transfers among employers	<u>0</u>	<u>0</u>	<u>0</u>
Net changes	<u>173,448</u>	<u>-250,232</u>	<u>423,680</u>
Balances at 9-30-2022	<u>\$2,787,833</u>	<u>\$1,728,897</u>	<u>\$1,058,936</u>

Discount rate. The discount rate used to measure the TPL was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will remain at their current rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS.

Sensitivity of the NPL to changes in the discount rate.

	1% decrease (6.45%)	Current % (7.45%)	1% increase (8.45%)
City's Net Pension Liability (Asset)	\$1,401,463	\$1,058,936	\$771,075

Pension Plan Fiduciary Net Position. Detailed information about the plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for FY 2023. The supporting actuarial information is included in the GASB 68 report for the ERS prepared as of September 30, 2022.

**City of Centreville
Centreville, Alabama
Notes to the Financial Statements
September 30, 2023**

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

For FY 2023, the City recognized net pension expense of \$133,404. At 9-30-2023 the City reported overall deferred outflows and deferred inflows related to pensions as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	288,225	186,322
Changes of assumptions	2,587	24,099
Net difference between projected and actual earnings on plan investments	206,871	0
Employer contributions subsequent to the measurement date	<u>103,142</u>	<u>0</u>
Total	<u>600,825</u>	<u>210,421</u>

Amounts reported as deferred outflows and inflows of resources to pensions will be recognized in pension expenses as follows:

Year ended September 30:	
2024	71,348
2025	35,625
2026	56,169
2027	90,400
2028	23,631
Thereafter	10,089

Allocation of Net Pension Liability, Deferred Outflows and Deferred Inflows

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>
Board	\$228,313	\$ 79,960	\$ 402,403
City	<u>372,512</u>	<u>130,461</u>	<u>656,553</u>
Total	<u>600,825</u>	<u>210,421</u>	<u>1,058,956</u>

The City's participation in the RSA system is for the long-term interest of its employees and is therefore reported in the financial statements as a net long-term liability managed by RSA.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

City of Centreville
Required Supplementary Information
9-30-2023

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Total Pension Liability										
Service Cost	\$81,406	\$74,895	\$71,547	\$76,897	\$60,448	\$70,566	\$40,690	\$ 50,669	\$52,163	
Interest	189,619	173,491	178,418	149,265	161,674	153,327	168,635	160,438	153,617	
Changes of benefit terms	2,182	39,988	0	0	0	0	0	0	0	
Difference between expected & actual results	38,558	164,962	-214,441	280,777	-253,404	155,383	-308,345	2,354	0	
Changes of assumptions	0	-33,369	0	0	9,057	0	184,093	0	0	
Benefit payments, including refunds of employee contributions	-178,317	-156,748	-129,681	-126,973	-131,079	-324,828	-104,361	-117,656	-123,363	
Transfers among employers	<u>0</u>	<u>19,656</u>	<u>43,706</u>	<u>0</u>	<u>3,638</u>	<u>-43,612</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Net change in pension liability	174,448	282,875	-50,451	379,966	-149,666	10,836	-19,288	95,805	82,417	
Total pension liability, beginning	<u>2,614,385</u>	<u>2,331,510</u>	<u>2,381,961</u>	<u>2,001,995</u>	<u>2,151,661</u>	<u>2,140,825</u>	<u>2,160,113</u>	<u>2,064,308</u>	<u>1,981,891</u>	
Total pension liability, ending	<u>\$2,787,833</u>	<u>\$2,614,385</u>	<u>\$2,331,510</u>	<u>\$2,381,961</u>	<u>\$2,001,995</u>	<u>\$2,151,661</u>	<u>\$2,140,825</u>	<u>2,160,113</u>	<u>2,064,308</u>	
Plan fiduciary net position										
Contributions – employer	\$79,312	\$81,704	\$65,105	\$59,739	\$63,596	\$38,107	\$63,144	\$53,889	\$46,103	
Contributions – member	62,079	40,719	37,640	34,842	34,072	19,995	32,680	34,155	30,056	
Net investment income	-253,306	360,967	87,807	38,666	130,185	178,970	143,929	16,931	158,242	
Benefit payments, including ref	-138,317	-156,748	-129,681	-126,973	-131,079	-324,828	-104,361	-117,656	-123,363	
Transfers among employers	<u>0</u>	<u>19,656</u>	<u>43,706</u>	<u>0</u>	<u>3,638</u>	<u>-43,612</u>	<u>0</u>	<u>-23,260</u>	<u>0</u>	
Net change in fiduciary position	-250,232	346,298	104,577	6,274	100,412	-131,368	135,392	-35,941	111,038	
Plan net position – beginning	<u>1,979,129</u>	<u>1,632,831</u>	<u>1,528,254</u>	<u>1,521,980</u>	<u>1,421,658</u>	<u>1,552,936</u>	<u>1,417,544</u>	<u>1,453,485</u>	<u>1,342,447</u>	
Plan net position – ending	<u>\$1,728,897</u>	<u>\$1,979,129</u>	<u>\$1,632,831</u>	<u>\$1,528,254</u>	<u>\$1,521,980</u>	<u>\$1,421,658</u>	<u>\$1,552,936</u>	<u>\$1,417,544</u>	<u>\$1,453,485</u>	
NET PENSION LIABILITY	\$1,058,936	\$635,256	\$698,679	\$853,707	\$480,015	\$730,093	\$587,889	\$742,569	\$610,823	
Plan Position as a Percent of TPL	62.02%	75.7%	70.03%	64.16%	76.02%	66.07%	72.54%	65.62%	70.41%	
Covered employee payroll	\$918,570	\$800,985	\$706,890	\$604,084	\$651,501	\$514,401	\$625,363	\$444,376	\$576,477	
NPL as a % of covered payroll	115%	79%	98%	142%	73.7%	142%	94%	167%	106%	

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

City of Centreville
Required Supplementary Information
9-30-2023

SCHEDULE OF EMPLOYER CONTRIBUTIONS										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined Contribution	\$133,404	\$96,105	\$77,291	\$96,460	\$64,253	\$79,086	\$70,686	\$62,286	\$57,229	
Contributions in relation to the actuarially determined contribute	103,142	87,552	105,020	62,053	90,558	65,508	38,107	63,144	53,889	
Contribution Deficiency (Excess)	30,262	8,553	-27,729	34,407	-26,305	13,578	5,886	1,805	13,548	
Covered employee payroll	918,570	918,570	800,985	706,890	734,874	653,050	514,401	625,363	444,376	
Contributions as a percentage of covered payroll	11%	10%	13%	8%	12.3%	10.0%	7%	10%	12%	

NOTES TO SCHEDULE:

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for FY 2023 were based on the FY 2020 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age
Amortization method	Level percent closed
Remaining amortization period	26.9 years
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	3.25-5.0% including inflation
Investment rate of return	7.70%, net of pension investment expense, including inflation

City of Centreville - General Fund
Schedule of Resources & Charges
Budget vs Actual
Year Ended September 30, 2023

	Budget	Actual
Fund Balance – Beginning	\$1,073,584	1,073,584
<u>RESOURCES</u>		
Taxes:		
Sales & Use tax	800,000	904,525
Ad Valorem tax, real & personal	125,000	115,773
Tobacco tax	45,000	30,258
Alcohol tax	30,000	25,572
Gasoline tax	125,000	73,140
Lodging tax	4,500	5,308
Business licenses & franchises	290,000	331,759
Building permits	0	1,804
Intergovernmental:		
TVA	45,000	57,918
Opioid settlement	0	15,854
Financial excise	32,000	36,022
Police grant	40,000	37,620
Other grants	0	12,600
Other	0	9,623
Garbage collection	563,160	465,087
Municipal court:		
Fees & fines (net)	70,000	98,507
Building Rent	56,650	67,000
Miscellaneous	10,000	23,429
Total Resources	2,236,310	2,311,799
Available for appropriation	3,309,894	3,385,383
<u>CHARGES</u>		
General government:		
Salaries & labor	258,600	259,957
Payroll taxes & retirement	33,750	42,656
Health insurance	60,000	67,651
Legal & professional	3,500	52,827
Office supplies & computer	8,700	14,650
Insurance	66,000	63,032
Utilities & telephone	22,625	29,649
Repairs & maintenance	5,000	9,588
Dues, training & travel	2,500	20,386
Debt service	0	84,608
Collection fees	30,000	46,110
Beautification projects	0	33,863
Economic development	0	21,670

City of Centreville - General Fund
Schedule of Resources & Charges
Budget vs Actual
Year Ended September 30, 2023

	Budget	Actual
Event expenses	0	8,808
Total general government	490,675	755,555
Police & Court:		
Salaries	250,000	269,107
Salaries – Court	50,000	54,083
Health insurance	60,500	84,107
Payroll taxes & retirement	41,750	53,032
Professional fees	7,200	7,750
Gas, oil and maintenance	25,000	15,805
E-911 dispatching	27,200	27,200
Jail	12,000	25,050
Equipment & repairs	221,100	117,996
Utilities & telephone	22,625	29,649
Police supplies & uniforms	8,500	6,460
Dues & training	6,250	5,200
Total Police	732,125	695,439
Senior Center:		
Meal delivery	2,500	3,000
DHR Building:		
Operations and repairs	0	14,863
Fire Protection:		
Equipment	0	17,784
Street & Sanitation:		
Salaries	110,000	119,439
Payroll taxes & retirement	25,000	19,599
Health insurance	57,600	34,083
Landfill use	563,160	571,347
Street lights	45,250	59,299
Debt service	25,000	35,985
Operations & repairs	30,000	33,958
Street repair & paving	25,000	46,550
Equipment & supplies	15,000	50,289
Total Street & Sanitation	896,010	970,549
Total charges to appropriations	2,121,310	2,457,190
Fund balance- Ending	1,188,584	928,193

City of Centreville
Water Works and Sewer Board
Schedule of Resources & Charges
Budget vs Actual
Year Ended September 30, 2023

	<u>Budget</u>	<u>Actual</u>
<u>OPERATING REVENUES</u>		
Charges for Services:		
Water	\$1,224,000	1,285,055
Sewer	306,000	313,512
Other charges	55,000	76,453
Other revenues	5,000	19,698
Net Operating Revenues	<u>1,590,000</u>	<u>1,694,718</u>
<u>OPERATING EXPENSES</u>		
Payroll & benefits	454,800	471,200
Group insurance	120,000	112,015
Repairs & maintenance	120,000	99,495
Lagoon maintenance/operations	80,000	63,277
Utilities	122,500	135,119
Insurance	70,000	65,854
Materials & supplies	60,000	165,405
Fuel & truck	57,000	89,990
Office supplies & postage	30,000	19,524
Director fees, travel & ed	5,000	7,287
Telephone & pager	20,000	16,257
Legal & accounting	21,500	18,279
Engineering	21,000	26,239
Computer	0	0
Depreciation	215,000	387,354
Building expense	5,000	5,320
Other	1,500	572
Total Operating Expenses	<u>1,403,300</u>	<u>1,702,848</u>
Operating Income (Loss)	<u>186,700</u>	<u>-8,130</u>
<u>NONOPERATING ITEMS</u>		
Interest and other	0	10,283
RSA actuarial credit	0	1,258
USDA grant revenue	0	49,423
Amortization expense	0	-4,700
Interest expense	-130,000	-104,992
Nonoperating Items	<u>-130,000</u>	<u>-48,728</u>
Net Income (Loss)	56,700	-56,858
Beginning Net Assets		<u>4,596,200</u>
Ending Net Assets		<u>4,539,200</u>

**OTHER
SUPPLEMENTARY
INFORMATION**

**City of Centreville
Volunteer Fire Department Fund
Schedule of Resources & Charges
Year Ended September 30, 2023**

Beginning fund balance	\$ 36,755
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RESOURCES

County tax allocations	31,280	
State grants	11,500	
Donations/Fees, net of \$20,150 expenses	9,889	
Other	<u>37</u>	
Total resources		<u>52,706</u>
Amount available for appropriation		89,461

CHARGES

Fire protection:		
Supplies & equipment	15,586	
Repairs & maintenance	9,637	
Professional fees	6,600	
Office expenses	496	
Miscellaneous	<u>2,530</u>	
Total charges		<u>34,849</u>
Ending fund balance		<u>54,612</u>

City of Centreville
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2023

	Street 7 Cent Gas Tax	4 & 5 Cent & Rebuild Gas Taxes	Corrections & Special Court Funds	Capital Improvement	Historic Preservation	Total Nonmajor
<u>ASSETS</u>						
Cash	\$77,123	\$243,817	\$94,466	\$98,467	\$ 35,735	\$549,608
Due from Other Funds	0	0	0	0	0	0
Receivables, net	<u>3,181</u>	<u>5,642</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,823</u>
Total assets	<u>80,304</u>	<u>249,459</u>	<u>94,466</u>	<u>98,467</u>	<u>35,735</u>	<u>558,431</u>
<u>LIABILITIES</u>						
Accounts payable	0	0	0	0	0	0
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	0	0	0	0	0	0
<u>FUND BALANCE</u>						
Fund balance	<u>80,304</u>	<u>249,459</u>	<u>94,466</u>	<u>98,467</u>	<u>35,735</u>	<u>558,431</u>
Total liabilities & fund balance	<u>80,304</u>	<u>249,459</u>	<u>94,466</u>	<u>98,467</u>	<u>35,735</u>	<u>558,431</u>

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

City of Centreville
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures & Change in Fund Balance
September 30, 2023

	Street 7 Cent Gas Tax	4 & 5 Cent & Rebuild Gas Taxes	Corrections & Special Court Funds	Capital Improvement	Historic Preservation	Total Nonmajor
<u>REVENUES</u>						
State fuel taxes	\$ 35,008	\$63,453	\$ 0	\$ 0	\$ 0	\$ 98,461
Alabama Trust Fund	0	0	0	28,156	0	28,156
Agency funding	0	0	7,570	0	0	7,570
Corrections & fines	0	0	42,874	0	0	42,874
Other	60	145	549	84	31,075	31,913
Total revenues	<u>35,068</u>	<u>63,598</u>	<u>50,993</u>	<u>28,240</u>	<u>31,075</u>	<u>208,974</u>
<u>EXPENDITURES</u>						
Administration	0	0	0	19,025	0	19,025
Streets	0	8,550	0	0	0	8,550
Police	0	0	16,765	0	0	16,765
Court operations	0	0	31,838	0	0	31,838
Culture & recreation	0	0	0	0	251	251
Total expenditures	<u>0</u>	<u>8,550</u>	<u>48,603</u>	<u>19,025</u>	<u>251</u>	<u>76,429</u>
Excess of revenues over expenditures	35,068	55,048	2,390	9,215	30,824	132,545
<u>OTHER FINANCING SOURCES</u>						
Transfers in (out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	35,068	55,048	2,390	9,215	30,824	132,545
Beginning fund balance	<u>45,236</u>	<u>194,411</u>	<u>92,076</u>	<u>89,252</u>	<u>4,911</u>	<u>425,886</u>
Ending fund balance	<u>80,304</u>	<u>249,459</u>	<u>94,466</u>	<u>98,467</u>	<u>35,735</u>	<u>558,431</u>

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

