# CITY OF CENTREVILLE
# CENTREVILLE, ALABAMA

## ANNUAL REPORT
## SEPTEMBER 30, 2025

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

**City of Centreville**
**Annual Report**
**September 30, 2025**

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September 18, 2026

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor Barry Cooner
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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We do not express an opinion on the financial statements of the City of Centreville. Because of the significance of the matter described in the Basis for Disclaimer of Opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the City.

**Basis for Disclaimer of Opinion**

The City implemented a new accounting information system during the prior year and subsequently moved to a different system in the current year, due to difficulties in operating and balancing concerns, as well as excessive costs charged to the City. Data had to be re-entered into the latest accounting software for all of Fiscal 2025, with lack of ability to transfer ledger detail and obtain sufficient audit evidence regarding deposits and allocation of revenues and disbursements by category, allocation of payroll and other expenses and to offset reimbursements. Various items allocated in the report were based upon prior year ratios or other summaries that do not correspond to specific line-item balances in the ledger, but appear to more accurately reflect current year activity. The previously noted inconsistencies in application of utility billing in customer accounts continued into the current fiscal year, as well as additional revenue loss by the Board due to apparent employee theft as reported in the financial statements. These matters resulted in an undetermined amount of fees and charges that should have been collected during the period, including effects on sanitation billing. As a result of these matters, we were unable to determine whether any additional adjustments might have been found necessary for the amounts included in the financial statements.

**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

**City of Centreville**
**Annual Report**
**September 30, 2025**
**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, 2025. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Combined tax revenues and licenses increased slightly, while utility system revenues increased, including partial transfer of sanitation services to the system during the year. Intergovernmental, fine and other revenue also increased. Governmental expenditures decreased 15%, while utility system expenses increased by 27%. The City's General Fund Balance decreased $167,078, including transfers of $169,765 from other funds to meet operating expenses and $65,000 in new financing proceeds for leased vehicles.
- Net Pension Liability is recorded in the Government-Wide financial statements per GASB 68. The total government liability through RSA is recorded at $703,894, a decrease of $39,083.
- Governmental net assets decreased by $130,112. Business-type net assets decreased by $181,747, resulting in an overall decrease of $311,859 for the year.
- Combined long-term debt was $4,953,739, after new equipment debt of $65,000 and repayments of $361,311. Governmental debt was $784,739, while business-type debt was $4,169,000. Net income available for debt service in the Water Works and Sewer Board appeared to be 108% of the estimated amount required under its debt service ratio.
- Total depreciation charges were $203,861 for governmental activities, $400,997 for utilities and $37,744 for the park for the year.
- Current liabilities decreased significantly in the governmental funds with payroll liabilities reduced from over $100,000 to less than $18,000 for taxes and related withholdings.
- Revenue from late and other utility were not broken down in the board statements due to the accounting and billing system changes, staff turnover, etc., while a review of customer accounts indicated policies and procedures related to cutoffs, late charges, and reconnect fees were still not consistently followed into the current fiscal year by former staff.

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.

**City of Centreville**
**Annual Report**
**September 30, 2025**
**Management's Discussion & Analysis**

| | |
|---|---|
| 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. |
| 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 | |
|---|---|---|---|---|---|---|
| | 9/30/25 | 9/30/24 | 9/30/25 | 9/30/24 | 9/30/25 | 9/30/24 |
| Assets | | | | | | |
| Current | $ 642,394 | $1,379,169 | $ 786,754 | $741,537 | $1,429,148 | $2,120,706 |
| Restricted | 42,752 | 41,286 | 481,202 | 465,343 | 523,954 | 506,629 |
| Capital | 1,737,342 | 1,391,619 | 8,023,814 | 8,462,555 | 9,761,156 | 9,854,174 |
| Total Assets | 2,422,488 | 2,812,074 | 9,291,770 | 9,669,435 | 11,714,258 | 12,481,509 |
| Liabilities | | | | | | |
| Current | 275,663 | 387,789 | 452,365 | 401,722 | 728,028 | 789,511 |
| Long-Term | 1,034,408 | 1,181,756 | 4,429,908 | 4,676,469 | 5,464,316 | 5,858,225 |
| Total Liabilities | 1,310,071 | 1,569,545 | 4,882,273 | 5,078,191 | 6,192,344 | 6,647,736 |
| Net Assets | | | | | | |
| Investment in net capital assets | 952,603 | 520,569 | 3,854,814 | 3,971,310 | 4,807,417 | 4,491,879 |
| Restricted | 350,380 | 777,793 | 420,096 | 399,537 | 770,476 | 1,177,330 |
| Unrestricted | -190,566 | -55,833 | 134,587 | 220,397 | -55,979 | 164,564 |
| Total Net Assets | 1,112,417 | 1,242,529 | 4,409,497 | 4,591,244 | 5,521,914 | 5,833,773 |

Combined net assets of the City decreased by $311,859 to $5,521,914. A net total of $4,807,417 are invested in capital assets. Another $770,476 are held in restricted funds, leaving an unrestricted balance of $-55,979. The net assets of Governmental activities decreased by $130,112, while net assets of the Business-type activities decreased by $181,747. Depreciation charges were $203,861 and $400,997, respectively.

Assets and liabilities of the Business-type activities were 97% dominated by the Water Works and Sewer Board. Net assets invested in capital assets decreased by $116,496.

**City of Centreville**
**Annual Report**
**September 30, 2025**
**Management's Discussion & Analysis**

A comparison of the changes in net assets is shown below.

| | Governmental Activities | | Business-Type Activities | | Total Activities | |
|---|---|---|---|---|---|---|
| Year Ended: | 9/30/25 | 9/30/24 | 9/30/25 | 9/30/24 | 9/30/25 | 9/30/24 |
| Revenues | | | | | | |
| Taxes | $1,122,743 | $1,112,391 | $ 0 | $ 0 | $1,122,743 | $1,112,391 |
| Licenses & Permits | 328,678 | 330,234 | 0 | 0 | 328,678 | 330,234 |
| Intergovernmental Support | 376,307 | 282,561 | 223,172 | 0 | 599,479 | 282,561 |
| Charges for Service | 278,501 | 498,090 | 2,341,279 | 1,606,496 | 2,619,780 | 2,104,586 |
| Fines & Forfeitures | 128,032 | 117,277 | 0 | 0 | 128,032 | 117,277 |
| Rental | 66,950 | 61,800 | 0 | 0 | 66,950 | 61,800 |
| Donations/Other | 62,710 | 75,705 | 10,518 | 13,481 | 73,228 | 89,186 |
| Total Revenues | 2,363,921 | 2,478,058 | 2,574,969 | 1,619,977 | 4,938,890 | 4,098,035 |
| Expenses | | | | | | |
| Administrative | 727,137 | 788,341 | 0 | 0 | 727,137 | 788,341 |
| Street | 687,261 | 1,045,296 | 0 | 0 | 687,261 | 1,045,296 |
| Police | 901,290 | 919,868 | 0 | 0 | 901,290 | 919,868 |
| Court | 92,837 | 134,857 | 0 | 0 | 92,837 | 134,857 |
| Culture & Recreation | 18,573 | 2,905 | 37,744 | 37,744 | 56,317 | 40,649 |
| Water & Sewer | 0 | 0 | 2,718,972 | 1,935,915 | 2,718,972 | 1,935,915 |
| Fire Protection | 66,935 | 48,452 | 0 | 0 | 66,935 | 48,452 |
| Total Expenditures | 2,494,033 | 2,939,719 | 2,756,716 | 1,973,659 | 5,250,749 | 4,913,378 |
| Changes before other items | -130,112 | -461,661 | -181,747 | -353,682 | -311,859 | -815,343 |
| PPA/Equity transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in Net Assets | -130,112 | -461,661 | -181,747 | -353,682 | -311,859 | -815,343 |

The overall decrease in net assets was $311,859, less than half the previous year decrease. Revenues increased 21%, while expenses increased 8%, including depreciation of $642,602. Governmental revenues decreased, including a shift during the year to move sanitation activities to the water and sewer board. Accordingly, street expenses for governmental activities decreased, while business-type expenses increased. Net assets of governmental activities decreased by $130,112, while business-type net assets decreased by $181,747.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, the governmental funds reported a combined fund balance of $539,399. Included in the year's $594,491 decrease in fund balance are $874,644 of sales and use taxes, $328,678 in licenses and permits and $267,654 in sanitation service revenues before the shift to the utility board. 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, 2025**
**Management's Discussion & Analysis**

## BUDGET ANALYSIS

A comparison of budget to actual results follows.

| | Budget | Actual | Variance |
|---|---|---|---|
| General Fund | | | |
| Revenues | $ 2,446,620 | $ 2,125,819 | $ - 320,801 |
| Disbursements (less) | -2,469,620 | -2,527,662 | -58,042 |
| Net transfers/other financing | 0 | 234,765 | 234,765 |
| Change in fund balance | -23,000 | -167,078 | -144,078 |
| | | | |
| Water & Sewer Fund | | | |
| Revenues | 1,910,400 | 2,574,969 | 664,569 |
| Expenses (less) | -1,910,400 | -2,718,972 | -808,572 |
| Transfers | 0 | 0 | 0 |
| Change in net assets | 0 | -144,003 | -144,003 |

## CAPITAL ASSET ADMINISTRATION

After recording capital outlays of $549,584 in governmental activities and $0 in proprietary activities, and related depreciation charges of $642,602, net capital asset balances decreased to $9,761,156. The capital asset summary for the fiscal year ended September 30, 2025 is as follows:

| | 9/30/25 | 9/30/24 |
|---|---|---|
| Capital Assets, Net of Depreciation | | |
| Governmental Activities: | | |
| Land | $ 18,500 | $ 18,500 |
| Buildings | 668,157 | 582,894 |
| Infrastructure | 531,291 | 218,918 |
| Equipment | 519,394 | 571,307 |
| Governmental capital assets, net | 1,737,342 | 1,391,619 |
| | | |
| Proprietary Activities: Park | | |
| Buildings | 257,164 | 271,037 |
| Improvements | 29,091 | 34,506 |
| Park Equipment | 43,825 | 62,281 |
| Park capital assets, net | 330,080 | 367,824 |
| | | |
| Proprietary Activities: Water & Sewer | | |
| Land & improvements | 35,220 | 38,532 |
| Buildings | 124,322 | 131,822 |
| Utility System | 7,136,338 | 7,474,294 |
| Machinery & equipment | 397,854 | 450,083 |
| Water & Sewer capital assets, net | 7,693,734 | 8,094,731 |

**City of Centreville**
**Annual Report**
**September 30, 2025**
**Management's Discussion & Analysis**

DEBT ADMINISTRATION

The Town had the following long-term debt for the year ended September 30, 2025.

| Activity | 10-1-24 | Additions | Retirements | 9-30-25 |
|---|---|---|---|---|
| Governmental | $ 871,050 | 65,000 | 151,311 | $ 784,739 |
| Business-Type | 4,379,000 | 0 | 210,000 | 4,169,000 |

Total interest expense for the year was $52,639 for governmental and $122,261 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, 2025

| | | |
|---|---|---|
| Mayor & Manager: | Mike Oakley | |
| City Clerk: | Tracy Griffin | |
| Police Chief: | Rodney Smith | |
| Superintendent: | Larry Oikle | |
| Council: | Mike Nichols, Pro Tem | |
| | Don Mack | Brad Colburn |
| | Linda Lawrence | Diane Epperson |
| Water Works & Sewer Board: | Jimmy Martin | Seth Young |
| | Barry Cooner | Josh Colburn |
| | Linda Lawrence | |

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

**City of Centreville**
**Statement of Net Assets**
**September 30, 2025**

| | Governmental Activities | Business-Type Activities | Total Government |
|---|---|---|---|
| ASSETS | | | |
| Current: | | | |
| Cash | $ 357,126 | $ 248,750 | $ 605,876 |
| General Receivables | 135,543 | 278,031 | 413,574 |
| Court Receivables, net | 120,173 | 0 | 120,173 |
| Grant Receivables | 0 | 223,172 | 223,172 |
| Prepaid assets & Inventory | 29,552 | 36,801 | 66,353 |
| | 642,394 | 786,754 | 1,429,148 |
| Noncurrent: | | | |
| Capital: | | | |
| Nondepreciable | 18,500 | 93,309 | 111,809 |
| Depreciable, net | 1,718,842 | 7,930,505 | 9,649,347 |
| | 1,737,342 | 8,023,814 | 9,761,156 |
| Other Assets: Bond investments | 42,752 | 481,202 | 523,954 |
| Total assets | 2,422,488 | 9,291,770 | 11,714,258 |
| LIABILITIES | | | |
| Current: | | | |
| Accounts payable | 43,906 | 149,656 | 193,562 |
| Payroll liabilities | 17,928 | 8,788 | 26,716 |
| Accrued absences | 41,161 | 10,518 | 51,679 |
| Accrued interest payable | 0 | 58,403 | 58,403 |
| Current portion of long-term debt | 172,668 | 225,000 | 397,668 |
| | 275,663 | 452,365 | 728,028 |
| Noncurrent: | | | |
| Customer meter deposits | 0 | 39,018 | 39,018 |
| RSA pension liability, net | 422,337 | 281,557 | 703,894 |
| Bond premium, unamortized | 0 | 165,333 | 165,333 |
| State revolving loan | 0 | 590,000 | 590,000 |
| Long-term debt | 612,071 | 3,354,000 | 3,966,071 |
| | 1,034,408 | 4,429,908 | 5,464,316 |
| Total liabilities | 1,310,071 | 4,882,273 | 6,192,344 |
| NET ASSETS | | | |
| Investment in net capital assets | 952,603 | 3,854,814 | 4,807,417 |
| Restricted for: | | | |
| Capital projects | 44,284 | 0 | 44,284 |
| Road & bridge | 70,771 | 0 | 70,771 |
| Fire protection | 80,218 | 0 | 80,218 |
| Other restricted | 155,107 | 420,096 | 575,203 |
| Unrestricted (deficit) | -190,566 | 134,587 | -55,979 |
| Total net assets | 1,112,417 | 4,409,497 | 5,521,914 |

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

**City of Centreville**
**Statement of Activities**
**Year Ended September 30, 2025**

| FUNCTION/PROGRAM | Expenses | PROGRAM REVENUES: Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Net Revenue (Expense) |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Administration | $ 727,137 | $ 66,950 | $ 0 | $ 0 | $ -660,187 |
| Street | 687,261 | 280,355 | 35,368 | 67,675 | -303,863 |
| Police | 901,290 | 81,718 | 81,913 | 0 | -737,659 |
| Court | 92,837 | 46,314 | 18,460 | 0 | -28,063 |
| Culture & recreation | 18,573 | 443 | 5,000 | 0 | -13,130 |
| Fire protection | 66,935 | -2,297 | 38,784 | 0 | -30,448 |
| Total governmental | 2,494,033 | 473,483 | 179,525 | 67,675 | -1,773,350 |
| Business-type activities: | | | | | |
| Water Works & Sewer | 2,718,972 | 2,341,279 | 223,172 | 0 | -154,521 |
| Park & recreation | 37,744 | 0 | 0 | 0 | -37,744 |
| Total business-type | 2,756,716 | 2,341,279 | 223,172 | 0 | -192,265 |
| Government-wide | 5,250,749 | 2,814,762 | 402,697 | 67,675 | -1,965,615 |

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Net program revenue | $ -1,773,350 | $ -192,265 | $ -1,965,615 |
| GENERAL REVENUES | | | |
| Taxes: | | | |
| Sales & use | 874,644 | 0 | 874,644 |
| Ad valorem | 139,548 | 0 | 139,548 |
| Gasoline | 52,391 | 0 | 52,391 |
| Other taxes | 56,160 | 0 | 56,160 |
| Business licenses & permits | 328,678 | 0 | 328,678 |
| Intergovernmental: | | | |
| TVA distribution | 62,278 | 0 | 62,278 |
| Other distributions | 19,555 | 0 | 19,555 |
| Financial excise | 18,919 | 0 | 18,919 |
| Capital grant | 28,355 | 0 | 28,355 |
| Miscellaneous | 62,710 | 10,518 | 73,228 |
| Total general revenues | 1,643,238 | 10,518 | 1,653,756 |
| Change in net assets | -130,112 | -181,747 | -311,859 |
| Beginning net assets | 1,242,529 | 4,591,244 | 5,833,773 |
| Ending net assets | 1,112,417 | 4,409,497 | 5,521,914 |

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

**FUND**
**FINANCIAL STATEMENTS**

**City of Centreville**
**Governmental Funds**
**Balance Sheet**
**September 30, 2025**

| | General Fund | Fire Dept. Fund | Nonmajor Funds | Total Governmental |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash | $ 19,408 | $ 69,700 | $ 135,912 | $ 225,020 |
| Cash – court funds | 17,261 | 0 | 114,845 | 132,106 |
| General receivables | 105,133 | 10,690 | 19,720 | 135,543 |
| Court receivables, net | 120,173 | 0 | 0 | 120,173 |
| Prepaid expenses | 29,552 | 0 | 0 | 29,552 |
| Total assets | 291,527 | 80,390 | 270,477 | 642,394 |
| LIABILITIES | | | | |
| Accounts payable | 34,329 | 172 | 315 | 34,816 |
| Court payables | 9,090 | 0 | 0 | 9,090 |
| Payroll liabilities | 17,928 | 0 | 0 | 17,928 |
| Accrued absences | 41,161 | 0 | 0 | 41,161 |
| Total liabilities | 102,508 | 172 | 315 | 102,995 |
| FUND BALANCE | | | | |
| Non-Spendable | 29,552 | 0 | 0 | 29,552 |
| Restricted | 0 | 80,218 | 270,162 | 350,380 |
| Unrestricted: | | | | |
| Assigned | 0 | 0 | 0 | 0 |
| Unassigned | 159,467 | 0 | 0 | 159,467 |
| Total fund balance | 189,019 | 80,218 | 270,162 | 539,399 |

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

**City of Centreville**
**Governmental Funds**
**Statement of Revenues, Expenditures & Change in Fund Balance**
**Year Ended September 30, 2025**

| | General Fund | Fire Dept. Fund | Nonmajor Funds | Total Governmental |
|---|---|---|---|---|
| REVENUES | | | | |
| Taxes | $ 1,122,743 | $ 0 | $ 0 | $ 1,122,743 |
| Licenses & franchises | 328,678 | 0 | 0 | 328,678 |
| Charges for services | 267,654 | 1,513 | 0 | 269,167 |
| Intergovernmental support | 182,665 | 38,784 | 154,135 | 375,584 |
| Fines & forfeitures | 81,718 | 0 | 46,314 | 128,032 |
| Other | 142,361 | -3,810 | 1,166 | 139,717 |
| Total revenues | 2,125,819 | 36,487 | 201,615 | 2,363,921 |
| EXPENDITURES | | | | |
| Administration | 828,954 | 0 | 17,865 | 846,819 |
| Street | 682,656 | 0 | 334,301 | 1,016,957 |
| Police | 931,877 | 0 | 72,717 | 1,004,594 |
| Court | 65,566 | 0 | 25,862 | 91,428 |
| Culture & recreation | 6,356 | 0 | 9,682 | 16,038 |
| Fire protection | 12,253 | 35,323 | 0 | 47,576 |
| Total expenditures | 2,527,662 | 35,323 | 460,427 | 3,023,412 |
| Changes before transfers | -401,843 | 1,164 | -258,812 | -659,491 |
| Other financing | 65,000 | 0 | 0 | 65,000 |
| Transfers from (to) other funds | 169,765 | 0 | -169,765 | 0 |
| Change in fund balance | -167,078 | 1,164 | -428,577 | -594,491 |
| Beginning fund balance | 356,097 | 79,054 | 698,739 | 1,133,890 |
| Ending fund balance | 189,019 | 80,218 | 270,162 | 539,399 |

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

**City of Centreville**
**Reconciliation of Fund Balance and Net Assets**
**Year Ended September 30, 2025**

| | |
|---|---|
| Governmental Fund Balance- September 30, 2025 | $ 539,399 |
| 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 $3,028,190 | 1,737,342 |
| Net Pension Liability and related Deferred Inflows and Outflows | -422,337 |
| 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 | -741,987 |
| Net Assets of Governmental Activities | 1,112,417 |

**City of Centreville**
**Reconciliation of the Statement of Revenues, Expenditures &**
**Change in Fund Balance to the Statement of Activities**
**Year Ended September 30, 2025**

| | |
|---|---|
| Change in fund balances – total governmental funds | $ -594,491 |
| 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. | 152,777 |
| Proceeds from long-term debt are not included as revenues in the Statement of Activities. This is the amount of new loans for equipment, netted against asset additions in the reconciliation below. | -65,000 |
| Changes in net RSA actuarial valuation | 30,879 |
| 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 of $549,584 exceeded depreciation of $203,861 in the current year. | 345,723 |
| Changes in net assets – governmental activities | -130,112 |

Reconciliation of Fund Disbursements to Program Expenses:

| | Admin | Street | Police | Court | Fire Depart | Cultural & Rec | TOTAL |
|---|---|---|---|---|---|---|---|
| Disbursements | 846,819 | 1,016,957 | 1,004,594 | 91,428 | 47,576 | 16,038 | 3,023,412 |
| Add: Depreciation | 15,955 | 100,797 | 63,806 | 1,409 | 19,359 | 2,535 | 203,861 |
| Add: NPL changes | -6,793 | -5,250 | -18,836 | 0 | 0 | 0 | -30,879 |
| Less: Debt Reduction | -66,466 | -56,756 | -29,555 | 0 | 0 | 0 | -152,777 |
| Less: Capital assets | -62,378 | -368,487 | -118,719 | 0 | 0 | 0 | -549,584 |
| Program Expenses | 727,137 | 687,261 | 901,290 | 92,837 | 66,935 | 18,573 | 2,494,033 |

**City of Centreville**
**Proprietary Funds**
**Combining Balance Sheet**
**September 30, 2025**

| ASSETS | Water Works & Sewer | Park & Recreation | Total |
|---|---|---|---|
| Current Assets: | | | |
| Cash- unrestricted | $ 105,217 | $ 16 | $ 105,233 |
| Certificates of deposit | 122,157 | 0 | 122,157 |
| Receivables - net | 278,031 | 0 | 278,031 |
| Grant funds receivable | 223,172 | 0 | 223,172 |
| Prepaid expenses & inventory | 36,801 | 0 | 36,801 |
| Total Current Assets | 765,378 | 16 | 765,394 |
| Restricted Assets: | | | |
| Cash- restricted for deposits | 21,360 | 0 | 21,360 |
| Capital Assets: | | | |
| Nondepreciable | 93,309 | 0 | 93,309 |
| Depreciable, net | 7,600,425 | 330,080 | 7,930,505 |
| Total Capital Assets | 7,693,734 | 330,080 | 8,023,814 |
| Other Assets: | | | |
| Unamortized bond discounts | 61,106 | 0 | 61,106 |
| Bond investments | 420,096 | 0 | 420,096 |
| Total Other Assets | 481,202 | 0 | 481,202 |
| Total Assets | 8,961,674 | 330,096 | 9,291,770 |
| | | | |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 149,656 | 0 | 149,656 |
| Payroll liabilities | 8,788 | 0 | 8,788 |
| Accrued absences | 10,518 | 0 | 10,518 |
| Accrued interest | 58,403 | 0 | 58,403 |
| Current portion of long-term debt | 225,000 | 0 | 225,000 |
| Total Current Liabilities | 452,365 | 0 | 452,365 |
| Noncurrent Liabilities: | | | |
| Customer deposits | 39,018 | 0 | 39,018 |
| Bond premium, net | 165,333 | 0 | 165,333 |
| RSA Pension Liability, net | 281,557 | 0 | 281,557 |
| State revolving loan | 535,000 | 0 | 535,000 |
| Bonds/Notes payable, long-term portion | 3,409,000 | 0 | 3,409,000 |
| Total Noncurrent Liabilities | 4,429,908 | 0 | 4,429,908 |
| Total Liabilities | 4,882,273 | 0 | 4,882,273 |
| | | | |
| NET ASSETS | | | |
| Investment in net capital assets | 3,524,734 | 330,080 | 3,854,814 |
| Restricted | 420,096 | 0 | 420,096 |
| Unrestricted | 134,571 | 16 | 134,587 |
| Total Net Assets | 4,079,041 | 330,096 | 4,409,497 |

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

**City of Centreville**
**Proprietary Funds**
**Combining Statement of Revenues, Expenses & Changes in Net Assets**
**Year Ended September 30, 2025**

| OPERATING REVENUES | Water & Sewer Board | Park & Recreation | Total |
|---|---|---|---|
| Charges for Services: | | | |
| Water | $ 1,583,148 | $ 0 | $ 1,583,148 |
| Sewer | 362,135 | 0 | 362,135 |
| Sanitation | 395,996 | 0 | 395,996 |
| SRF Grant Proceeds | 223,172 | 0 | 223,172 |
| TOTAL OPERATING REVENUES | 2,564,451 | 0 | 2,564,451 |
| | | | |
| OPERATING EXPENSES | | | |
| Payroll & benefits | 592,373 | 0 | 592,373 |
| Health insurance | 159,184 | 0 | 159,184 |
| Sanitation fees | 335,700 | 0 | 335,700 |
| System repairs & maintenance | 135,925 | 0 | 135,925 |
| Lagoon repairs and operations | 58,647 | 0 | 58,647 |
| Materials & supplies | 104,401 | 0 | 104,401 |
| Utilities & telephone | 161,987 | 0 | 161,987 |
| Insurance | 20,464 | 0 | 20,464 |
| Fuel, oil & truck expenses | 51,050 | 0 | 51,050 |
| Office & computer | 63,962 | 0 | 63,962 |
| Legal & accounting | 15,730 | 0 | 15,730 |
| Bad debt expense | 59,956 | 0 | 59,956 |
| Professional fees | 27,727 | 0 | 27,727 |
| Depreciation | 400,997 | 37,744 | 438,741 |
| Grant fees and expenses | 247,942 | 0 | 247,942 |
| Equipment expense | 67,339 | 0 | 67,339 |
| Deposit discrepancies | 44,195 | 0 | 44,195 |
| Other operating expense | 44,432 | 0 | 44,432 |
| Total Operating Expenses | 2,592,011 | 37,744 | 2,629,755 |
| | | | |
| Operating Income (Loss) | -27,560 | -37,744 | -65,304 |
| | | | |
| NONOPERATING ITEMS | | | |
| Interest income | 2,314 | 0 | 2,314 |
| Amortization expense | -4,700 | 0 | -4,700 |
| RSA actuarial credit (costs) | 8,204 | 0 | 8,204 |
| Interest expense | -122,261 | 0 | -122,261 |
| Net Non-operating Items | -116,443 | 0 | -116,443 |
| | | | |
| Change in Net Assets | -144,003 | -37,744 | -181,747 |
| Beginning Net Assets | 4,223,404 | 367,840 | 4,591,244 |
| Ending Net Assets | 4,079,401 | 330,096 | 4,409,497 |

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

**City of Centreville**
**Proprietary Funds**
**Combining Statement of Cash Flows**
**Year Ended September 30, 2025**

| | Water & Sewer Board | Park & Recreation | Total |
|---|---|---|---|
| CASH FLOWS FROM OPERATING | | | |
| Receipts from Customers/User Fees | $ 2,240,105 | $ 0 | $ 2,240,105 |
| Other receipts | -44,195 | 0 | -44,195 |
| Payments: | | | |
| Personnel costs | -785,299 | 0 | -785,299 |
| Utilities & telephone | -161,987 | 0 | -161,987 |
| System maintenance & operations | -194,572 | 0 | -194,572 |
| Insurance | -22,487 | 0 | -22,487 |
| Materials & supplies | -104,401 | 0 | -104,401 |
| Fuel & truck | -51,050 | 0 | -51,050 |
| Sanitation Services | -335,700 | 0 | -335,700 |
| Professional fees | -138,580 | 0 | -138,580 |
| Professional & Other | -201,258 | 0 | -201,258 |
| Net cash provided (used) by operations | 200,576 | 0 | 200,576 |
| CASH FLOWS FROM CAPITAL & RELATED FINANCING | | | |
| Purchase of equipment/system assets | 0 | 0 | 0 |
| Principal payments on long-term debt | -210,000 | 0 | -210,000 |
| Interest paid on long-term debt | -154,147 | 0 | -154,147 |
| Net cash used by capital & related financing | -364,147 | 0 | -364,147 |
| CASH FLOWS FROM INVESTING | | | |
| Interest Income | 2,315 | 0 | 2,315 |
| CASH FLOWS FROM OTHER FINANCING | | | |
| Changes in due from other funds | 0 | 0 | 0 |
| Transfers from (to) Other Funds | 0 | 0 | 0 |
| Net cash provided (used) by financing | 0 | 0 | 0 |
| | | | |
| Net Increase (Decrease) in cash | -161,256 | 0 | -161,256 |
| Beginning Cash Balance | 409,990 | 16 | 410,006 |
| Ending Cash Balance | 248,734 | 16 | 248,750 |
| | | | |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATIONS | | | |
| Operating Income | -27,560 | -37,744 | -65,304 |
| Depreciation | 400,997 | 37,744 | 438,741 |
| Changes in operating assets/liabilities | | | |
| Receivables | -288,770 | 0 | -288,770 |
| Prepaid assets | -2,023 | 0 | -2,023 |
| Payroll liabilities | -8,723 | 0 | -8,723 |
| Accounts payable | 127,294 | 0 | 127,294 |
| Customer meter deposits | -639 | 0 | -639 |
| Net Cash Flows From Operations | 200,576 | 0 | 200,576 |

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

## 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.

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 |
| Special Revenue Funds: | |
| Volunteer Fire Department | City's volunteer fire department, including funds received through Bibb County, federal or state grants. |
| 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. |
| 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. |
| Corrections, etc | Accounts for court fines designated for municipal court operations, training, or other law enforcement concerns. |

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. |

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:

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.

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.

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 2025 and are presented for the combined General and Sales Tax funds.

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, 2025 and September 18, 2026, 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, 2025:

| | 10/1/24 | Additions | Disposals | 9/30/25 |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | |
| Land | $ 18,500 | $ 0 | $ 0 | $ 18,500 |
| Buildings | 1,455,986 | 114,227 | 0 | 1,570,213 |
| Infrastructure | 824,924 | 368,487 | 0 | 1,193,411 |
| Furniture & equipment | 1,916,538 | 66,870 | 0 | 1,983,408 |
| Total, at historical cost | 4,215,948 | 549,584 | 0 | 4,765,532 |
| Accumulated Depreciation: | | | | |
| Buildings | 873,092 | 28,964 | 0 | 902,056 |
| Infrastructure | 606,006 | 56,114 | 0 | 662,120 |
| Furniture & equipment | 1,345,231 | 118,783 | 0 | 1,464,014 |
| Total Depreciation | 2,824,329 | 203,861 | 0 | 3,028,190 |
| Governmental Capital Assets, net | 1,391,619 | 345,723 | 0 | 1,737,342 |

Depreciation expense charged to governmental activities was allocated as follows:

| | |
|---|---|
| Administration | $ 15,955 |
| Street | 100,797 |
| Police | 63,806 |
| Court | 1,409 |
| Park | 1,403 |
| Historical/Cultural | 1,132 |
| Fire protection | 19,359 |
| Total depreciation expense | 203,861 |

PROPRIETARY ACTIVITY:

| PARK & RECREATION: | 10/1/24 | Additions | Disposals | 9/30/25 |
|---|---|---|---|---|
| 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 | 145,146 | 13,873 | 0 | 159,019 |
| Improvements | 58,717 | 5,415 | 0 | 64,132 |
| Park equipment | 200,021 | 18,456 | 0 | 218,477 |
| Total Depreciation | 403,884 | 37,744 | 0 | 441,628 |
| Proprietary Capital Assets, net | 367,824 | -37,744 | 0 | 330,080 |

WATER WORKS AND SEWER BOARD:

| | 10/1/24 | Additions | Disposals | 9/30/25 |
|---|---|---|---|---|
| Land and improvements | $ 93,309 | $ 0 | $ 0 | $ 93,309 |
| Building | 226,686 | 0 | 0 | 226,686 |
| Utility system - Water | 7,221,142 | 0 | 0 | 7,221,142 |
| Utility system - Sewer | 7,895,260 | 0 | 0 | 7,895,260 |
| Machinery and vehicles | 464,421 | 0 | 0 | 464,421 |
| Autos & Trucks | 467,253 | 0 | 0 | 467,253 |
| Furniture and equipment | 77,380 | 0 | 0 | 77,380 |
| Totals, at historical cost | 16,445,451 | 0 | 0 | 16,445,451 |
| Less: Accumulated depreciation | 8,350,720 | 400,997 | 0 | 8,751,717 |
| Net fixed assets | 8,094,731 | -400,997 | 0 | 7,693,734 |

3.B. LONG-TERM DEBT AS OF SEPTEMBER 30, 2025

Governmental Activities

| | |
|---|---|
| Bancorp leases payable, $3,721.69 per month | $ 160,011 |
| First US Bank, note payable, $5,095.38/month, with interest at 3.6% for 60 months, final payment due 6-30-2028 | 166,095 |
| First US Bank, note payable, $977/month, with interest at 3.6% for 60 months, final payment due 6-15-2026 | 8,633 |
| Regions Bank, bonds payable, $7,348 maximum per month, including interest of 1.75-3.6%, final payment due 4-1-2031 | 450,000 |
| Total Debt | 784,739 |
| Less: Current portion | -172,668 |
| Long-Term Debt | 612,071 |

Interest paid for the year was $52,639.

Future expected principal payments are expected to be as follows:

| | Principal | Interest |
|---|---|---|
| September 30, 2026 | $ 172,668 | $ 40,864 |
| September 30, 2027 | 168,186 | 26,727 |
| September 30, 2028 | 177,804 | 14,858 |
| September 30, 2029 | 106,081 | 14,547 |
| September 30, 2030 | 80,000 | 13,176 |
| September 30, 2031 | 80,000 | 8,176 |
| Total | 784,739 | 118,348 |

Proprietary Activities: Water Works and Sewer Board

The Board had the following long-term debt as of September 30:

| | |
|---|---|
| Series 2019 Bonds Payable – Bank of New York<br>Original issue of $3,045,000, with interest payable semi-annually on May 1 and Nov 1, with interest from 3-4% | $2,400,000 |
| State Revolving Fund – ADWFA<br>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% | 590,000 |
| USDA Bonds Payable – Series 2022<br>$1,237,000 Water and Sewer Revenue Bonds with 2.375% interest, principal and interest due annually on January 1. Final payment 1-1-2062 | 1,179,000 |
| Total bonds and notes | 4,169,000 |

Interest expense is estimated to be $120,000-95,000 for the next five years. Interest payments are due monthly and semi-annually as required. Total interest expense for the year was $122,261 and accrued interest was $58,403.

Unamortized Loan Costs Asset & Bond Premium

Unamortized bond expenses related to the Series 2019 bonds were valued at $61,106 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 $165,333, which will be amortized in future periods against interest expense and are recorded as an Other Long-Term Liability.

Future expected principal payments are expected to be as follows:

| | USDA 2025 Revenue Bonds | SRF Loan | Series 2019 Bond |
|---|---|---|---|
| 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 | 975,000 | 0 | 0 |
| TOTALS | 1,179,000 | 590,000 | 2,400,000 |

Debt Service Ratio

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 2025 adjusted net income of $373,437 is greater than the maximum debt service of $347,000.

The Board is reviewing steps to address collection policies and adjust rates to help maintain proper debt service ratios, including the debt service for the USDA funding.

Net activity during the year for bonds payable was as follows:

| | Government | Proprietary |
|---|---|---|
| Balance at 10/1/2024 | $ 871,050 | $ 4,379,000 |
| Additions (premium) | 65,000 | 0 |
| Less: Payments | -151,311 | -210,000 |
| Balance at 9/30/2025 | 784,739 | 4,169,000 |
| Less: Current portion | -172,668 | -225,000 |
| Long-term debt | 612,071 | 3,944,000 |

**NOTE 4: INSURANCE**

Insurance coverage for the fiscal year ended September 30, 2025, 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, 2025, 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, 2025, the City reflected general receivables of $135,543 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 | $300,432 |
| Less: Allowance for doubtful accounts | -180,259 |
| Net Receivables | 120,173 |

The City's Water Works and Sewer Board had the following balances in accounts receivable for services as of September 30, 2025, net of an allowance for doubtful accounts based on aging of receivables in excess of 120 days:

| | |
|---|---|
| Accounts Receivable | $ 564,408 |
| Allowance for Doubtful Accounts | -286,377 |
| Net Receivables | 278,031 |

After adjustments, bad debt expense recognized for the year was $59,956.

## 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 6: 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, towns 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 entitles 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.

The ERS serves approximately 1,036 local participating employers. The ERS membership includes approximately 89,557 active participants as of September 30, 2024.

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, 2025, the Town'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 10.02% for Tier 1 employees. Total employer contributions to the pension plan from the Board were $49,134, with an additional $72,921 from the City for total contributions of $122,055.

**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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023 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) @ 9-30-23 | $3,039,860 | $3,000,355 | $3,000,355 |
| b. | Discount Rate | 7.45% | 7.45% | 7.45% |
| c. | Entry Age Normal Cost for FY 2024 | 93,299 | 93,299 | 93,299 |
| d. | Transfers Among Employers | 0 | 0 | 0 |
| e. | Actual Benefit Pymts & Refunds for FY 2024 | -144,067 | -144,067 | -144,067 |
| f. | TPL as of 9-30-23 = (a*1b)+b-(c*1.05) | $3,210,195 | 3,167,747 | 3,167,747 |
| g. | Difference between Expected & Actual Results | | -42,448 | |
| h. | Less Liability Transfers | | 0 | |
| i. | Experience Gain or Loss | | -42,448 | |
| j. | Difference between Actual TPL before and after plan benefit changes (gain) loss | | | 0 |

*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.

*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 2025. The supporting actuarial information is included in the GASB 68 report for the ERS prepared as of September 30, 2024.

*Sensitivity of the NPL to changes in the discount rate*.

| | 1% decrease (6.45%) | Current % (7.45%) | 1% increase (8.45%) |
|---|---|---|---|
| Town's Net Pension Liability (Asset) | $1,159,631 | $780,585 | $462,137 |

| Changes in Net Pension Liability Table: | Increases (Decreases) | | |
|---|---|---|---|
| | TPL | Net Position | NPL |
| Balances at 9-30-2023 | $3,039,860 | $1,956,701 | $1,083,159 |
| Changes for the year: | | | |
| Service Cost | 93,299 | | 93,299 |
| Interest | 221,103 | | 221,103 |
| Changes in Benefit terms | 0 | | 0 |
| Changes in Assumptions | 0 | | 0 |
| Difference between expected and actual | -42,448 | | -42,448 |
| Contributions – employer | | 88,938 | -88,938 |
| Contributions – employee | | 70,732 | -70,732 |
| Net investment income | | 414,858 | -414,858 |
| Benefit payments, including refunds | -144,067 | -144,067 | 0 |
| Transfers among employers | 0 | 0 | 0 |
| Net changes | 127,887 | 430,461 | -302,574 |
| Balances at 9-30-2024 | $3,167,747 | $2,387,162 | $780,585 |

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

For FY 2025, the Board recognized net pension expense of $40,930, including related RSA pension charges of $8,204. At 9-30-2025 the city reported overall net pension expense of $82,972, and overall deferred outflows and deferred inflows related to pensions as follows:

| | Deferred Outflows | Deferred Inflows |
|---|---|---|
| Difference between expected and and actual experience | 210,687 | 82,164 |
| Changes of assumptions | 0 | 14,829 |
| Net difference between projected and actual earnings on plan investments | 0 | 159,058 |
| Employer contributions subsequent to the measurement date | 122,055 | 0 |
| Total | 332,742 | 256,051 |

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

| | |
|---|---|
| Year ended September 30: | |
| 2026 | -5,273 |
| 2027 | 28,958 |
| 2028 | -37,813 |
| 2029 | -33,277 |
| 2030 | 2,041 |
| Thereafter | 0 |

**Allocation of Net Pension Liability, Deferred Outflows and Deferred Inflows**

| | Deferred Outflows | Deferred Inflows | Net Pension Liability |
|---|---|---|---|
| Board | $133,097 | $ 102,420 | $ 312,234 |
| City | 199,645 | 153,631 | 468,351 |
| Total | 332,742 | 256,051 | 780,585 |

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
9-30-2025

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service Cost | $93,299 | $95,253 | $81,406 | $74,895 | $71,547 | $76,897 | $60,448 | $70,566 | $40,690 | $ 50,669 |
| Interest | 221,103 | 201,590 | 189,619 | 173,491 | 178,418 | 149,265 | 161,674 | 153,327 | 168,635 | 160,438 |
| Changes of benefit terms | 0 | 0 | 2,182 | 39,988 | 0 | 0 | 0 | 0 | 0 | 0 |
| Differences between expected and actual results | -42,448 | 119,047 | 38,558 | 164,962 | -214,441 | 280,777 | -253,404 | 155,383 | -308,345 | 2,354 |
| Changes of assumptions | 0 | 0 | 0 | -33,369 | 0 | 0 | 9,057 | 0 | 184,093 | 0 |
| Benefit payments, including refunds of employee contributions | -144,067 | -163,863 | -138,317 | -156,748 | -129,681 | -126,973 | -131,079 | -324,828 | -104,361 | -117,656 |
| Transfers among employers | 0 | 0 | 0 | 19,656 | 43,706 | 0 | 3,638 | -43,612 | 0 | 0 |
| Net change in pension liability | 127,887 | 252,027 | 173,448 | 282,875 | -50,451 | 379,966 | -149,666 | 10,836 | -19,288 | 95,805 |
| Total pension liability, beginning | 3,039,860 | 2,787,833 | 2,614,385 | 2,331,510 | 2,381,961 | 2,001,995 | 2,151,661 | 2,140,825 | 2,160,113 | 2,064,308 |
| Total pension liability, ending | $3,167,747 | $3,039,860 | $2,787,833 | $2,614,385 | $2,331,510 | $2,381,961 | $2,001,995 | $2,151,661 | $2,140,825 | 2,160,113 |
| | | | | | | | | | | |
| **Plan fiduciary net position** | | | | | | | | | | |
| Contributions – employer | $88,938 | $99,345 | $79,312 | $81,704 | $65,105 | $59,739 | $63,596 | $38,107 | $63,144 | $53,889 |
| Contributions – member | 70,732 | 67,665 | 62,079 | 40,719 | 37,640 | 34,842 | 34,072 | 19,995 | 32,680 | 34,155 |
| Net investment income | 414,858 | 224,657 | -255,306 | 360,967 | 87,807 | 38,666 | 130,185 | 178,970 | 143,929 | 16,931 |
| Benefit payments, including ref | -144,067 | -163,863 | -138,317 | -156,748 | -129,681 | -126,973 | -131,079 | -324,828 | -104,361 | -117,656 |
| Transfers among employers | 0 | 0 | 0 | 19,656 | 43,706 | 0 | 3,638 | -43,612 | 0 | -23,260 |
| Net change in fiduciary position | 430.461 | 227,804 | -250,232 | 346,298 | 104,577 | 6,274 | 100,412 | -131,368 | 135,392 | -35,941 |
| Plan net position – beginning | 1,956,701 | 1,728,897 | 1,979,129 | 1,632,831 | 1,528,254 | 1,521,980 | 1,421,658 | 1,552,936 | 1,417,544 | 1,453,485 |
| Plan net position – ending | $2,387,162 | $1,956,701 | $1,728,897 | $1,979,129 | $1,632,831 | $1,528,254 | $1,521,980 | $1,421,658 | $1,552,936 | $1,417,544 |
| | | | | | | | | | | |
| NET PENSION LIABILITY | $780,585 | $1,083,159 | $1,058,936 | $635,256 | $698,679 | $853,707 | $480,015 | $730,093 | $587,889 | $742,569 |
| Plan Position as a Percent of TPL | 75.36% | 64.37% | 62.02% | 75.70% | 70.03% | 64.16% | 76.02% | 66.07% | 72.54% | 65.62% |
| Covered employee payroll | $1,034,786 | $875,399 | $918,570 | $800,985 | $706,890 | $604,084 | $651,501 | $514,401 | $625,363 | $444,376 |
| NPL as a % of covered payroll | 75% | 110% | 115% | 80% | 98% | 142% | 73.7% | 142% | 94% | 167% |

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

City of Centreville
Required Supplementary Information
9-30-2025

| SCHEDULE OF EMPLOYER CONTRIBUTIONS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Actuarially determined Contribution | $82,972 | $174,837 | $133,404 | $96,105 | $77,291 | $96,460 | $64,253 | $79,086 | $70,686 | $62,286 |
| Contributions in relation to the actuarially determined contribute | 122,055 | 100,412 | 103,142 | 87,552 | 105,020 | 62,053 | 90,558 | 65,508 | 38,107 | 63,144 |
| Contribution Deficiency (Excess) | -39,083 | 74,425 | 30,262 | 8,553 | -27,729 | 34,407 | -26,305 | 13,578 | 5,886 | 1,805 |
| Covered employee payroll | 1,034,786 | 1,034,786 | 875,399 | 918,570 | 800,985 | 706,890 | 734,874 | 653,050 | 514,401 | 625,363 |
| Contributions as a percentage of covered payroll | 12% | 10% | 12% | 10% | 14% | 8% | 12.3% | 10.0% | 7% | 10% |

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 2025 were based on the FY 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial Cost Method | Entry age |
| Amortization method | Level percent closed |
| Remaining amortization period | 25.1 years |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.5% |
| Salary increases | 3.25-6.0% including inflation |
| Investment rate of return | 7.45%, net of pension investment expense, including inflation |

**City of Centreville - General Fund**
**Schedule of Resources & Charges**
**Budget vs Actual**
**Year Ended September 30, 2025**

| | Budget | Actual |
|---|---|---|
| Fund Balance – Beginning | $356,097 | 356,097 |
| | | |
| RESOURCES | | |
| Taxes: | | |
| Sales & Use tax | 830,000 | 874,644 |
| Ad Valorem tax, real & personal | 150,000 | 139,548 |
| Tobacco tax | 30,000 | 26,835 |
| Alcohol tax | 30,000 | 24,687 |
| Gasoline tax | 55,000 | 52,391 |
| Lodging tax | 5,000 | 4,638 |
| Business licenses & franchises | 330,000 | 315,456 |
| Building permits | 15,000 | 13,222 |
| Intergovernmental: | | |
| TVA | 58,000 | 62,278 |
| Opioid settlement | 2,500 | 7,761 |
| Financial excise | 20,000 | 18,919 |
| Police grant | 48,000 | 26,311 |
| School SRO | 80,000 | 55,602 |
| Other | 320 | 11,794 |
| Garbage collection | 625,000 | 267,654 |
| Municipal court: | | |
| Fees & fines (net) | 95,000 | 81,718 |
| Equipment Rent | 0 | 12,701 |
| Building Rent | 61,800 | 66,950 |
| Reimbursements, other | 11,000 | 62,710 |
| Total Resources before transfers | 2,446,620 | 2,125,819 |
| Other financing sources | 0 | 65,000 |
| Transfers from other funds | 0 | 169,765 |
| Total Resources | 2,446,620 | 2,360,584 |
| Available for appropriation | 2,802,717 | 2,716,681 |
| | | |
| CHARGES | | |
| General government: | | |
| Salaries & labor | 269,850 | 182,050 |
| Payroll taxes & retirement | 64,000 | 32,771 |
| Health insurance | 63,000 | 44,258 |
| Legal & professional | 34,000 | 41,130 |
| Office supplies & computer | 44,000 | 88,653 |
| Insurance | 57,000 | 105,921 |
| Utilities & telephone | 25,590 | 34,187 |
| Repairs & maintenance | 13,200 | 16,008 |

**City of Centreville - General Fund**
**Schedule of Resources & Charges**
**Budget vs Actual**
**Year Ended September 30, 2025**

| | Budget | Actual |
|---|---|---|
| Dues, training & travel | 23,500 | 20,933 |
| Debt service | 0 | 84,041 |
| Collection fees | 0 | 68,895 |
| Economic development | 15,000 | 16,250 |
| Election expenses | 0 | 6,902 |
| Storm shelter | 30,000 | 60,508 |
| Other expenses | 4,500 | 20,287 |
| Event expenses | 12,500 | 6,160 |
| Total general government | 626,140 | 828,954 |
| | | |
| Police & Court: | | |
| Salaries | 420,000 | 504,774 |
| Payroll taxes & retirement | 133,560 | 90,865 |
| Health insurance | 83,167 | 122,717 |
| Professional fees | 8,400 | 8,300 |
| Gas, oil and maintenance | 35,000 | 37,387 |
| E-911 dispatching | 27,720 | 46,276 |
| Jail | 18,388 | 17,890 |
| Equipment & repairs | 27,000 | 71,781 |
| Utilities & telephone | 36,590 | 35,555 |
| Debt service | 25,000 | 47,530 |
| Police supplies & uniforms | 19,150 | 6,442 |
| Dues & training | 7,360 | 4,602 |
| Miscellaneous | 3,000 | 3,324 |
| Total Police | 844,335 | 997,443 |
| | | |
| Senior Center: | | |
| Program fees & other | 5,125 | 6,356 |
| | | |
| Fire Department: | | |
| Utilities & other | 0 | 12,253 |
| | | |
| Street & Sanitation: | | |
| Salaries | 141,000 | 140,674 |
| Payroll taxes & retirement | 39,690 | 25,323 |
| Health insurance | 50,100 | 34,200 |
| Landfill use | 500,000 | 290,426 |
| Street lights | 51,180 | 67,007 |
| Debt service | 8,400 | 61,145 |
| Materials & supplies | 27,000 | 4,464 |
| Fuel, oil & maintenance | 35,500 | 49,739 |

**City of Centreville - General Fund**
**Schedule of Resources & Charges**
**Budget vs Actual**
**Year Ended September 30, 2025**

| | Budget | Actual |
|---|---|---|
| Street repair & paving | 25,000 | 7,023 |
| Equipment | 86,150 | 2,655 |
| Total Street & Sanitation | 964,020 | 682,656 |
| | | |
| Total charges to appropriations | 2,469,620 | 2,527,662 |
| | | |
| Fund balance- Ending | 333,097 | 189,019 |

**City of Centreville**
**Water Works and Sewer Board**
**Schedule of Resources & Charges**
**Budget vs Actual**
**Year Ended September 30, 2025**

| | Budget | Actual |
|---|---|---|
| OPERATING REVENUES | | |
| Charges for Services: | | |
| Water | $1,587,960 | 1,583,148 |
| Sewer | 322,440 | 362,135 |
| Sanitation | 0 | 395,996 |
| Grant revenues | 0 | 223,172 |
| Net Operating Revenues | 1,910,400 | 2,564,451 |
| | | |
| OPERATING EXPENSES | | |
| Payroll & benefits | 642,000 | 592,393 |
| Group insurance | 110,000 | 159,184 |
| Repairs & maintenance | 173,000 | 203,264 |
| Lagoon maintenance/operations | 77,500 | 58,647 |
| Utilities | 111,000 | 161,987 |
| Sanitation charges | 0 | 335,700 |
| Insurance | 33,000 | 20,464 |
| Materials & supplies | 125,000 | 104,401 |
| Fuel & truck | 65,000 | 51,050 |
| Office, computer & postage | 30,000 | 63,962 |
| Professional fees & testing | 40,000 | 27,727 |
| Grant – professional & fees | 0 | 247,942 |
| Deposit discrepancies | 0 | 44,195 |
| Legal & accounting | 27,000 | 15,730 |
| Bad debt expense | 0 | 59,956 |
| Depreciation | 329,900 | 400,977 |
| Equipment rent | 15,000 | 12,701 |
| Uncategorized & other | 18,500 | 31,731 |
| Total Operating Expenses | 1,796,900 | 2,592,011 |
| | | |
| Operating Income (Loss) | 113,500 | -27,560 |
| | | |
| NONOPERATING ITEMS | | |
| Interest and other | 0 | 2,314 |
| RSA actuarial expense | 0 | 8,204 |
| Amortization expense | 0 | -4,700 |
| Interest expense | -113,500 | -122,261 |
| Nonoperating Items | -113,500 | -116,443 |
| | | |
| Net Income (Loss) | 0 | -144,003 |
| Beginning Net Assets | | 4,223,404 |
| Ending Net Assets | | 4,079,401 |

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

# OTHER SUPPLEMENTARY INFORMATION

**City of Centreville**
**Volunteer Fire Department Fund**
**Schedule of Resources & Charges**
**Year Ended September 30, 2025**

| | | |
|---|---|---|
| Beginning fund balance | | $ 79,054 |
| RESOURCES | | |
| County tax allocations | 28,094 | |
| Grants | 10,690 | |
| Donations/Fees | 1,513 | |
| Fundraising, net | -3,810 | |
| Total resources | | 36,487 |
| Amount available for appropriation | | 115,541 |
| CHARGES | | |
| Fire protection: | | |
| Supplies & repairs | 15,421 | |
| Vehicle expenses | 1,843 | |
| Professional fees | 1,394 | |
| Equipment | 15,636 | |
| Uniforms | 1,014 | |
| Miscellaneous | 15 | |
| Total charges | | 35,323 |
| Ending fund balance | | 80,218 |

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

**City of Centreville**
**Nonmajor Governmental Funds**
**Combining Balance Sheet**
**September 30, 2025**

| | Street 7 Cent Gas Tax | 4 & 5 Cent & Rebuild Gas Taxes | Corrections & Special Court Funds | Capital Improvement | Historic Preservation | Total Nonmajor |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Cash | $ 56,324 | $ 5,057 | $114,845 | $ 44,284 | $30,247 | $250,757 |
| Receivables, net | 3,181 | 6,209 | 10,330 | 0 | 0 | 19,720 |
| Total assets | 59,505 | 11,266 | 125,175 | 44,284 | 30,247 | 270,477 |
| LIABILITIES | | | | | | |
| Accounts payable | 0 | 0 | 315 | 0 | 0 | 315 |
| Due to other funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 0 | 0 | 315 | 0 | 0 | 315 |
| FUND BALANCE | | | | | | |
| Fund balance | 59,505 | 11,266 | 124,860 | 44,284 | 30,247 | 270,162 |
| Total liabilities & fund balance | 59,505 | 11,266 | 125,175 | 44,284 | 30,247 | 270,477 |

**City of Centreville**
**Nonmajor Governmental Funds**
**Combining Statement of Revenues, Expenditures & Change in Fund Balance**
**September 30, 2025**

| | Street 7 Cent Gas Tax | 4 & 5 Cent & Rebuild Gas Taxes | Corrections & Special Court Funds | Capital Improvement | Historic Preservation | Total Nonmajor |
|---|---|---|---|---|---|---|
| REVENUES | | | | | | |
| State fuel taxes | $ 35,282 | $ 67,429 | $ 0 | $ 0 | $ 0 | $ 102,711 |
| Alabama Trust Fund | 0 | 0 | 0 | 28,248 | 0 | 28,248 |
| Agency funding | 0 | 0 | 8,076 | 0 | 0 | 8,076 |
| Corrections & fines | 0 | 0 | 46,314 | 0 | 0 | 46,314 |
| Donations & grants | 0 | 0 | 10,100 | 0 | 5,000 | 15,100 |
| Other | 86 | 246 | 284 | 107 | 443 | 1,166 |
| Total revenues | 35,368 | 67,675 | 64,774 | 28,355 | 5,443 | 201,615 |
| EXPENDITURES | | | | | | |
| Administration | 0 | 0 | 0 | 17,865 | 0 | 17,865 |
| Streets | 16,673 | 317,628 | 0 | 0 | 0 | 334,301 |
| Police | 0 | 0 | 18,998 | 53,719 | 0 | 72,717 |
| Court operations | 0 | 0 | 25,862 | 0 | 0 | 25,862 |
| Culture & recreation | 0 | 0 | 0 | 0 | 9,682 | 9,682 |
| Total expenditures | 16,673 | 317,628 | 44,860 | 71,584 | 9,682 | 460,427 |
| Excess of revenues over expenditures | 18,695 | -249,953 | 19,914 | -43,229 | -4,239 | -258,812 |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers in (out) | -74,778 | -46,085 | -9,024 | -39,878 | 0 | -169,765 |
| Net change in fund balance | -56,083 | -296,038 | 10,890 | -83,107 | -4,239 | -428,577 |
| Beginning fund balance | 115,588 | 307,304 | 113,970 | 127,391 | 34,486 | 698,739 |
| Ending fund balance | 59,505 | 11,266 | 124,860 | 44,284 | 30,247 | 270,162 |

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