CITY OF OPELIKA
CITY COUNCIL
WORKSESSION MEETING AGENDA

300 Martin Luther King Blvd.

March 1, 2022

TIME: 6:45 PM

1. CALL TO ORDER
   1. George Allen, Erica Norris, Tim Aja, Todd Rauch, Eddie Smith

2. PRESENTATIONS
   2. John Boles - City's FY2021 Audit Report & Financial Statements.
   3. Requesting Advertise for PH, Rezoning, 40 Acres, 3800 block Society Hill Road, from R-1 to C-2.

3. RESOLUTIONS

4. ORDINANCES

5. GENERAL UPDATES

6. REVIEW/DISCUSS CURRENT COUNCIL MEETING AGENDA

7. GENERAL / DISCUSSION

8. END OF WORK SESSION

"In compliance with the Americans with Disabilities Act, the City of Opelika will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the ADA Coordinator 72 hours prior to the meeting at (334)705-2083."

CITY OF OPELIKA, ALABAMA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

LIST OF PRINCIPAL OFFICIALS OF THE CITY OF OPELIKA

ELECTED AND APPOINTED OFFICIALS

Gary Fuller, Mayor
George Allen, Council Member, Ward 1
Erica Baker-Norris, Council President Pro-Tem, Ward 2
Robert Lofton, Council Member, Ward 3
Charles E. Smith, Council President, Ward 4
Todd Rauch, Council Member, Ward 5
Russell Jones, City Clerk
Joel D. Motley, City Administrator
Guy F. Gunter, III, City Attorney

DEPARTMENT HEADS

Cynthia G. Boyd, Controller
Stephen Dawe, Chief Technology Officer
Samuel S. Bailey, Parks and Recreation Director
Ruth Blessing, Human Resources Director
Matt Mosley, Planning Director
Lillie Finley, Purchasing/Revenue Director
Scott Parker, City Engineer
Lori B. Huguley, Economic Development Director
Derek Lee, Opelika Power Services Director
Rosanna McGinnis, Library Director
Denise Rogers, Municipal Court Clerk
Donald (Shane) Boyd, Fire Chief
Shane Healey, Police Chief
Michael J. Hilyer, Public Works Director
Terry M. White, Opelika Environmental Services Director

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Huguley
Boles

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Opelika, Alabama
Opelika, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelika, Alabama, (the "City") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Opinion on the Reporting Entity

As discussed in Note 1, the financial statements referred to above include only the primary government of the City of Opelika, Alabama, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported within the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Opelika

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Alabama, as of September 30, 2021, the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on the Reporting Entity

In our opinion, because of the significance of the matter discussed in the "Basis for Opinion on the Reporting Entity" paragraph, the financial statements referred to above do not purport to, and do not present fairly the financial position of the reporting entity of the City of Opelika, Alabama as of September 30, 2021, the changes in financial position or, where applicable, its cash flows for the year then ended. In accordance with accounting principles generally accepted in the United States of America, the City of Opelika, Alabama has issued separate reporting entity financial statements for which we have issued our report dated February 23, 2022.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelika, Alabama as of September 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in the net pension liability, the schedule of employer contributions – pension, and the schedule of changes in the total OPEB liability and related ratios on pages 7 through 20 and 69 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Opelika, Alabama's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic fund financial statements.

The combining and individual nonmajor fund financial statements and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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.

The introductory, other supplementary information, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Himmelwright, Huguley & Boles, LLC

Himmelwright, Huguley & Boles, LLC
Opelika, Alabama
February 23, 2022

As management of the City of Opelika (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. Please read the information presented here in conjunction with the City's financial statements immediately following this section.

INTRODUCTION

The General Fund is the main fund of the City of Opelika. It provides funding for Police, Municipal Court, Probation, Fire, Public Works, Culture and Recreation, Economic Development, the Library, Administrative departments, and debt payments. The funding for these activities is provided by taxes, licenses and permits, shared State and County revenues, charges for services, and other miscellaneous revenues.

The City continues to focus on updating buildings and other facilities with the following projects in progress during fiscal year 2021:

- Completion of new library
- Police Training Facility
- Update HVAC in City Hall and Sportsplex
- Pickleball Courts

The City continues to grow, requiring maintenance on existing roadways, sidewalks and infrastructure as well as new construction. The City worked on the following construction projects in fiscal year 2021, including some with grant funding assistance:

- Andrews Road Bridge
- Uniroyal Road Bridge
- Sidewalks & Intersection Improvements, Americans with Disabilities Act
- Northpark Drive Improvements
- Industrial Boulevard Improvements
- Fox Run to North Uniroyal Improvements
- Thomason & Veteran Drive Extensions

In addition, the City also has Proprietary Funds including Opelika Power Services (electric), Opelika Environmental Services (solid waste and recycling) and Sewer. The City sold their Telecommunications business in November 2018. The revenue for these business-type funds comes from fees charged to customers for services rendered.

The economic forecast remains positive with growth in industries, jobs, retail developments, restaurants, hotels and housing. The City continues to see upward trends in our revenue, specifically sales tax revenue, property tax revenue and occupational license fees.

Our team will continue to build new roads and improve transportation corridors to better move our citizens from one place to another. We will pursue new industry and investments which will bring good paying jobs. Finally, we will stay vigilant in keeping our citizens and friends safe.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded the liabilities at the close of fiscal year 2021 by $260,536,957 (net position), page 23. The primary government experienced a 15% increase in net position from $226,947,404 at September 30, 2020 to $260,536,957 at September 30, 2021. This variance is explained on page 12.

- The unassigned fund balance for the General Fund was $47,908,289 or 67% of total General Fund expenditures and other financing uses; this was a decrease of $8,195,630 (15%) from fiscal 2020.

- The Statement of Activities shows the primary government received taxes and other revenue of $146,878,755 and had expenses of $110,554,593, page 24. This amount includes the Governmental Funds, Sewer, Solid Waste, and Electric Utility Services.

- The City's total long term liabilities at year-end was $162,898,587, an increase of $613,607 since last year.

- The General Fund gave Opelika City Schools $8,125,701. This represents the education portion of the property tax collected less payments to debt service for 2012-B & 2019-B warrants of $962,418. Additionally, the City appropriated $3,322,000 in fiscal year 2021.

- Overall General Fund revenues for the fiscal year ending September 30, 2021 were $77,156,813 or 18.2% more than last year. Sales Tax collections of $41,741,504 were 18.3% more than last year. Property Tax collections of $4,829,699 were 7.4% more than last year. Occupational License Fees of $13,933,400 were 10.9% more than last year. Business licenses and permits of $6,450,908 were 13.7% more than last year.

- The General Fund revenues of $77,156,813 were 27.7% over the final budget of $60,431,664 for the year. General Fund expenditures of $68,884,547 were 23.8% more than $55,640,998 in 2020.

- The City provides significant funding for capital assets. This includes funding for equipment replacement to keep our work force efficient and safe. In addition, infrastructure is a priority for the City as we explain later in the capital assets section. The City continues to provide funding for resurfacing of roads and streets. This year, resurfacing expenditures totaled $1,266,323 with total road construction and sidewalk repairs of $9,950,174.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 11. One of the most important questions asked about the City's finances, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in it. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. However, it is necessary to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, public works, parks and recreation, and general administration. Property taxes, sales taxes, occupational license fees, business licenses, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the costs of certain services it provides. The operations of the City's electric system, sewer system, telecommunications, and solid waste collection are reported here.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 22. The fund financial statements begin on page 25 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches:

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation at the bottom of the fund financial statements.

- *Proprietary funds* – When the City charges customers for the services it provides- whether to outside customers or to other units of the City – these services are generally reported in the proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide services for the City's other programs and activities – such as the City's Health Insurance and Workmen's Compensation Funds.

THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Opelika, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by $260,536,957 as of September 30, 2021. This is an increase of 15% from last year.

The largest portion of the City's net assets reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay that debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City is presenting a comparative analysis of government-wide data below:

CITY OF OPELIKA NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 123,201,266	$ 124,701,624	$ 60,419,392	$ 48,174,401	$ 183,620,658	$ 172,876,025
Capital assets	178,982,312	159,019,342	72,523,983	73,786,524	251,506,295	232,805,866
Total assets	302,183,578	283,720,966	132,943,375	121,960,925	435,126,953	405,681,891
Def chgs & refunding costs	3,424,424	3,718,278	2,199,887	2,375,151	5,624,311	6,093,429
Net diff b/t proj & act earnings on plan investments	2,238,928	2,340,719	557,606	580,935	2,796,534	2,921,654
Emplr retirement contributions	3,815,311	3,577,377	814,920	809,721	4,630,231	4,387,098
Net diff b/t proj & act earnings on OPEB	6,508,733	3,037,786	1,400,180	670,828	7,908,913	3,708,614
Total deferred outflows of resources	15,987,396	12,674,160	4,972,593	4,436,635	20,959,989	17,110,795
Total assets & deferred outflows of resources	$ 318,170,974	$ 296,395,126	$ 137,915,968	$ 126,397,560	$ 456,086,942	$ 422,792,686
Long term liabilities	$ 124,536,257	$ 123,251,580	$ 38,362,330	$ 39,033,400	$ 162,898,587	$ 162,284,980
Other liabilities	6,946,050	16,373,949	10,807,553	3,524,576	17,753,603	19,898,525
Total liabilities	131,482,307	139,625,529	49,169,883	42,557,976	180,652,190	182,183,505
Net diff b/t proj & act earnings on retirement plan investments	386,276	279,631	40,558	19,366	426,834	298,997
Cbanges in assumptions-OPEB	126,150	135,872	26,766	28,807	152,916	164,679
Unearned revenues	14,318,045	13,198,101	-	-	14,318,045	13,198,101
Total deferred inflows of resources	14,830,471	13,613,604	67,324	48,173	14,897,795	13,661,777
Total liabilities & deferred inflows of resources	146,312,778	153,239,133	49,237,207	42,606,149	195,549,985	195,845,282
Net position:						
Net investment in capital assets	145,658,808	123,985,049	47,761,959	47,233,491	193,420,767	171,218,540
Net position - restricted	12,359,061	11,341,464	919,337	903,540	13,278,398	12,245,004
Net position - unrestricted	13,840,327	7,829,480	39,997,465	35,654,380	53,837,792	43,483,860
Total net position	$ 171,858,196	$ 143,155,993	$ 88,678,761	$ 83,791,411	$ 260,536,957	$ 226,947,404

Total Net position in the governmental activities is $171.9 million. The Total Net position consists of net investment in capital assets of $145.7 million, Net position – restricted of $12.4 million, and Net position – unrestricted of approximately $13.8 million.

Net investment in capital assets consists of the following components: Capital assets of $178,982,312 are reduced by $33,323,504 of related debt that was issued to finance acquisition of infrastructure assets. This amount consists of 2011 Warrants $668,050, 2014 Warrants $8,546,054, 2015 Warrants $9,569,098, 2016 Warrants $3,580,768, 2019-B Warrants $14,383,958 and less deferred charges and debt issue costs of $3,424,424.

Governmental Capital assets increased primarily due to the new capital assets constructed during the year which include the new library and Covington Center renovations, and other capital projects plus roads and drainage dedicated to the City by subdivision developers.

The City's long-term liabilities include general obligation warrants, compensated absences, retirement and other post-employment obligations, and revenue warrants. Additional information can be found in Note 7 through Note 10.

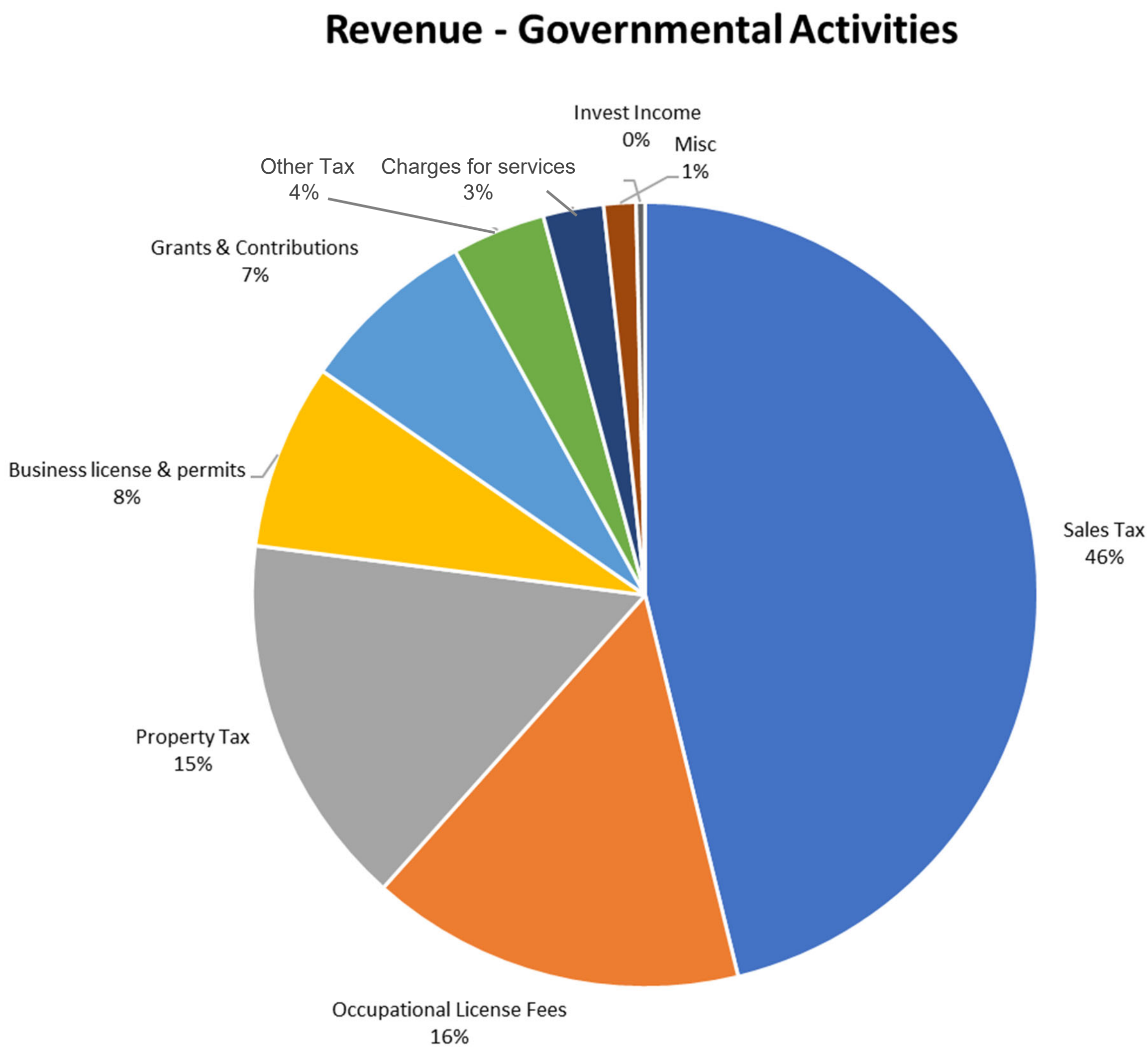
CITY OF OPELIKA CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Government Wide	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$2,247,577	$2,176,118	$53,330,345	$51,025,981	$55,577,922	$53,202,099
Operating grants and contributions	4,227,992	366,924	-	-	4,227,992	366,924
Capital grants and contributions	2,376,415	2,618,232	1,366,755	821,616	3,743,170	3,439,848
General revenues:						
Taxes:						
Property	13,913,855	13,061,663	-	-	13,913,855	13,061,663
Sales	41,741,504	35,269,778	-	-	41,741,504	35,269,778
Other	3,477,048	2,747,934	-	-	3,477,048	2,747,934
Licenses and permits	20,849,723	18,595,996	-	-	20,849,723	18,595,996
Investment earnings	379,231	1,072,120	295,133	644,124	674,364	1,716,244
Gain on sale of capital assets	(45,767)	(30,793)	62,373	16,889	16,606	(13,904)
Miscellaneous	1,196,228	456,965	1,460,343	1,144,977	2,656,571	1,601,942
Total revenues	90,363,806	76,334,937	56,514,949	53,653,587	146,878,755	129,988,524
Expenses:						
General government	10,425,182	8,732,637	-	-	10,425,182	8,732,637
Public safety	20,572,123	19,650,743	-	-	20,572,123	19,650,743
Public works	10,855,120	9,383,614	-	-	10,855,120	9,383,614
Health	429,864	480,258	-	-	429,864	480,258
Welfare	152,167	110,400	-	-	152,167	110,400
Culture and recreation	7,481,115	6,899,571	-	-	7,481,115	6,899,571
Education	11,459,201	10,977,995	-	-	11,459,201	10,977,995
Econ development and urban rehab	1,685,874	1,421,961	-	-	1,685,874	1,421,961
Interest on long-term debt	1,600,957	2,859,609	-	-	1,600,957	2,859,609
Electric	-	-	39,586,376	37,375,510	39,586,376	37,375,510
Sewer	-	-	3,186,303	3,325,656	3,186,303	3,325,656
Solid Waste	-	-	2,893,935	2,771,187	2,893,935	2,771,187
Telecommunications	-	-	226,376	303,678	226,376	303,678
Total Expenses	64,661,603	60,516,788	45,892,990	43,776,031	110,554,593	104,292,819
Increases in net position before x-fers	25,702,203	15,818,149	10,621,959	9,877,556	36,324,162	25,695,705
Transfers	3,000,000	1,805,741	(3,000,000)	(1,805,741)	-	-
Increase in net position	$28,702,203	$17,623,890	$7,621,959	$8,071,815	$36,324,162	$25,695,705

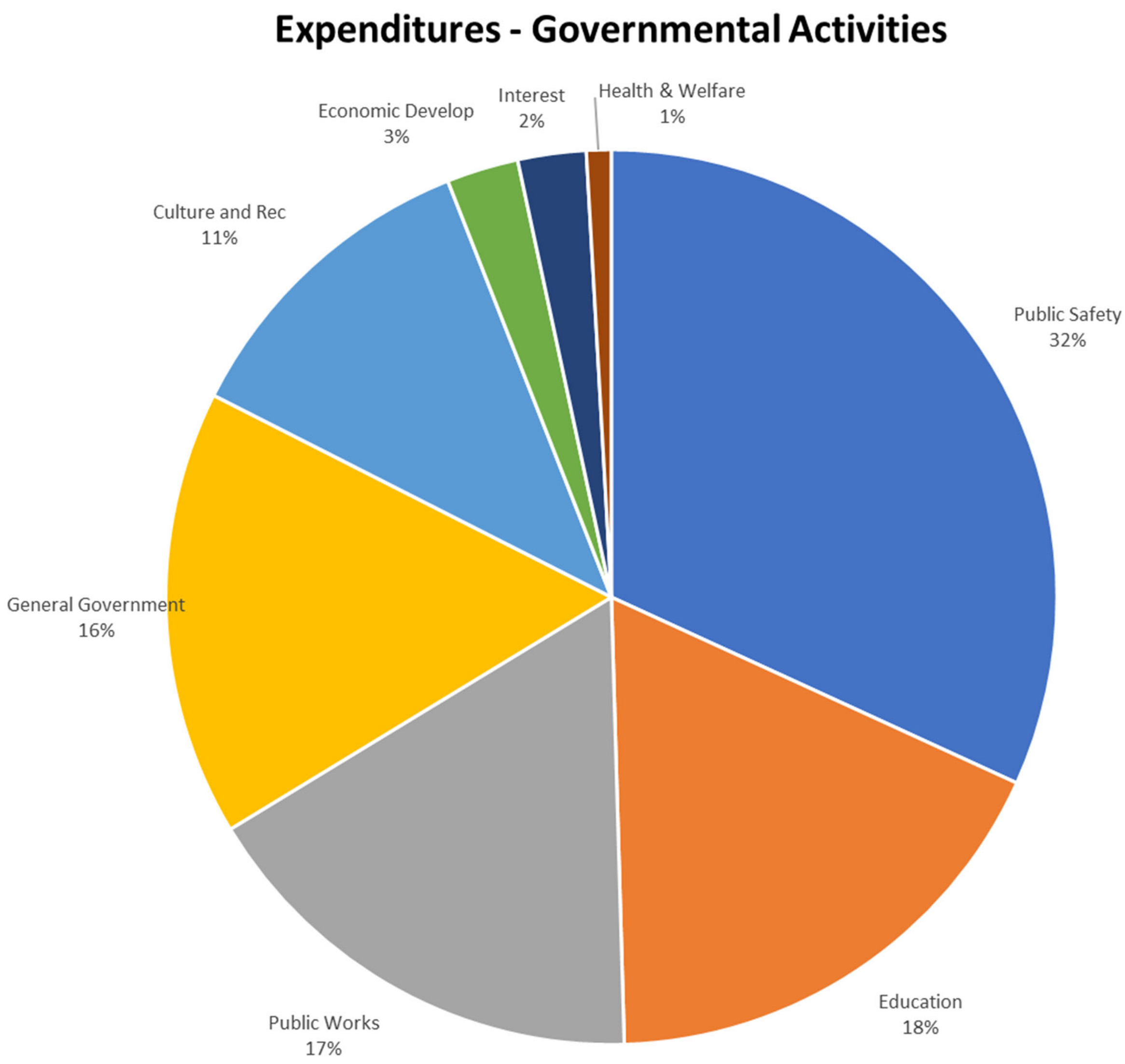
Government-wide revenues increased by 13.0%, while government-wide expenses increased by 6.0%. The increase in revenues is due to increased charges in services revenue from our business type activities, increased operating grants and contributions which include ARPA funds, as well as increased sales taxes and license and permit revenue.

Government-wide expenses increased by 6.0% for the year. Governmental Type expenses increased by $4,144,815 or 6.8% while Business Type expenses increased by $2,116,959 or 4.8%.

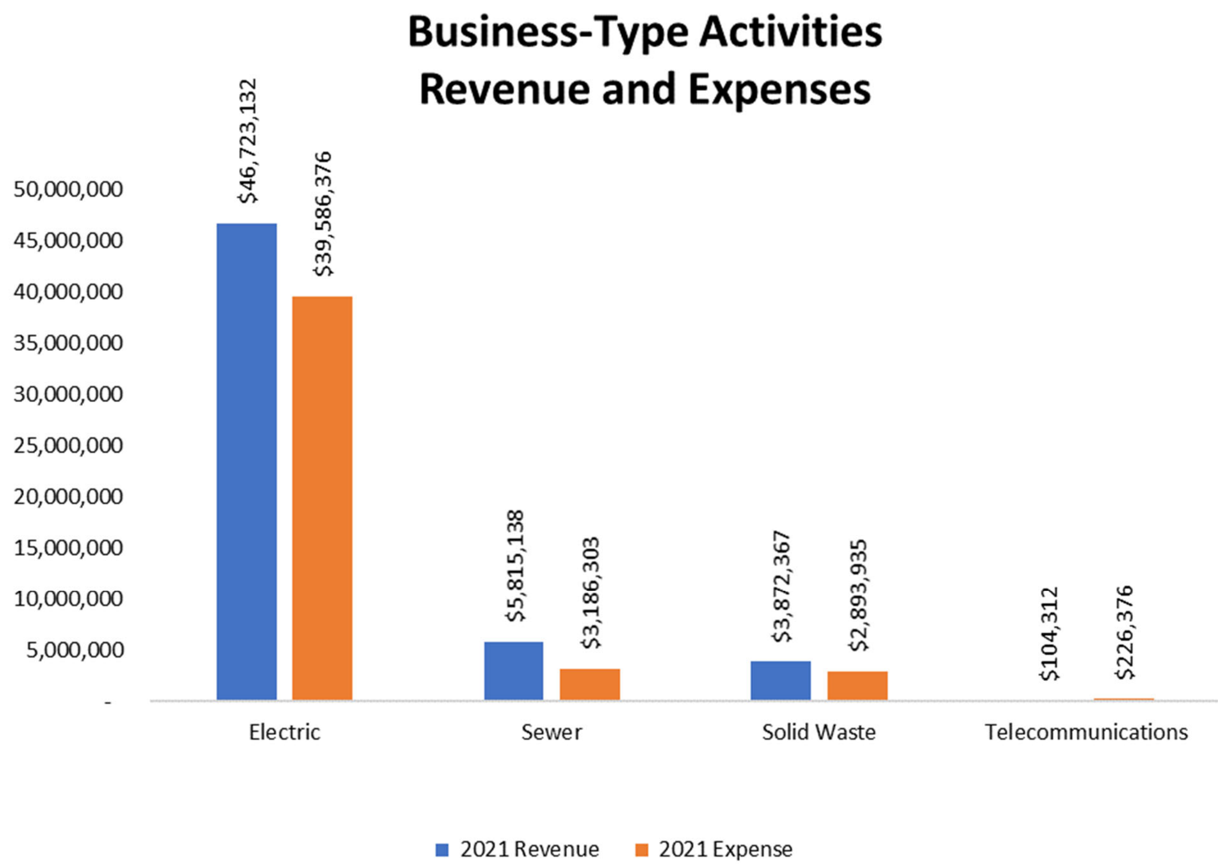
Below is a graphic representation of the City's distribution of Revenue sources for fiscal year 2021:



Below is a graphic representation of the City's Expenses in fiscal year 2021:



See Chart below representing the Business-type Activities Revenue and Expense:



THE CITY FUNDS

Governmental Funds

The focus of the City of Opelika's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The differences between the governmental activities in the government-wide financial statements on pages 22 and 23, and the balance sheet for governmental funds on pages 25 and 26 are explained on page 27. The differences in the Statement of Activities on page 24 and the Statement of Revenues, Expenditures, and Changes in Fund Balances on pages 28 and 29 are explained on page 30.

As the City completed the year, its governmental funds (as presented in the balance sheet on pages 25 and 26) reported a combined fund balance of $96,087,884. The is an increase of $6,069,214 in the combined fund balance from prior year. The General Fund's Unassigned Fund Balance decreased by $8,195,630, however, the Assigned Fund Balance increased by $13,094,571. The overall Fund Balance in General Fund increased $4,856,069.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The only difference in the business-type activities on pages 22 and 23, and the Statement of Net Assets, proprietary funds on pages 31 and 32 is the reclassification of the internal service funds to government activities. The internal service funds are included in governmental activities on the government-wide financial statements. This difference is shown on the Statement of Revenues, Expenses and Changes in Net Assets, proprietary funds at the bottom of page 33.

The net position of the proprietary funds increased in 2021 to $89,450,113 from $84,787,787 in 2020. The net position of Electric, Sewer, Telecommunications and Solid Waste increased by a total of $4,662,326. Electric increased by $1,872,905, Sewer increased by $2,028,835, Telecommunications decreased by $122,064 and Solid Waste increased by $882,650.

General Fund Budgetary Highlights

Over the course of the year, the City Council authorized several changes to the General Fund budget for fiscal year ending September 30, 2021. The most significant adjustments are itemized below:

1) $ 3,187,301 Completion of New Library
2) $ 2,463,316 Industrial Blvd Improvements
3) $ 2,124,120 North Uniroyal Road Bridge
4) $ 1,853,979 Ladder & Pumper Trucks
5) $ 1,563,630 North Park Drive Improvements
6) $ 906,314 Veteran Pkwy & Thomason Drive Extension
7) $ 551,500 Training
8) $ 465,643 Defibrillators & AED Sentinel Program
9) $ 445,304 Economic Development Agreements
10) $ 173,546 Meraki Cameras & Equipment
11) $ 148,000 Sportsplex Road Roundabout

In addition to these adjustments, the Library Board contract authorizes budget carry-forwards. The Library carry-forward was $270,420.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Opelika's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounted to $251,506,295 (net of accumulated depreciation). This investment in capital assets included land, buildings and improvements, systems, improvements other than buildings, equipment, infrastructure and construction in progress. See Note 5 for additional capital asset information.

This year's major additions to capital assets included:

1. Library Completion	$9,788,658
2. Roadways, Bridges and Dams	$7,055,302
3. Opelika Power System Additions	$2,721,352
4. Fire Training Center, Vehicles & Equipment	$1,635,626
5. Sidewalk improvements, ADA Compliance	$1,472,950
6. Park Improvements and Recreational Facilities	$1,396,210
7. Sewer/Stormwater Drainage Additions & Maint.	$1,109,597
8. Solid Waste (OES) Vehicles	$ 640,551
9. Police Vehicles and Equipment	$ 607,625
10. Public Works Vehicles and Equipment	$ 510,982
11. Opelika Power Vehicles and Equipment	$ 481,822
12. Information Tech System Improvements & Maint.	$ 322,274
13. Building Improvements and Maintenance	$ 281,003
14. Sewer Vehicle & Equipment	$ 147,842

Capital Assets at Year-end
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 10,368,121	$ 10,368,121	$ 2,462,062	$ 2,462,062	$ 12,830,183	$ 12,830,183
Buildings and improvements	60,085,659	48,635,960	11,299,615	11,575,130	71,385,274	60,211,090
System	-	-	53,310,600	54,925,974	53,310,600	54,925,974
Improvements other than buildings	3,362,127	3,569,068	-	-	3,362,127	3,569,068
Equipment	10,520,672	9,668,825	4,844,095	4,490,559	15,364,767	14,159,384
Infrastructure	87,200,559	80,922,620	-	-	87,200,559	80,922,620
Construction in process	7,445,174	5,854,748	607,611	332,799	8,052,785	6,187,547
Total	$ 178,982,312	$ 159,019,342	$ 72,523,983	$ 73,786,524	$ 251,506,295	$ 232,805,866

Debt Administration
As of September 30, 2021, the City of Opelika had total city-wide long-term liabilities of $162,898,587. This amount increased by $613,607 since fiscal year end 2020.

The City's general obligation bond rating from Standard & Poor's is AA and the rating from Moody's is Aa2.

Maximum general obligation debt that cities can issue (with certain exclusions for debt issued for schools, sewers and storm sewers) is 20% of the assessed value of real and personal property. As of September 30, 2021, the City had approximately $52,414,543 of available debt margin. See Note 7 for additional information about the City's general long-term debt and other long-term liabilities. Outstanding Debt at year-end was composed of the following items:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	$ 74,120,000	$ 78,260,000	$ 1,220,000	$ 1,810,000	$ 75,340,000	$ 80,070,000
Other long-term debt	-	-	25,725,000	27,090,000	25,725,000	27,090,000
Unamortized premiums/discounts	1,416,313	2,394,250	16,911	28,184	1,433,224	2,422,434
Compensated absences	2,938,054	2,649,865	526,237	526,742	3,464,291	3,176,607
Net OPEB liability	10,655,518	6,143,065	2,305,988	1,357,783	12,961,506	7,500,848
Net Pension liability	35,275,411	33,648,466	8,568,194	8,220,691	43,843,605	41,869,157
Claims and judgements	130,961	155,934	-	-	130,961	155,934
Total	$ 124,536,257	$ 123,251,580	$ 38,362,330	$ 39,033,400	$ 162,898,587	$ 162,284,980

ECONOMIC DEVELOPMENT RECAP

Opelika Contributes in a Big Way to Lee County's #1 Ranking in the State for Economic Growth

"With the highest percent business growth and new building permits of any county in the state, Lee County tops the list. Lee includes Auburn and Opelika. It has seen 8.3% business growth, $262 million in GDP growth, and 32.2 new building permits per every 1,000 homes. These factors earned the county a 58.09 on Smart Asset's incoming investment index." -Montgomery Advertiser, Oct. 3, 2021

Opelika sees another record-breaking year in 2021 which includes growth in all economic sectors:

Residential
- Record 488 new single-family homes permitted
- 35 new duplex and 168 new apartments permitted

Commercial/Retail
- Whataburger opens first Lee County location near Tiger Town
- Brick & Spoon, Zen Steak & Sushi, and various other retail stores open in the new Pepperell Village development along Pepperell Parkway
- Capps Farm development announces QuikTrip location at exit 58 near Tiger Town

Industrial

- announced total of 580 new jobs with combined payroll of over $27 million
- new capital investments announced totaled over $160 million

Sources:

https://www.montgomeryadvertiser.com/story/news/2021/10/04/study-ranks-top-10-alabama-counties-acquiring-most-investments/5938076001/
https://smartasset.com/investing/investment-calculator?year=2021#alabama/fed_funding

FINANCIAL CONTACT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Controller's Office at 608 Avenue A, Opelika, Alabama 36803-0390.

BASIC FINANCIAL STATEMENTS

CITY OF OPELIKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 68,570,921	$ 48,082,588	$ 116,653,509
Certificates of deposit	25,000,000	5,000,000	30,000,000
Receivables:			
Accounts and unbilled service receivable, net	-	4,995,853	4,995,853
Sales and use taxes	4,321,848	-	4,321,848
Occupational license taxes	3,461,063	-	3,461,063
Property taxes	4,697,073	-	4,697,073
Other	1,299,562	4,537	1,304,099
Due from other governments	2,997,779	354,454	3,352,233
Supplies and prepaid expenses	405,685	1,060,192	1,465,877
Restricted assets:			
Temporarily restricted:			
Cash with fiscal agent	1,364,403	919,337	2,283,740
Receivable for property taxes, restricted for school purposes	9,435,763	-	9,435,763
Investments	23,749	-	23,749
Permanently restricted:			
Investments	1,535,146	-	1,535,146
Other	88,274	2,431	90,705
Capital assets:			
Land	10,368,121	2,462,062	12,830,183
Building	75,877,321	13,666,182	89,543,503
System improvements other than buildings	7,198,289	123,798,868	130,997,157
Equipment	25,449,765	11,985,326	37,435,091
Infrastructure	125,504,524	-	125,504,524
Construction work in progress	7,445,174	607,611	8,052,785
Total original cost	251,843,194	152,520,049	404,363,243
Less: accumulated depreciation	(72,860,882)	(79,996,066)	(152,856,948)
Capital assets, net	178,982,312	72,523,983	251,506,295
Total assets	302,183,578	132,943,375	435,126,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges and refunding costs	3,424,424	2,199,887	5,624,311
Net difference between projected and actual earnings on plan investments	2,238,928	557,606	2,796,534
Employer retirement contributions	3,815,311	814,920	4,630,231
Net difference between projected and actual earnings on OPEB	6,508,733	1,400,180	7,908,913
Total deferred outflows of resources	15,987,396	4,972,593	20,959,989
Total assets and deferred outflows of resources	$ 318,170,974	$ 137,915,968	$ 456,086,942

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

CITY OF OPELIKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Accounts payable	$ 3,686,034	$ 6,515,516	$ 10,201,550
Accrued payroll and benefits	1,299,599	225,231	1,524,830
Accrued interest payable	1,982,042	90,840	2,072,882
Due to other funds	(771,352)	771,352	-
Due to other governments	749,727	11,800	761,527
Long-term liabilities:			
Due within one year	4,086,718	2,214,260	6,300,978
Due in more than one year	74,518,610	25,273,888	99,792,498
Net pension liability	35,275,411	8,568,194	43,843,605
Net OPEB liability	10,655,518	2,305,988	12,961,506
Unearned revenues	-	36,589	36,589
Customer deposits	-	3,156,225	3,156,225
Total liabilities	131,482,307	49,169,883	180,652,190
DEFERRED INFLOWS OF RESOURCES			
Net difference between projected and actual earnings on retirement plan investments	386,276	40,558	426,834
Changes in assumptions - OPEB	126,150	26,766	152,916
Unearned revenues	14,318,045	-	14,318,045
Total deferred inflows of resources	14,830,471	67,324	14,897,795
Total liabilities and deferred inflows of resources	146,312,778	49,237,207	195,549,985
NET POSITION			
Net investment in capital assets	145,658,808	47,761,959	193,420,767
Net position - restricted			
Cooper library	23,749	-	23,749
Electric utility	-	904,634	904,634
Garden hills cemetery	1,535,146	-	1,535,146
General obligation school warrants	1,364,403	-	1,364,403
School system	9,435,763	-	9,435,763
Sewer system	-	14,703	14,703
Net position - unrestricted	13,840,327	39,997,465	53,837,792
Total net position	$ 171,858,196	$ 88,678,761	$ 260,536,957

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

CITY OF OPELIKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTIONS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION: BUSINESS-TYPE ACTIVITIES	TOTAL
Primary government:							
Governmental activities:							
General government	$ 10,425,182	$ 26,232	$ 3,364,033	$ 200	$ (7,034,717)	$ -	$ (7,034,717)
Public safety	20,572,123	735,672	13,420	-	(19,823,031)	-	(19,823,031)
Public works	10,855,120	129,211	-	2,297,041	(8,428,868)	-	(8,428,868)
Health	429,864	-	-	-	(429,864)	-	(429,864)
Welfare	152,167	-	-	-	(152,167)	-	(152,167)
Culture and recreation	7,481,115	1,356,462	17,421	79,174	(6,028,058)	-	(6,028,058)
Education	11,459,201	-	-	-	(11,459,201)	-	(11,459,201)
Economic development and urban rehabilitation	1,685,874	-	833,118	-	(852,756)	-	(852,756)
Interest on long-term debt	1,600,957	-	-	-	(1,600,957)	-	(1,600,957)
Total government activities	64,661,603	2,247,577	4,227,992	2,376,415	(55,809,619)	-	(55,809,619)
Business-type activities:							
Electric	39,586,376	44,131,964	-	946,196	-	5,491,784	5,491,784
Sewer	3,186,303	5,411,701	-	402,805	-	2,628,203	2,628,203
Solid waste	2,893,935	3,786,680	-	17,754	-	910,499	910,499
Telecommunications	226,376	-	-	-	-	(226,376)	(226,376)
Total business-type activities	45,892,990	53,330,345	-	1,366,755	-	8,804,110	8,804,110
Total primary government	$ 110,554,593	$ 55,577,922	$ 4,227,992	$ 3,743,170	(55,809,619)	8,804,110	(47,005,509)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
General revenues:			
Taxes:			
Property	13,913,855	-	13,913,855
Sales	41,741,504	-	41,741,504
Other	3,477,048	-	3,477,048
Licenses and permits	20,849,723	-	20,849,723
Investment earnings	379,231	295,133	674,364
(Loss)/Gain on sale of capital assets	(45,767)	62,373	16,606
Miscellaneous income	1,196,228	1,460,343	2,656,571
Transfers	3,000,000	(3,000,000)	-
Total general revenues and transfers	84,511,822	(1,182,151)	83,329,671
Change in net position	28,702,203	7,621,959	36,324,162
Net position, beginning of year	143,155,993	83,791,411	226,947,404
Prior period adjustment	-	(2,734,609)	(2,734,609)
Net position, beginning of year, restated	143,155,993	81,056,802	224,212,795
Net position, end of year	$ 171,858,196	$ 88,678,761	$ 260,536,957

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

CITY OF OPELIKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	GENERAL FUND	SCHOOL TAX SPECIAL REVENUE FUND	SPORTSPLEX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 44,736,111	$ 494,823	$ 10,846,335	$ 6,402,214	$ 62,479,483
Cash with fiscal agent	-	-	-	376	376
Certificates of deposit	20,000,000	-	5,000,000	-	25,000,000
Receivables:					
Occupational license taxes	3,461,063	-	-	-	3,461,063
Sales and use taxes	4,268,429	-	-	53,419	4,321,848
Property taxes	4,697,073	9,435,763	-	-	14,132,836
Assessments	29,766	-	-	-	29,766
Accrued interest	9,014	-	3,245	2,610	14,869
Other	490,374	-	550,000	180,037	1,220,411
Due from other funds	32,768	-	-	95,656	128,424
Due from other governments	2,572,117	-	-	425,662	2,997,779
Supplies	149,100	-	-	-	149,100
Prepaid expenses	256,585	-	-	-	256,585
Investments	-	-	-	2,923,298	2,923,298
Total current assets	80,702,400	9,930,586	16,399,580	10,083,272	117,115,838
Other assets:					
Deposits	-	-	-	69,045	69,045
Total other assets	-	-	-	69,045	69,045
Total assets	$ 80,702,400	$ 9,930,586	$ 16,399,580	$ 10,152,317	$ 117,184,883

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

CITY OF OPELIKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	GENERAL FUND	SCHOOL TAX SPECIAL REVENUE FUND	SPORTSPLEX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 3,004,876	$ -	$ -	$ 93,832	$ 3,098,708
Retainage payable	473,875	-	-	-	473,875
Accrued payroll and benefits	1,323,553	-	-	6,326	1,329,879
Due to other funds	12,165	-	-	116,259	128,424
Due to other governments	29,580	675,701	-	44,446	749,727
Matured bonds and interest payable	-	-	-	471,425	471,425
Total liabilities	4,844,049	675,701	-	732,288	6,252,038
Deferred inflows of resources:					
Unearned revenues	4,814,816	9,254,273	550,000	225,872	14,844,961
Total deferred inflows of resources	4,814,816	9,254,273	550,000	225,872	14,844,961
Fund balances:					
Nonspendable:					
Supplies	149,099	-	-	-	149,099
Other noncurrent assets	-	-	-	69,045	69,045
Permanent funds - nonexpendable	-	-	-	1,549,163	1,549,163
Restricted to:					
Special revenue	-	612	-	2,324,185	2,324,797
Debt service	-	-	-	930,313	930,313
Capital projects	-	-	-	1,917,395	1,917,395
Public safety	146,713	-	-	-	146,713
Sportsplex	-	-	5,112,271	-	5,112,271
Committed:					
Special projects	59,042	-	-	-	59,042
Assigned to:					
Road improvement and maintenance	-	-	-	546,548	546,548
Sportsplex	-	-	10,737,309	-	10,737,309
Economic development	-	-	-	1,862,458	1,862,458
Community development	3,233,448	-	-	-	3,233,448
Capital projects	19,546,944	-	-		19,546,944
Unassigned	47,908,289	-	-	(4,950)	47,903,339
Total fund balances	71,043,535	612	15,849,580	9,194,157	96,087,884
Total liabilities, deferred inflows of resources and fund balances	$ 80,702,400	$ 9,930,586	$ 16,399,580	$ 10,152,317	$ 117,184,883

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

CITY OF OPELIKA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total fund balances - governmental funds			$ 96,087,884
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds.			178,982,312
Internal service funds are used by management to charge the costs of workmen's compensation insurance and employee's health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			6,150,762
Receivables and other long-term assets, including receivables from other governments, are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			898,501
Deferred inflows and outflows of resources not due and payable in the current period and, therefore, are not reported in the funds.			12,050,546
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
	Governmental long-term debt	(74,119,999)	
	Premiums, discounts and refunding costs	2,008,110	
	Accrued interest payable	(1,510,617)	
	Net pension liability	(35,275,411)	
	Net OPEB liability	(10,655,518)	
	Compensated absences	(2,758,374)	(122,311,809)
Net position of governmental activities			$ 171,858,196

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

CITY OF OPELIKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	GENERAL FUND	SCHOOL TAX SPECIAL REVENUE FUND	SPORTSPLEX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Taxes:					
Property	$ 4,829,699	$ 9,084,156	$ -	$ -	$ 13,913,855
Sales	41,741,504	-	-	-	41,741,504
Other	1,639,550	-	-	-	1,639,550
Occupational license fees	13,933,400	-	-	-	13,933,400
Business licenses and permits	6,450,908	-	-	465,415	6,916,323
Intergovernmental	1,313,215	-	-	701,672	2,014,887
Charges for services	2,075,551	-	-	-	2,075,551
Fines and forfeitures	430,862	-	-	-	430,862
Investment income	215,653	3,963	17,016	195,593	432,225
Grant income	3,250,869	-	-	1,388,814	4,639,683
Contributions	79,374	-	102,500	-	181,874
Miscellaneous	1,196,228	-	-	-	1,196,228
Total revenues	77,156,813	9,088,119	119,516	2,751,494	89,115,942
Expenditures:					
Current:					
General government	8,706,447	-	-	563,269	9,269,716
Public safety	18,588,433	-	357,859	203,569	19,149,861
Public works	5,839,437	-	-	69,419	5,908,856
Health	429,864	-	-	-	429,864
Welfare	152,167	-	-	-	152,167
Culture and recreation	6,375,230	-	-	-	6,375,230
Education	3,333,500	8,125,701	-	-	11,459,201
Economic development and urban rehabilitation	1,625,469	-	-	36,373	1,661,842
Capital outlay	23,834,000	-	-	1,430,271	25,264,271
Debt service:					
Principal retirement	-	-	-	4,140,000	4,140,000
Interest and fiscal charges	-	-	-	4,146,297	4,146,297
Total expenditures	68,884,547	8,125,701	357,859	10,589,198	87,957,305
Excess of revenues over (under) expenditures	8,272,266	962,418	(238,343)	(7,837,704)	1,158,637

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

CITY OF OPELIKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	GENERAL FUND	SCHOOL TAX SPECIAL REVENUE FUND	SPORTSPLEX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Other financing sources (uses):					
Proceeds used to refund bonds	$ -	$ -	$ -	$ 1,810,150	$ 1,810,150
Sale of capital assets	100,427	-	-	-	100,427
Transfers from governmental funds	1,919,995	-	4,476,537	6,582,160	12,978,692
Transfers from proprietary funds	3,000,000	-	-	-	3,000,000
Transfers to governmental funds	(8,436,619)	(962,418)	(2,406,017)	(1,173,638)	(12,978,692)
Total other financing sources (uses)	(3,416,197)	(962,418)	2,070,520	7,218,672	4,910,577
Net change in fund balances	4,856,069	-	1,832,177	(619,032)	6,069,214
Fund balances, beginning of year	66,187,466	612	14,017,403	9,813,189	90,018,670
Fund balances, end of year	$ 71,043,535	$ 612	$ 15,849,580	$ 9,194,157	$ 96,087,884

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

CITY OF OPELIKA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - all governmental funds		$ 6,069,214
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital outlay	25,264,271	
Less: current year depreciation	(6,870,507)	18,393,764
Net effect of other transactions involving capital assets (i.e. disposals, transfers, and capital contributions) that are not recorded in the governmental funds.		
Capital contributions	1,715,397	
Disposals at net book value/transfers	(146,194)	1,569,203
Revenues previously recorded in the Statement of Activities that provide current financial resources are reported as revenues in the funds.		(426,947)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Differences in the treatment of long-term debt and related items follow:		
Principal payments on outstanding debt	4,140,000	4,140,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(2,147,592)
Internal service funds are used by management to charge the costs of workmen's compensation and employee's health insurance to individual funds. The excess of revenues over expenditures and reversal of charges to enterprise funds are reported with governmental activities.		1,104,561
Change in net assets of governmental activities		$ 28,702,203

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

CITY OF OPELIKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

ASSETS	ELECTRIC UTILITY	SEWER SYSTEM	TELE-COMMUNICATIONS	SOLID WASTE COLLECTION	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
Current assets:						
Cash	$ 32,352,724	$ 11,955,503	$ 134,895	$ 3,639,466	$ 48,082,588	$ 6,091,062
Certificates of deposit	5,000,000	-	-	-	5,000,000	-
Accounts and unbilled service receivable, net	4,322,489	350,432	-	322,932	4,995,853	26,010
Accrued interest	4,537	-	-	-	4,537	-
Due from other funds	8,763,175	-	-	-	8,763,175	-
Due from other governments	-	324,900	-	29,554	354,454	-
Supplies	1,060,192	-	-	-	1,060,192	-
Total current assets	51,503,117	12,630,835	134,895	3,991,952	68,260,799	6,117,072
Restricted assets:						
Cash and investments with fiscal agent	904,634	14,703	-	-	919,337	-
Total restricted assets	904,634	14,703	-	-	919,337	-
Capital assets:						
Land	2,083,145	149,370	-	229,547	2,462,062	-
Building	13,600,553	21,823	-	43,806	13,666,182	-
System	74,356,563	49,402,445	-	39,860	123,798,868	-
Equipment	5,337,506	2,893,527	-	3,754,293	11,985,326	-
Construction work in progress	-	587,611	-	20,000	607,611	-
Total original cost	95,377,767	53,054,776	-	4,087,506	152,520,049	-
Less: accumulated depreciation	(53,932,864)	(24,319,851)	-	(1,743,351)	(79,996,066)	-
Capital assets, net	41,444,903	28,734,925	-	2,344,155	72,523,983	-
Other assets:						
Deposits	-	2,431	-	-	2,431	19,229
Total other assets	-	2,431	-	-	2,431	19,229
Total assets	93,852,654	41,382,894	134,895	6,336,107	141,706,550	6,136,301
DEFERRED OUTFLOWS OF RESOURCES						
Employer retirement contributions	605,634	-	-	209,286	814,920	-
Net difference between projected and actual earnings on Plan investments	403,621	-	-	153,985	557,606	-
Net difference between projected and actual earnings on OPEB plan	1,032,050	-	-	368,130	1,400,180	-
Bond refunding costs, net	2,161,933	37,954	-	-	2,199,887	-
Total deferred outflows of resources	4,203,238	37,954	-	731,401	4,972,593	-
Total assets and deferred outflows of resources	$ 98,055,892	$ 41,420,848	$ 134,895	$ 7,067,508	$ 146,679,143	$ 6,136,301

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

CITY OF OPELIKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

LIABILITIES	**ELECTRIC UTILITY**	**SEWER SYSTEM**	**TELE-COMMUNICATIONS**	**SOLID WASTE COLLECTION**	**TOTALS**	**GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS**
Current liabilities:						
Accounts payable	$ 6,321,912	$ 146,162	$ -	$ 47,442	$ 6,515,516	$ 61,289
Current portion of bonds payable	1,410,000	605,000	-	-	2,015,000	-
Accrued payroll and benefits	328,029	-	-	96,462	424,491	-
Due to other governments	-	-	-	11,800	11,800	
Due to other funds	-	-	8,763,175	-	8,763,175	-
Interest payable	77,114	13,576	150	-	90,840	-
Liability for unpaid claims	-	-	-	-	-	201,562
Unearned revenue	36,589	-	-	-	36,589	363,079
Total current liabilities	8,173,644	764,738	8,763,325	155,704	17,857,411	625,930
Noncurrent liabilities:						
Bonds payable, net of current portion and discount	24,315,000	631,911	-	-	24,946,911	-
Accrued employee benefits	252,278	-	-	74,699	326,977	-
Net pension liability	6,391,827	-	-	2,176,367	8,568,194	-
Net OPEB liability	1,696,968	-	-	609,020	2,305,988	-
Liability for unpaid claims	-	-	-	-	-	130,961
Customer deposits	2,989,235	-	-	166,990	3,156,225	-
Total noncurrent liabilities	35,645,308	631,911	-	3,027,076	39,304,295	130,961
Total liabilities	43,818,952	1,396,649	8,763,325	3,182,780	57,161,706	756,891
DEFERRED INFLOWS OF RESOURCES						
Net difference between projected and actual earnings on Plan investments	15,342	-	-	25,216	40,558	-
Changes of assumptions - OPEB	19,076	-	-	7,690	26,766	-
Total deferred inflows of resources	34,418	-	-	32,906	67,324	-
NET POSITION						
Invested in capital assets, net of related debt	17,881,836	27,535,968	-	2,344,155	47,761,959	-
Restricted	904,634	14,703	-	-	919,337	183,123
Unrestricted	35,416,052	12,473,528	(8,628,430)	1,507,667	40,768,817	5,196,287
Total net position	$ 54,202,522	$ 40,024,199	$ (8,628,430)	$ 3,851,822	$ 89,450,113	$ 5,379,410

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

CITY OF OPELIKA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	ELECTRIC UTILITY	SEWER SYSTEM	TELE-COMMUNICATIONS	SOLID WASTE COLLECTION	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
Operating revenues:						
Charges for services, net	$ 44,131,964	$ 5,411,701	$ -	$ 3,786,680	$ 53,330,345	$ 4,790,722
Operating expenses:						
Power purchased	28,682,324	-	-	-	28,682,324	-
Personnel services	4,384,646	-	6	1,455,275	5,839,927	-
Insurance claims and expenses	79,805	5,005	-	51,983	136,793	3,466,318
Other	2,763,005	2,021,101	-	1,194,223	5,978,329	-
Depreciation	2,642,291	1,112,025	-	288,236	4,042,552	-
Total operating expenses	38,552,071	3,138,131	6	2,989,717	44,679,925	3,466,318
Operating income (loss)	5,579,893	2,273,570	(6)	796,963	8,650,420	1,324,404
Nonoperating revenues (expenses):						
Fiber optic line leases	25,910	-	-	-	25,910	-
Investment revenue	290,703	125	6	4,299	295,133	5,181
Grant income	-	-	-	17,754	17,754	-
Miscellaneous revenue (expenses)	1,305,308	(51)	104,306	24,870	1,434,433	-
Interest expense and fiscal charges	(1,163,547)	(48,172)	(226,370)	-	(1,438,089)	-
(Loss) gain on sale of capital assets	23,051	558	-	38,764	62,373	-
Total nonoperating revenues (expenses)	481,425	(47,540)	(122,058)	85,687	397,514	5,181
Income (loss) before other revenues and transfers	6,061,318	2,226,030	(122,064)	882,650	9,047,934	1,329,585
Other revenues and transfers in (out):						
Capital contributions from developers and others	946,196	402,805	-	-	1,349,001	-
Operating transfers in	-	-	-	849	849	-
Operating transfers (out)	(3,000,000)	-	-	(849)	(3,000,849)	-
Total other revenues and transfers	(2,053,804)	402,805	-	-	(1,650,999)	-
Changes in net position	4,007,514	2,628,835	(122,064)	882,650	7,396,935	1,329,585
Net position, beginning of year	52,329,617	37,995,364	(8,506,366)	2,969,172	-	4,049,825
Prior period adjustment	(2,134,609)	(600,000)	-	-	-	-
Net position, beginning of year, restated	50,195,008	37,395,364	(8,506,366)	2,969,172	-	4,049,825
Net position, end of year	$ 54,202,522	$ 40,024,199	$ (8,628,430)	$ 3,851,822	-	$ 5,379,410
Adjustment to reflect reversal of income in Internal Service Funds					225,024	
Change in net position of business-type activities					$ 7,621,959	

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

CITY OF OPELIKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	ELECTRIC UTILITY	SEWER SYSTEM	TELE-COMMUNICATIONS	SOLID WASTE COLLECTION	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
Cash flows from operating activities:						
Receipts from customers	$ 44,007,669	$ 5,500,261	$ -	$ 3,764,500	$ 53,272,430	$ -
Receipts from other funds for premiums	-	-	-	-	-	4,800,475
Customer deposits	1,745	-	-	(3,000)	(1,255)	-
Payments to suppliers for goods and services	(33,550,476)	(2,008,911)	-	(1,181,410)	(36,740,797)	(3,574,326)
Payments to employees for services	(3,971,038)	-	(6)	(1,318,798)	(5,289,842)	-
Claims paid	(79,805)	(5,005)	-	(51,983)	(136,793)	(13,576)
Internal activity - payments to (from) other funds	(22,779)	9,920,000	226,370	(369,756)	9,753,835	-
Net cash provided by operating activities	6,385,316	13,406,345	226,364	839,553	20,857,578	1,212,573
Cash flows from noncapital financing activities:						
Other receipts	1,331,218	(51)	104,306	42,624	1,478,097	-
Operating transfers to other funds	(3,000,000)	-	-	-	(3,000,000)	-
Net cash provided by/(used in) noncapital financing activities	(1,668,782)	(51)	104,306	42,624	(1,521,903)	-
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(1,916,742)	(854,634)	-	(660,551)	(3,431,927)	-
Principal paid on debt maturities	(1,365,000)	(590,000)	-	-	(1,955,000)	-
Interest and fiscal fees paid on debt maturities	(1,017,963)	(40,042)	(226,370)	-	(1,284,375)	-
Proceeds from sale of assets	24,650	1,058	-	114,264	139,972	-
Net cash used in capital and related financing activities	(4,275,055)	(1,483,618)	(226,370)	(546,287)	(6,531,330)	-
Cash flows from investing activities:						
Proceeds invested in certificates of deposit	2,929,291	-	-	-	2,929,291	-
Restricted cash used	(21,696)	5,899	-	-	(15,797)	-
Interest on investments	299,960	125	6	4,299	304,390	5,181
Net cash provided by investing activities	3,207,555	6,024	6	4,299	3,217,884	5,181
Net increase in cash and cash equivalents	3,649,034	11,928,700	104,306	340,189	16,022,229	1,217,754
Cash and cash equivalents at beginning of year	28,703,690	26,803	30,589	3,299,277	32,060,359	4,873,308
Cash and cash equivalents at end of year	$ 32,352,724	$ 11,955,503	$ 134,895	$ 3,639,466	$ 48,082,588	$ 6,091,062

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

CITY OF OPELIKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	ELECTRIC UTILITY	SEWER SYSTEM	TELE-COMMUNICATIONS	SOLID WASTE COLLECTION	TOTALS	GOVERNMENTAL ACTIVITIES-INTERNAL SERVICE FUNDS
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ 5,579,893	$ 2,273,570	$ (6)	$ 796,963	$ 8,650,420	$ 1,324,404
Adjustment to reconcile operating income (loss) to net cash provided by/(used in) operating activities:						
Depreciation and amortization	2,642,291	1,112,025	-	288,236	4,042,552	-
Change in assets and liabilities:						
(Increase) decrease in accounts receivable and unbilled service receivable	35,705	25,266	-	7,374	68,345	773
(Increase) decrease in due from other funds	143,386	9,920,000	-	-	10,063,386	-
(Increase) decrease in due from other governments	-	63,294	-	(29,554)	33,740	-
(Increase) decrease in inventories	(58,889)	-	-	-	(58,889)	-
Increase (decrease) in accounts payable	(2,046,258)	12,190	-	12,813	(2,021,255)	(108,008)
Increase (decrease) in accrued payroll and benefits	(51,082)	-	-	(2,470)	(53,552)	-
Increase (decrease) in net pension liability/OPEB	464,690	-	-	138,947	603,637	-
Increase (decrease) in liability for unpaid claims	-	-	-	-	-	(14,349)
Increase (decrease) in due to other funds	(166,165)	-	226,370	(369,756)	(309,551)	-
Increase (decrease) in unearned revenue	(160,000)	-	-	-	(160,000)	9,753
Increase (decrease) in customer deposits	1,745	-	-	(3,000)	(1,255)	-
Net cash provided by operating activities	$ 6,385,316	$ 13,406,345	$ 226,364	$ 839,553	$ 20,857,578	$ 1,212,573
Non-cash investing, capital and financing activities:						
Capital assets contributed by developers and others	$ 946,196	$ 402,805	$ -	$ -	$ 1,349,001	$ -
Reconciliation of cash and cash equivalents to the combining balance sheet:						
Total cash and certificates of deposit	$ 37,352,724	$ 11,955,503	$ 134,895	$ 3,639,466	$ 53,082,588	$ 6,091,062
Less: deposits not meeting the definition of cash equivalents	5,000,000	-	-	-	5,000,000	-
Cash and cash equivalents at end of year	$ 32,352,724	$ 11,955,503	$ 134,895	$ 3,639,466	$ 48,082,588	$ 6,091,062

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Opelika (the "City"), incorporated in 1854, is a municipal corporation currently governed by a mayor, elected at large, and five council members, elected from defined districts. Members of the City Council serve part-time and are responsible for adopting all legislative ordinances and setting policies of the City, including the appropriation of money. The Mayor is the full-time chief executive officer of the City and is responsible for the day-to-day management of the City in conjunction with the managers of several departments.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. REPORTING ENTITY

These financial statements present information about the primary government, which is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Component units, although legally separate, for which the City is considered to be financially accountable are not included in these primary government financial statements. As a result, these primary government financial statements, because they do not include financial data of the component units of the City, do not purport to, and do not, present the financial statements of the reporting entity (primary government and component units) as defined by generally accepted accounting principles.

Component Units. The excluded component units are as follows:

The Opelika City Board of Education (the "Board of Ed.") is substantially reliant upon the City because the City Council appoints the members of the Board of Ed., levies taxes on behalf of the Board of Ed. and issues debt on behalf of the Board of Ed. The legal liability for the general obligation debt issued for school purposes of $33,796,000 at September 30, 2021 remains with the City. Ad valorem tax revenues restricted for school purposes collected by the City are used first to make required debt service payments on the general obligation debt issued for school purposes and the remainder is remitted to the Board of Ed. During 2021, the City collected $9,084,156 of ad valorem taxes of which $962,418 was used for debt service and $8,125,701 was remitted to the Board of Ed. At September 30, 2021, the City had not yet remitted $675,701 in expectation of lower ad valorem tax collections during the year than were actually collected. This amount is included in amounts due to other governments. During the year ended September 30, 2021, the Board of Ed. made a $50,000 contribution to the City. The City made an appropriation from its General Fund to the Board of Ed. totaling $3,310,000 for the year ended September 30, 2021. The Board of Ed. issues separate financial statements which may be obtained from the administrative offices at 300 Simmons Street, Opelika, Alabama 36801.

The City of Opelika Industrial Development Authority (the "Authority") recruits industry and promotes economic development for the City of Opelika. The City Council appoints the members to the Authority's Board. During the year ended September 30, 2021, the City appropriated $375,000 to the Authority. The Authority issues separate financial statements which may be obtained from the administrative offices at 204 South 7th Street, Opelika, Alabama 36801.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Public Park and Recreation Board of the City of Opelika (the "Board") owns and operates the Conference Center and the Sportsplex recreational facilities. The City Council appoints the members of the Board. In connection with the construction of the Sportsplex recreational facilities, the Board issued the Revenue Bonds, Series 2007 on November 1, 2007 for $28,650,000. The Board and the City signed a lease agreement whereby the City leases the Sportsplex recreational facilities. The lease payments are equal to the Board's annual debt service payments related to the Revenue Bonds, which totaled $1,513,507 during the year ended September 30, 2021. The City has recorded the bond obligation as a capital lease. During the year ended September 30, 2009, the City completed construction of the Sportsplex recreational facilities. The City recorded these assets as capital assets. The total costs related to this project approximated $32,000,000.

Related Organizations. The City's officials are also responsible for appointing board members of other organizations. However, the City's accountability for the organizations does not extend beyond making the appointments. These organizations are the Utilities Board of the City of Opelika, the Medical Clinic Board of the City of Opelika, the Housing Authority of the City of Opelika and the Opelika Downtown Redevelopment Authority of the City of Opelika. For the year ended September 30, 2021, the City received $16,132 in payments in lieu of property taxes from the Housing Authority of the City of Opelika.

Joint Ventures. The City is a participant in one joint venture in which it retains an ongoing financial responsibility, the Indian Pines Golf Course Joint Venture (the "Venture"). The City is a party to an agreement with the City of Auburn, Alabama to own and operate the Indian Pines Golf Course. The joint venture agreement, dated October 1, 1976, required capital contributions from each party. Each party has a 50% share in the Venture's profits and losses and responsibility for 50% of any debt incurred. The City's initial contribution of $589,200 was used to purchase the land and building which are included in capital assets. The cities lease the Indian Pines Golf Course to the Indian Pines Recreation Authority, Inc., (the "IPRA"), a jointly governed organization. The IPRA operates the golf course on a month-to-month basis with the lease terms continuing in force from the original lease which expired in 1979. The Venture had no debts outstanding at September 30, 2021 and no net income or loss for the fiscal year then ended. Because the joint venture has no operations, no financial statements are prepared. Complete financial statements of the IPRA can be obtained from the IPRA at 900 Country Club Lane, Auburn, AL 36830.

Jointly Governed Organizations. The City, in conjunction with other governments, has created the following organizations. These organizations are not joint ventures because the City does not retain an ongoing financial interest or an ongoing financial responsibility.

The Lee-Russell Council of Governments is a regional planning and development commission organized to provide services to Lee and Russell Counties. The Council is governed by a ten-member board composed of two appointees each from Opelika, Auburn, Lee County, Phenix City and Russell County. The cities and counties are assessed fees based on their respective populations. The Council also receives income from administration of federal grants and other programs. The City appropriated $157,900 to the Lee-Russell Council of Governments during the year ended September 30, 2021.

The Indian Pines Recreation Authority (the "IPRA") is a corporation created to operate the Indian Pines Golf Course that is owned under a joint venture agreement between the City of Auburn and the City of Opelika. The IPRA has a five-member board of directors; two each are selected by the City and the City of Auburn and the fifth member is appointed by the other four members. A lease agreement between the IPRA and the two cities authorizes the IPRA to operate and maintain the golf course. The City did not appropriate any funds to the IPRA during the year ended September 30, 2021.

East Alabama Mental Health and Mental Retardation Board, Inc. (the "Corporation") is a corporation created to provide mental health services to the East Alabama area. The Corporation has thirty-three directors, three of whom are appointed by the City. The remainder are appointed by the various cities and counties in the area. The City appropriated $40,000 to the Corporation during the year ended September 30, 2021.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lee County Youth Development Center (the "Center) is a corporation created to provide youth services in Lee County. The board of the Center is composed of twelve members. The City, City of Auburn, and Lee County each appoint four members. The City appropriated $35,000 to the Center during the year ended September 30, 2021.

East Alabama Medical Center ("EAMC") is a corporation created to provide healthcare to the East Alabama area. The EAMC Board is composed of nine members. The City, City of Auburn and Lee County each appoint three members. The City appropriated $375,476 to EAMC for emergency medical services during the year ended September 30, 2021.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The City's basic financial statements include both government-wide (reporting the City as a whole), and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks and recreation, public works, economic development, library, and general administrative services are classified as governmental activities. The City's electric, sewer, solid waste collection, and telecommunications services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resources basis, which includes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (e.g. general government, police, fire, public works, etc.) and business-type activities. In this statement, gross expenses, including depreciation, are reduced by related program revenues (charges to customers or those who directly benefit from goods, services or privileges provided by a given function), operating grants and contributions, and capital grants and contributions. Program revenues must be directly associated with a function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants only. The net costs of the governmental activities functions and the business-type activities are covered by general government revenues which include sales and use taxes, occupational license taxes, property taxes, certain intergovernmental revenues, fines, permits, charges and interest income. The City first utilizes restricted resources to finance qualifying activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's electric, sewer, solid waste collection and telecommunications services, as well as various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The General Fund allocates some costs of providing administrative services to the enterprise funds.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of individual funds. Each fund is accounted for in a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Transactions are segregated within funds for the purpose of carrying on specific activities of attaining certain objectives in accordance with special regulations, restrictions, or limitations. Each major fund is presented as a separate column on the fund financial statements. All non-major funds are aggregated and presented as a single column. The fund statements are presented on the current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements' governmental column, a reconciliation is presented that explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

The City has the following fund types:

Governmental Funds:

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **School Tax Special Revenue Fund** accounts for the collection of property tax revenues restricted for school purposes and for the expenditures of such funds for debt service on debt issued for school purposes or appropriations to the school system.

The **Sportsplex Fund** is used to account for the portion of contributions that the government intends to use to fund construction and ongoing operations of the recreation center.

Additionally, the City reports the following non-major fund types within the governmental fund type:

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt service funds account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those being financed by business-type/proprietary funds.

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Proprietary Funds:

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative and personnel expenses, repairs and supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds include the following fund types:

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, cost incurred and/or net income is necessary for management accountability. The Electric Utility Fund, Sewer System Fund, and Telecommunications Fund are major funds. All of the City's enterprise funds are as follows:

Electric Utility Fund accounts for providing electric distribution services to residential and commercial users. Activities of the fund include administration, operations and maintenance of the system, billing and collection activities and system improvements. All costs are financed through charges to customers.

Sewer System Fund accounts for providing sewer services to residential and commercial users. Activities of the fund include administration, operations and maintenance of the system, and system improvements. Billing and collections are performed by the Utilities Board of the City of Opelika at no charge to the City. All costs are financed through charges to customers.

Telecommunications Fund accounts for providing telecommunications distribution services to residential and commercial users. Activities include administration, construction, operations and maintenance of the system, and system improvements. All costs are financed through charges to customers. The City sold its telecommunications system in October 2018.

Solid Waste Collection Fund accounts for providing solid waste collection and disposal services to residential and small commercial users. All costs are financed through charges to customers.

Internal Service Funds account for operations that provide services to other departments of the City on a cost-reimbursement basis. The funds account for the self-funded workmen's compensation insurance and the self-funded employee health insurance. These funds are always considered non-major.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the funds are the City's governmental activities, the financial statements of the internal service funds are included in the governmental activities column in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity (public safety, culture and recreation, public works, etc.).

Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. The City does not have any fiduciary funds.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Both the governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are presented using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as certain expenditures related to compensated absences, are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are sales taxes, occupational license taxes, property taxes, fines, intergovernmental revenue, interest revenue and miscellaneous taxpayer assessed taxes. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

All ad valorem taxes levied by the state, county and any municipality in Lee County are assessed and collected by the Revenue Commissioner of Lee County. Taxes are levied in June, due on October 1, and delinquent after January 1. Taxes collected by the Revenue Commissioner within the fiscal year but remitted to the City after the fiscal year end are accrued. Ad valorem taxes not due until October 1 of the following fiscal year are recorded as a receivable and unearned revenue as of the fiscal year end in which the taxes are levied. For the fiscal year ended September 30, 2021, ad valorem tax revenues are recorded in the General Fund and the School Tax Special Revenue Fund. Ad valorem tax revenues restricted for school purposes in excess of the amount required to make debt service payments on the general obligation debt issued for school purposes are paid to the Opelika City Board of Education and are included with the education appropriation.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both of the revenue recognition criteria are met and the City has a legal claim to the resources, the revenue is recognized.

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

D. CASH AND INVESTMENTS

Cash and cash equivalents include amounts in time and demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City, except for investments in money funds and treasury obligations administered for the City by a trustee or held in nonexpendable trust funds.

State statutes authorize the City to invest in deposit accounts and certificates of deposits with banks, in direct obligations of the United States Treasury Department and obligations of certain other federal agencies. The permanent fund authorizes additional types of investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. The unrealized gain or loss on investments is reflected in investment income.

E. RECEIVABLES

In the Electric Utility Fund, Solid Waste Collection Fund, and Sewer System Fund, revenues are recognized on the basis of monthly billings to customers for services provided. The City, therefore, extends credit to its customers. As a result of this billing method, the City accrues unbilled service revenue at the end of the fiscal period with respect

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

to service provided but not billed at such date. The City analyzes current and past due accounts and provides an allowance for doubtful accounts for the accounts deemed uncollectible. Accounts receivable are reported net of the allowances of $1,089,217 in the Electric Utility Fund, $121,157 in the Solid Waste Collection Fund, and $200 in the Sewer System Fund.

F. SUPPLIES INVENTORY

Supplies inventory are valued at the lower of cost (average) or market. Supplies inventory in governmental funds are offset by a reserve for supplies inventory that indicates that a portion of the fund balance is not available for other subsequent expenditures.

G. RESTRICTED ASSETS

Restricted assets are those designated by ordinances or through external restrictions limiting asset use to specific purposes such as public school purposes, cemetery maintenance, construction, debt service, and utility system replacement and extension.

H. ADVANCES TO OTHER GOVERNMENTS

Noncurrent portions of other governments' loans receivable (reported in "Advance to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of other governments' loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources." The City did not have any advances to other governments during the year ended September 30, 2021.

I. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave except for the portion of the accumulated sick leave benefits that is estimated to be taken as "terminal leave" at retirement at the fund level. Vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay the liability. Current and long-term portions of vacation and sick pay are accrued in the government-wide and proprietary fund statements when incurred.

J. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value at the date of donation. Renewals and betterments are capitalized if they significantly extend the useful life of the asset. Cost of materials, labor and overhead identified with additions and improvements are added to the cost of the electric distribution system. Materials removed (retired) from the system reduce the accumulated cost of the system and increase the materials and supplies inventory by the amount of estimated current realizable value of the items retired. Repairs and maintenance are recorded as expenses. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended September 30, 2021, the City did not capitalize any interest related to capital projects. All assets capitalized have an estimated useful life in excess of one year and are depreciated using the straight-line method. All land is capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capitalization thresholds and estimated useful lives are as follows:

	Minimum Cost	Useful Life
Buildings	$ 10,000	20 - 75 years
Improvements other than buildings	10,000	5 - 20 years
Electric system	10,000	20 - 40 years
Sewer system	10,000	50 years
Infrastructure	50,000	10 - 50 years
Machinery and equipment	5,000	3 - 20 years

Beginning with the fiscal year ended September 30, 2007, the City capitalized its public domain ("infrastructure") assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems that have been placed in service since October 1, 2002. Where actual historical costs and construction dates were identified through a review of City records, those dates and costs were utilized. As the City constructs or acquires additional infrastructure assets, they are capitalized and reported at historical cost. A local government may elect to use the depreciation method or the modified approach (maintenance of service condition) in reporting long-lived infrastructure assets. The City has elected to use the depreciation method.

K. LONG-TERM LIABILITIES

In the government-wide financial statements and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the life of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Amortization of bond premiums or discounts and deferred amounts on refunding is included in interest expense. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period in which they are incurred. Interest and principal payments are reported as debt service expenditures.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position also reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. At September 30, 2021, the City reported $5,624,311 of bond refunding costs as deferred outflows of resources in the Statement of Net Position. During the current year, the City recorded $4,630,231 of employer retirement contributions as deferred outflows of resources. The City also recorded deferred outflows for the net difference between projected and actual earnings on Plan investments totaling $2,796,534 and deferred outflows for the net difference between projected and actual earnings on OPEB totaling $7,908,913.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the Statement of Net Position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

At September 30, 2021, the City recognized $14,318,045 of revenues received in advance as deferred inflows of resources in governmental activities in the Statement of Net Position. The City also recorded deferred inflows for the net difference between projected and actual earnings on Plan investments totaling $426,834 and OPEB changes in assumptions totaling $152,916.

M. EMPLOYEE RETIREMENT PLAN

The City funds pension expense as required by the Alabama Employees Retirement System, operated by the State of Alabama. The City's pension plan is funded by contributions from both the City and its employees.

The Employees' Retirement System of Alabama (the "Plan" or ERS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the Plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with the requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

N. NET POSITION

Net position represents the difference between the assets and deferred outflows of resources and the liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and increased by unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Fund balances are required to be reported according to the following classifications:

<u>Nonspendable Fund Balance</u> – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

<u>Restricted Fund Balance</u> – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

<u>Committed Fund Balance</u> – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City's highest level of decision-making authority.

<u>Assigned Fund Balance</u> – Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as an executive committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as a result of overspending for specific purposes for which the amount had been restricted, committed or assigned.

O. USE OF ESTIMATES

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

NOTE 2 - BUDGETING AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except debt service and capital projects funds. On or before July 1 of each year, all departments of the City submit requests for appropriations to the City's mayor so that a budget may be prepared. Before October 1, the proposed budget is presented to the City's council for review and adoption.

The appropriated budget is prepared by fund, function and department. The City's mayor may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

NOTE 3 - POWER SALES CONTRACT

The City is a member of the Alabama Municipal Electric Authority (the "AMEA"). Pursuant to a contract dated May 1, 1986 and amended July 1, 1996, the City has agreed to purchase all of its electric requirements for resale through December 31, 2035 from the AMEA except for the City's allocation of electricity from the Southeastern Power Administration. The Electric Utility Fund purchased $26,008,119 under this contract during the year ended September 30, 2021. The City has committed to maintain electric rates at amounts which will produce revenues sufficient to pay all amounts due under the contract and has pledged the electric revenues and any other revenues of the City which may be lawfully pledged to secure its obligation. Further, the City has entered into a "Guaranty and Indemnity Agreement" with Alabama Power Company which requires the City to pay its proportionate share of any shortfall by the AMEA of funds to pay any obligations due under contracts with Alabama Power Company.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits. At September 30, 2021, the carrying amount of the City's deposits in financial institutions was $146,653,509 and the bank balance was $147,768,416. Of these amounts, $30,000,000 of the carrying amount and bank balance were held as certificates of deposit and have been classified in the City's financial statements as certificates of deposit. The State of Alabama created the Security for Alabama Funds Enhancement (SAFE) Program which requires all public funds be deposited in Qualified Public Depositories. Under the SAFE Program, which is mandatory, each qualified public depository (QPD) is required to hold collateral for all of its public deposits on a pooled basis in a custody account (SAFE Custody Account) established for the State Treasurer as SAFE administrator. If a public entity should suffer a deposit loss due to QPD insolvency or default, a claim form would be filed with the State Treasurer, who would use the SAFE pool collateral or other means to reimburse the loss. At September 30, 2021, all bank balances were considered insured because such balances were held in Qualified Public Depositories.

Investments and Cash with Fiscal Agents. The City has made all investments in accordance with its investment policy (see Note 1) and the requirements under which its bonds and warrants were issued, and other requirements as applicable. Investments and cash held by fiscal agents shown below are not registered in the City's name or insured

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

and are held by the trustee. Investments are measured at fair value on the recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at September 30, 2021:

Investment Type	Cost	Fair Value	% of Total	Maturity	Rating	Agency	Level
Cash	$ 62,779	$ 62,779	1.6%	n/a	n/a	n/a	1
Fixed Income Investments	150,000	150,926	3.9%	2/1/2023 - 8/1/2024	n/a	n/a	2
Fixed Income Investments	275,166	237,102	6.2%	1/1/2022 - 2/1/2025	AA	n/a	2
Investment Co of America Fd	14,939	23,749	0.6%	n/a	***	Morningstar	1
U.S. Treasury	2,283,740	2,283,740	59.4%	n/a	n/a	n/a	2
First Eagle Global Fund - I	117,000	150,709	3.9%	n/a	*****	Morningstar	1
Other common stock	490,104	933,630	24.3%	n/a	Various	Various	1
Total investments	$ 3,393,728	$ 3,842,635					

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the methodologies used during the year ended September 30, 2021.

- Certificates of deposit: valued at cost plus accrued interest, which approximates fair value.
- U.S. Treasury: valued at cost plus accrued interest, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to direct obligations of the United States Treasury Department and obligations of certain other federal agencies. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk. For an investment, the custodial risk is the risk that, in event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments are registered in the name of the City of Opelika Garden Hills Cemetery Trust Fund and the Cooper Memorial Library and held by the counterparties. The City has no policy on custodial credit risk.

Concentration of Credit Risk. The City places no limit on the amount that the City may invest in any one issuer. The percentage of the City's investments relative to the total investments is shown in the table above.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 10,368,121	$ -	$ -	$ 10,368,121
Construction in process	5,854,748	17,413,729	15,823,303	7,445,174
Total capital assets not being depreciated	16,222,869	17,413,729	15,823,303	17,813,295
Capital assets being depreciated:				
Buildings and improvements	63,073,012	12,804,309	-	75,877,321
Improvements other than buildings	7,180,681	17,608	-	7,198,289
Equipment	23,333,583	3,027,414	911,232	25,449,765
Infrastructure	115,833,288	9,671,236	-	125,504,524
Total capital assets being depreciated	209,420,564	25,520,567	911,232	234,029,899
Less accumulated depreciation for:				
Buildings and improvements	14,437,052	1,354,610	-	15,791,662
Improvements other than buildings	3,611,613	224,549	-	3,836,162
Equipment	13,664,758	2,044,799	780,464	14,929,093
Infrastructure	34,910,668	3,393,297	-	38,303,965
Total accumulated depreciation	66,624,091	7,017,255	780,464	72,860,882
Total capital assets being depreciated, net	142,796,473	18,503,312	130,768	161,169,017
Governmental activities capital assets, net	$ 159,019,342	$ 35,917,041	$ 15,954,071	$ 178,982,312

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 2,462,062	$ -	$ -	$ 2,462,062
Construction in process	332,799	277,227	2,415	607,611
Total capital assets not being depreciated	2,794,861	277,227	2,415	3,069,673
Capital assets being depreciated:				
Buildings and improvements	13,666,182	-	-	13,666,182
Systems	118,431,408	74,874,848	69,507,388	123,798,868
Equipment	11,562,815	1,640,892	1,218,381	11,985,326
Total capital assets being depreciated	143,660,405	76,515,740	70,725,769	149,450,376
Less accumulated depreciation for:				
Buildings and improvements	2,091,052	275,515	-	2,366,567
Systems	63,505,434	48,806,638	41,823,804	70,488,268
Equipment	7,072,256	783,830	714,855	7,141,231
Total accumulated depreciation	72,668,742	49,865,983	42,538,659	79,996,066
Total capital assets being depreciated, net	70,991,663	26,649,757	28,187,110	69,454,310
Business-type activities capital assets, net	$ 73,786,524	$ 26,926,984	$ 28,189,525	$ 72,523,983

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the following functions:

Governmental activities:		
General government	$	651,921
Public safety		1,350,825
Public works, including infrastructure		3,887,776
Culture and recreation		979,985
Total depreciation	$	6,870,507
Business-type activities:		
Electric utility fund	$	2,642,291
Sewer system fund		1,112,025
Solid waste collection fund		288,236
Total depreciation	$	4,042,552

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2021 consisted of the following:

	DUE FROM			
DUE TO	**General**	**Non-major Governmental**	**Tele-communications**	**Total**
General	$ -	$ 32,768	$ -	$ 32,768
Non-major Governmental	12,165	83,491	-	95,656
Electric Utility	-	-	8,763,175	8,763,175
Total	$ 12,165	$ 116,259	$ 8,763,175	$ 8,891,599

All balances resulting from the time lag between dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

	TRANSFER FROM						
TRANSFER TO	**General**	**School Tax Special Revenue**	**Sportsplex**	**Non-major Governmental**	**Electric Utility**	**Solid Waste**	**Total**
General	$ -	$ -	$ 746,640	$ 1,173,355	$ 3,000,000	$ -	$ 4,919,995
Sportsplex	4,476,537	-	-	-	-	-	4,476,537
Non-major Governmental	3,960,082	962,418	1,659,377	283	-	-	6,582,160
Solid Waste	-	-	-	-	-	849	849
Total	$ 8,436,619	$ 962,418	$ 2,406,017	$ 1,173,638	$ 3,000,000	$ 849	$ 15,979,541

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the fund collecting the receipts to the debt service funds as debt service payments become due, use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and move budgeted contributions from proprietary funds to the General Fund.

NOTE 7 - LONG-TERM LIABILITIES

Long-term liabilities at September 30, 2021 consisted of the following items:

	Governmental	Business-type
Bonds:		
General Obligation Warrants, Series 2011 due in annual installments of $1,635,000 to $3,635,000 through November 1, 2036, bearing interest rates of 2.00% to 5.00%	$ 2,155,000	$ -
General Obligation Warrants, Series 2012 due in annual installments of $100,000 to $615,000 through April 1, 2023, bearing interest rates of 0.60% to 4.00%	-	1,236,911
General Obligation School Warrants, Series 2012-B due in annual installments of $315,000 to $440,000 through March 1, 2029, bearing interest at a fixed rate of 2.24%	3,290,000	-
General Obligation Warrants, Series 2014 due in annual installments of $50,000 to $1,315,000 through January 1, 2033, bearing interest rates of 2.00% to 4.00%	8,546,054	-
General Obligation Warrants, Series 2015 due in annual installments of $40,000 to $1,570,000 through January 1, 2038, bearing interest rates of 1.30% to 4.00%	9,569,098	-
General Obligation Warrants, Series 2016 due in annual installments of $10,000 to $1,400,000 through January 1, 2036, bearing interest rates of 2.00% to 4.00%	3,580,768	-
Electric System Revenue Warrants, Series 2017 due in annual installments of $525,000 to $895,000 through March 1, 2036, bearing interest at a fixed rate of 3.15%.	-	10,650,000
Electric System Revenue Warrants, Series 2019 due in annual installments of $800,000 to $1,150,000 through March 1, 2036, bearing interest at a fixed rate of 4.31%.	-	15,075,000
General Obligation Warrants, Series 2019-A due in annual installments of $415,000 to $490,000 through October 1, 2025, bearing interest rates of 3.00% to 4.00%	1,995,528	-
General Obligation Warrants, Series 2019-B due in annual installments of $415,000 to $3,495,000 through November 1, 2036, bearing interest rates of 2.00% to 3.07%	46,399,865	-
Other Liabilities:		
Compensated absences	2,938,054	526,237
Net OPEB liability	10,655,518	2,305,988
Claims and judgments	130,961	-
Total long-term liabilities	$ 89,260,846	$ 29,794,136

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Debt:					
General obligation bonds	$ 78,260,000	$ -	$ 4,140,000	$ 74,120,000	$ 3,865,000
Unamortized premiums and discounts	2,394,250	-	977,937	$ 1,416,313	-
Total debt	80,654,250			75,536,313	3,865,000
Other liabilities:					
Compensated absences	2,649,865			2,938,054	179,680
OPEB liability	6,143,065			10,655,518	-
Claims and judgments	155,934			130,961	42,038
Total other liabilities	8,948,864			13,724,533	221,718
Total governmental activities	$ 89,603,114			$ 89,260,846	$ 4,086,718

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Debt:					
General obligation bonds	$ 1,810,000	$ -	$ 590,000	$ 1,220,000	$ 605,000
Other long-term debt	27,090,000	-	1,365,000	25,725,000	1,410,000
Unamortized premiums and discounts	28,184	-	11,273	16,911	-
Total debt	28,928,184			26,961,911	2,015,000
Other liabilities:					
Compensated absences	526,742			526,237	199,260
OPEB liability	1,357,783			2,305,988	-
Total other liabilities	1,884,525			2,832,225	199,260
Total business-type activities	$ 30,812,709			$ 29,794,136	$ 2,214,260

Payments on the governmental activities debt are made by the debt service funds or the General Fund. The compensated absences liability for the governmental activities will be liquidated by the General Fund. The claims and judgments liability for the governmental activities will be liquidated through the internal service funds described in Note 8.

General Obligation Warrants. The City issues general obligation warrants to provide funds for the acquisition of equipment and construction of major capital facilities for the municipality and the school system located therein. General obligation warrants are also issued to construct assets used in proprietary activities. These warrants are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation warrants have been issued to refund general obligation warrants.

The City issued $5,990,000 of General Obligation Warrants, Series 2016 dated March 3, 2016. The bonds were issued to defease a portion of the Revenue Bonds, Series 2007 dated December 1, 2007. Of the Series 2016 issuance, $6,085,000 of its proceeds were used to defease the remaining outstanding balance of the Series 2007 bonds. The Series 2016 bonds mature annually on January 1, 2017 through 2036. Interest is payable each January 1 and July 1, beginning July 1, 2017. Additional costs to retire the defeased portion of the 2007 bonds totaled $270,040. These costs have been recorded as deferred charges and are being amortized over the life of the 2016 bonds. The net deferred costs totaled $194,654 at September 30, 2021.

The City issued $9,285,000 of General Obligation Warrants, Series 2015 dated December 22, 2015. The bonds were issued to defease a portion of the Revenue Bonds, Series 2007 dated December 1, 2007. Of the Series 2015 issuance,

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

$9,270,000 of its proceeds were used to defease a portion of the Series 2007 bonds which were partially defeased, leaving $6,085,000 of the Series still outstanding. The Series 2015 bonds mature annually on January 1, 2017 through 2038. Interest is payable each January 1 and July 1, beginning July 1, 2016. Additional costs to retire the defeased portion of the 2007 bonds totaled $516,469. These costs have been recorded as deferred charges and are being amortized over the life of the 2015 bonds. The net deferred costs totaled $387,353 at September 30, 2021.

The City issued $9,165,000 of General Obligation Warrants, Series 2014 dated December 18, 2014. The bonds were issued to defease a portion of the Revenue Bonds, Series 2007 dated December 1, 2007. At September 30, 2015, $8,890,000 of the Series 2007 bonds were partially defeased, leaving $15,980,000 of the Series still outstanding. The Series 2014 bonds mature annually on January 1, 2015 through 2033. Interest is payable each January 1 and July 1, beginning July 1, 2015. Additional costs to retire the defeased portion of the 2007 bonds totaled $1,117,194. These costs have been recorded as deferred charges and are being amortized over the life of the 2014 bonds. The net deferred costs totaled $682,732 at September 30, 2021.

The City issued $6,375,000 of General Obligation School Warrants, Series 2012-B dated November 15, 2012. The bonds were issued to defease the General Obligation School Warrants, Series 2004-A dated March 1, 2004. At September 30, 2014, the Series 2004-A bonds were fully defeased by the proceeds from the Series 2012-B bonds. The Series 2012-B Warrants mature annually on March 1, 2013 through 2029. Interest is payable on each March 1 and September 1, beginning March 1, 2013. Additional costs incurred to retire the Series 2004-A bonds totaled $262,347. These costs have been recorded as deferred charges and debt issue costs and are being amortized over the life of the new bonds. The net deferred costs totaled $119,797 at September 30, 2021.

The City issued $6,245,000 of General Obligation School Warrants, Series 2010-A dated July 1, 2010. The warrants were issued to defease the General Obligation School Warrants, Series 2000. The General Obligation School Warrants, Series 2000, were fully defeased during the year ended September 30, 2011. Additional costs incurred to retire the Series 2000 bonds totaled $206,343. These costs were recorded as deferred charges and debt issue costs and amortized over the life of the Series 2010A warrants. During the current year, the Series 2010-A warrants were defeased with the proceeds from the Series 2019-A warrants. The costs incurred to retire the Series 2000 bonds will continue to be amortized over the original remaining life of the Series 2010-A warrants. The net deferred costs totaled $57,202 at September 30, 2021.

The City issued $4,490,000 of General Obligation Recovery Zone Economic Development Warrants, Series 2010-B dated July 1, 2010. The City issued $1,200,000 of the Warrants to construct a new fire station. This portion of the warrants is considered a general obligation of the City and is chargeable against the constitutional debt limit of the City. The City issued $3,290,000 of the warrants to fund sewer improvement projects. This portion of the warrants has been recorded in the Sewer System Fund. Under Section 6431 of the Internal Revenue Code, an issuer of a Recovery Zone Warrant may apply to receive interest subsidy payments directly from the United States Treasury. The City applied for the interest subsidy payments and expects to receive the interest subsidy payments totaling 45% of the interest due on the warrants. On October 1, 2019, the City placed $4,347,523 in escrow, using existing funds on hand, to refund the remaining balance of Series 2010-B Warrants. The difference between the amount of funds placed in escrow and the carrying amount of the Series 2010-B debt at the time of defeasement, $4,141,909, resulted in a loss on refunding of $205,614. This amount was charged to interest expense on the statement of activities during the year ended September 30, 2020.

The City issued $62,560,000 of General Obligation Warrants, Series 2011 dated December 1, 2011. The warrants were issued to fund renovations to the high school, several road construction and expansion projects, and to refund $4,185,000 of the Series 2002 Warrants. The Series 2002 Warrants were called on February 1, 2012. The Series 2011 warrants were partially advance refunded in the amount of $44,115,000 with the proceeds from the Series 2019-B warrants on December 19, 2019. The Series 2011 warrants are now scheduled to be paid off November 1, 2021. Interest is payable on each May 1 and November 1. Additional costs incurred to advance refund the Series 2002 bonds totaled $106,253. These costs have been recorded as deferred charges and debt issue costs and will be amortized over

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

the remaining life of the Series 2011 warrants. The net deferred costs were fully amortized during the year ended September 30, 2021.

The City issued, in its Sewer System fund, $5,690,000 of General Obligation Warrants, Series 2012 dated May 1, 2012. The warrants were issued to refund a portion ($5,475,000) of the General Obligation School Warrants, Series 2003-A. The Warrants mature annually on April 1, 2013 through 2023. Interest is payable on each April 1 and October 1, beginning October 1, 2012. Additional cost incurred to advance refund the Series 2003-A bonds totaled $276,225. These costs have been recorded as deferred charges and debt issue costs and will be amortized over the life of the new bonds. The net deferred costs totaled $37,954 at September 30, 2021.

On December 19, 2019, the City issued General Obligation Warrants, Series 2019-A in the amount of $2,705,000. The bonds were issued to advance refund the remaining outstanding Series 2010-A General Obligation Warrants. The bonds mature annually beginning October 1, 2020 through October 1, 2025 and bear interest rates of 3.00% to 4.00% payable on April 1 and October 1 each year. The proceeds of the Series 2019-A warrants, totaling $2,902,645, include a premium of $197,645. This premium will be amortized over the life of the new debt. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $30,415. These costs will be amortized over the life of the new debt. Additionally, the City reduced its total debt service requirements, which resulted in an economic gain (the difference between the present value of the debt service payments on the 2010-A and 2019-A warrants) totaling $154,042. The net deferred costs totaled $20,856 at September 30, 2021.

The City issued General Obligation Warrants, Series 2019-B, dated December 19, 2019, in the amount of $46,835,000. The bonds were issued to advance refund a portion of the Series 2011 General Obligation Warrants. The bonds mature annually beginning November 1, 2020 through November 1, 2036 and bear interest rates of 2.002% to 3.065% payable on May 1 and November 1 each year. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $2,200,284. These costs will be amortized over the life of the new debt. Additionally, the City reduced its total debt service requirements, which resulted in an economic gain (the difference between the present value of the debt service payments on the 2011 and 2019-B warrants) totaling $2,599,444. The net deferred costs totaled $1,961,830 at September 30, 2021.

There are several limitations and restrictions contained in the various bond indentures. As of September 30, 2020, the City is in compliance with all significant limitations and restrictions.

Other Long-Term Debt. On December 27, 2017, the City issued $28,590,000 Electric System Revenue Warrants, Series 2017. The proceeds were used to advance refund the $28,295,000 Electric System Revenue Warrants, Series 2011. The proceeds of the Series 2017 warrants were placed in escrow along with $3,002,969 of existing funds on hand to provide for all future debt service payments on the Series 2011 warrants. As a result, the Series 2011 warrants were considered defeased and the liability for those warrants was removed. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $2,724,286. This amount is reported as a deferred outflow on the Statement of Net Position and will be amortized over the life of the new warrants. Additionally, the City reduced its total debt service requirements, which resulted in an economic gain (the difference between the present value of the debt service payments on the 2011 and 2017 warrants) totaling $2,521,553. The net deferred costs totaled $2,161,933 at September 30, 2021.

Subsequent to the sale of the City's telecommunications systems, the City paid its Taxable Telecommunications System Revenue Warrant, Series 2011 of $13,500,000 in full. Prior to the sales transaction, the City's Electric System Revenue Warrants, Series 2017 had a fixed interest rate totaling 3.15%. As a result of the transaction, $16,695,000 of this issuance lost its tax-exempt status.

On April 18, 2019, the City issued $16,695,000 Electric System Revenue Taxable Refunding Warrants, Series 2019. The proceeds were entirely used to advance refund a portion of the Series 2017 Electric System Warrants. No

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

refunding costs were associated with this issuance. Interest on the Series 2019 warrants is due semi-annually on March 1 and September 1, beginning September 1, 2019. The Series 2019 warrants bear interest at a fixed rate of 4.31%.

The Electric System Revenue Warrants, Series 2017 trust indenture requires a debt coverage of 1.20% of annual net income for the maximum outstanding annual debt service related to the Electric System Revenue Warrants. For the year ended September 30, 2021, the City was in compliance with the debt service requirement. The City is in compliance with all other debt covenants at September 30, 2021. The debt coverage calculation is as follows:

Net operating revenues	$ 44,131,964
Net investment income	
Interest income earned in the Construction Fund	-
	44,131,964
Operating expenses	(38,552,071)
Depreciation	2,642,291
Net operating income available for debt service	$ 8,222,184
Maximum annual net debt service requirement	$ 2,396,825
Debt service ratio coverage	3.43
Debt service ratio required	1.20

The following is a summary of future annual debt service payments on long-term obligations:

	Governmental Activities General Obligations	
Year	Principal	Interest
2022	$ 3,865,000	$ 3,987,611
2023	4,430,000	2,046,499
2024	4,525,000	1,940,659
2025	4,640,000	1,818,815
2026	4,740,000	1,686,568
2027-2031	22,100,000	6,504,542
2032-2036	23,240,000	2,994,828
2037-2038	6,580,000	158,608
Total	$ 74,120,000	$ 21,138,130

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities
General Obligations

Year	Principal	Interest
2022	$ 2,015,000	$ 985,194
2023	2,070,000	916,999
2024	1,495,000	846,039
2025	1,535,000	787,702
2026	1,575,000	727,874
2027-2031	8,535,000	2,686,356
2032-2036	9,720,000	944,570
Total	$ 26,945,000	$ 7,894,734

NOTE 8 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The City has a Workmen's Compensation Insurance Fund (an internal service fund) to account for and finance its insured and uninsured risks of loss for worker's compensation claims. Under this program, the Fund provides coverage for up to a maximum of $250,000 for each worker's compensation claim. The City purchases insurance, which is included in an administrative fee paid to the Municipal Workers Compensation Fund, Inc., for claims in excess of $250,000. The City's aggregate retention for the accident year February 1, 2021 to September 30, 2021 is $0, February 1, 2020 to January 31, 2021 is $0, February 1, 2019 to January 31, 2020 is $0, February 1, 2018 to January 31, 2019 is $0, February 1, 2017 to January 31, 2018 is $0, February 1, 2016 to January 31, 2017 is $0 and February 1, 2015 to January 31, 2016 is $511,810.

All funds of the City participate in the program and make payments to the Workmen's Compensation Insurance Fund based on the Municipal Workers Compensation Fund, Inc.'s estimated premium rates which include an actuarial estimate of the amount needed to pay claims incurred since inception of the fund and to establish a reserve for catastrophic losses. Accordingly, these payments are treated as operating revenues of the internal service fund and operating expenditures of the General Fund and enterprise funds.

The claims liability is $183,123 at September 30, 2021. The balance is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability is calculated actuarially using an interest rate of 1.20% and includes 1) known claims, 2) claims that have been incurred but not reported, 3) previously closed claims which may reopen, and 4) allocated loss adjustment expenses. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

NOTE 8 - RISK MANAGEMENT (CONTINUED)

Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Changes in the Fund's claims liability for the last three years are as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2018-2019	$ 169,103	$ 66,102	$ 50,056	$ 185,149
2019-2020	185,149	75,280	62,457	197,972
2020-2021	197,972	15,480	30,329	183,123

The City has a Worker's Health Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss related to its self-insured employee health insurance plan. Over the life of the fund through September 30, 2021, the Worker's Health Insurance Fund has received total transfers of $2,707,437 from the Workman's Compensation Insurance Fund. During the year ended September 30, 2020 through September 30, 2021, there were no transfers made from the Workmen's Compensation Insurance Fund to the Worker's Health Insurance Fund to fund the operations of the Worker's Health Insurance Fund. Since October 1, 2013 and through September 30, 2020, the Worker's Health Insurance Fund has received transfers totaling $8,097,110 from the General Fund. During the year ended September 30, 2020 through September 30, 2021, there were no transfers from the General Fund made to the Worker's Health Insurance Fund. The Fund provides coverage for up to $140,000 per individual covered under the plan. Individual Excess Loss coverage has been purchased to insure claims in excess of $140,000 in any one year. Settled claims exceeded premium payments received during the year. Assets exceeded liabilities as of September 30, 2021, resulting in a fund balance of $1,862,076.

The claims liability of $149,400 is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount calculated for claims that have been incurred but not reported at the balance sheet date. Because actual liabilities for claims depend on such complex factors as inflation, changes in the legal doctrines and damage awards, the process used in computing the claims liability does not necessarily result in an exact amount.

Changes in the Fund's claims liability are as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2018-2019	$ 280,100	$ 3,173,161	$ 3,190,261	$ 263,000
2019-2020	263,000	2,058,074	2,172,174	148,900
2020-2021	148,900	2,331,126	2,330,626	149,400

NOTE 9 - EMPLOYEE RETIREMENT PLAN

General Information about the Pension Plan

Plan Description. The ERS, an agent multiple-employer public employee retirement plan, was established October 1, 1945, pursuant to the *Code of Alabama 195, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide 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 the general administration and operation of ERS is vested in its Board of Control which consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). *The Code of Alabama 1975, Title 36-Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

The ERS Board of Control consists of 13 trustees as follows:

1) The Governor, ex officio.
2) The State Treasurer, ex officio.
3) The State Personnel Director, ex officio.
4) The State Director of Finance, ex officio.
5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
    a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
    b. Two vested active state employees.
    c. Two vested active employees of an employer participating in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6.*

Benefits provided. State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase to postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 to 30 years of service (regardless of age), depending on the particular entity's election, 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 member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of 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 member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of service in computing the formula method.

NOTE 9 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

Members are eligible for disability retirement if they have 10 years of creditable service, are currently in-service, and are determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code o Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.50% earnable compensation for regular employees and 8.50% for firefighters and law enforcement officers. A total of 590 employers adopted Act 2019-132.

The ERS serves approximately 853 local participating employers. The ERS membership includes approximately 93,986 participants. As of September 30, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	28,672
Terminated employees entitled to but not yet receiving benefits	1,974
Terminated employees not entitled to a benefit	14,133
Active members	56,369
Post-DROP participants who are still in active service	97
Total	101,245

Contributions. Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10.00% of earnable compensation.

Employers participating in the ERS pursuant to *Code of Alabama 195, Section 36-27-6* were not required by statue to increase covered member contribution rates but were provided the opportunity to do so though Act 2011-676. By adopting Act 2011-676 Tier 1 regular members contribution rates increased from 5.00% to 7.50% of earnable compensation and Tier 1 firefighters and law enforcement officers increased from 6.00% to 8.50% of earnable compensation.

Tier 2 covered members of the ERS contribute 6.00% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7.00% of earnable compensation. Tier 2 State Police members of the ERS contribute 10.00% of earnable compensation. These contribution rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2021, the City's active employee contribution rate was 23.88% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 7.96% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2021 was 15.63% of pensionable pay for Tier 1 employees, and 14.40% of pensionable pay for Tier 2 employees. These required contribution rates are

NOTE 9 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

based upon the actuarial valuation dated September 30, 2018, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were $4,630,231 for the year ended September 30, 2021.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019, rolled forward to September 30, 2020, using standard roll-forward techniques as shown in the following table:

	Expected	Actual Before Act 2019-132	Actual After Act 2019-132
(a) Total Pension Liability as of September 30, 2019	$ 89,551,286	$ 89,294,235	$ 90,154,563
(b) Discount Rate	7.70%	7.70%	7.70%
(c) Entry Age Normal Cost for the period October 1, 2019 - September 30, 2020	1,488,062	1,488,062	1,673,094
(d) Transfers Among Employers:	-	35,400	35,400
(e) Actual Benefit Payments and Refunds for the period October 1, 2019 - September 30, 2020	(6,371,855)	(6,371,855)	(6,371,855)
(f) Total Pension Liability as of September 30, 2020 [(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5*(b))]	$ 91,317,626	$ 91,076,182	$ 92,187,787
(g) Difference between Expected and Actual:		$ (241,444)	
(h) Less Liability Transferred for Immediate Recognition:		35,400	
(i) Experience (Gain)/Loss = (g) - (h)		$ (276,844)	
(j) Difference between Actual TPL Before and After Act 2019-132 - Benefit Change (Gain)/Loss			$ 1,111,605

Actuarial Assumptions. The total pension liability as of September 30, 2020 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2019. The key actuarial assumptions are summarized below:

Inflation	2.75%
Salary increases	3.25% - 5.00%
Investment rate of return*	7.70%

*Net of pension plan investment expense.

Mortality rates for ERS were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females ages 78 and older. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the actuarial valuation as of September 30, 2018, were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

NOTE 9 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	17.00%	4.40%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real Estate	10.00%	7.50%
Cash Equivalents	3.00%	1.50%
Total	100.00%	

*Included assumed rate of inflation of 2.50%.

Discount Rate. The discount rate used to measure the total pension liability was the long-term rate of return, 7.70%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

Change in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2019	$ 89,551,289	$ 47,682,132	$ 41,869,157
Changes for the year:			
Service cost	1,488,062	-	1,488,062
Interest	6,650,133	-	6,650,133
Changes of benefit terms	1,111,605	-	1,111,605
Changes of assumptions	-	-	-
Difference between expected and actual experience	(276,844)	-	(276,844)
Contributions - employer	-	2,869,685	(2,869,685)
Contributions - employee	-	1,461,430	(1,461,430)
Net investment income	-	2,667,393	(2,667,393)
Benefits of payments, including refunds of employee contributions	(6,371,855)	(6,371,855)	-
Transfers among employers	35,400	35,400	-
Net changes:	2,636,501	662,053	1,974,448
Balances at September 30, 2020	$ 92,187,790	$ 48,344,185	$ 43,843,605

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table presents the City's net pension liability calculated using the discount rate of 7.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.70%) or 1-percentage point higher (8.70%) than the current rate:

	1% Decrease (6.70%)	Current Rate (7.70%)	1% Increase (8.70%)
City's Net Pension Liability	$ 53,858,288	$ 43,843,605	$ 35,407,795

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2020. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2020. The auditor's report dated April 30, 2021 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/.

NOTE 9 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

For the year ended September 30, 2021, the City recognized pension expense of $2,227,405. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 676,468	$ 426,834
Changes of assumptions	734,417	-
Net difference between projected and actual earnings on pension plan investments	1,385,649	-
Employer contributions subsequent to the measurement date	4,630,231	-
	$ 7,426,765	$ 426,834

$4,630,231 reported as deferred outflows of resources related to pension resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:

2022	$ 880,623
2023	706,324
2024	666,761
2025	177,953
2026	(10,649)
Thereafter	-

NOTE 10 - POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan Description. The City provides certain continuing health care and life insurance benefits for its retired employees. The City of Opelika OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided. Medical benefits are provided to employees upon actual retirement. The employees are covered by the State of Alabama Retirement System. The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service. Coverage is for retirees and dependents. Coverages ceases at age 65.

Life insurance coverage is not provided to retirees except for two remaining "grandfathered" retirees with minimal total insurance volume of less than $14,000. We estimate the total Actuarial Accrued Liability (AAL) and the Annual Required Contribution (ARC) for these two retirees to be negligible and have thus not included it in this valuation.

NOTE 10 - POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Employees covered by benefit terms. At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	335
	366

Total OPEB Liability

The City's total OPEB liability of $12,961,506 was measured as of September 30, 2021, the end of the fiscal year.

Actuarial Assumptions and other inputs. The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	2.21%, annually (Beginning of year to determine ADC)
	2.15%, annually (As of end of year measurement date)
Healthcare cost trend rates	Flat 5.5% annually for ten years, $4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the average of the Bond Buyers' 20-year General Obligation municipal bond index as of September 30, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2021.

Changes in the Total OPEB Liability:

Balance at September 30, 2020	$	7,500,848
Changes for the year:		
Service cost		580,543
Interest		159,970
Differences between expected and actual experience		4,365,508
Changes in assumptions		879,377
Benefit payments and net transfers		(524,740)
Net changes		5,460,658
Balance at September 30, 2021	$	12,961,506

NOTE 10 - POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.15%) or 1-percentage-point higher (3.15%) than the current discount rate:

	1.0% Decrease (1.15%)	Current Discount Rate (2.15%)	1.0% Increase (3.15%)
Total OPEB Liability	$ 15,664,671	$ 12,961,506	$ 10,875,011

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	$ 11,137,471	$ 12,961,506	$ 15,346,105

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

For the year ended September 30, 2021, the City recognized OPEB expense of $1,773,336. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,116,246	$ -
Changes in assumptions	1,792,667	(152,916)
Total	$ 7,908,913	$ (152,916)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending September 30:	
2022	$ 1,032,823
2023	1,032,823
2024	1,032,823
2025	1,032,823
2026	1,032,823
Thereafter	2,591,884

NOTE 11 - COMMITMENTS AND CONTINGENCIES

On September 29, 2004, the City's Council passed a resolution approving an agreement with the Lee County Commission regarding funding for the expansion of the consolidated jail in cooperation with Lee County and the City of Auburn. In this agreement, the Council expressed its intent to appropriate approximately $300,000 per year for 25 years for this project. The agreement states that Opelika is not legally obligated to make appropriations for the Annual Payments and that the agreement would not create a debt of the City within the meaning of Section 225 of the Constitution of the State of Alabama.

The City is a party to other 80/20 cost sharing agreements with the State in which the City will pay 100% of the costs over a fixed amount. The liability, if any, is not determinable as of September 30, 2021.

The City entered into an agreement with ESG Operations, Inc. ("ESG") effective November 1, 2005, to operate, manage and provide services that the following divisions of the City were previously providing: 1) streets division, grounds maintenance division, building maintenance division, auto shop division, and cemeteries division of the Public Works Department; 2) wastewater treatment division and wastewater collection division of the Engineering Department, and, effective January 2, 2006, the building maintenance division and grounds division of the Parks and Recreation Department. During 2014, the City also agreed to have ESG manage the City's traffic signal control boxes. The City will provide for all capital expenditures and electric service. The base fee for provision of these services is $3,559,863 per year payable in monthly installments. The base fee will increase each year in accordance with the consumer price index. The ESG budget for the year ended September 30, 2021 totals $6,061,236. Included in the base fee is the repair and maintenance budget. The agreement states that if the budget is exceeded, then the City is obligated to reimburse ESG and, if the budget is not exceeded, then the City is reimbursed the difference between the actual repair and maintenance expenditures and the budgeted amount. At the end of the contract year, ESG and the City entered into an agreement for the $49,519 that remained in the repair and maintenance budget to be used by ESG for a City project during the year ended September 30, 2021. The initial term of the agreement was for 10 years commencing on November 1, 2005 and has since been extended by both parties through September 30, 2021. The amended agreement will automatically renew for 5-year periods following that date unless cancelled by either party. The agreement includes termination clauses for both parties.

The City enters into property tax abatement agreements with local businesses under the Tax Incentive Reform Act of 1992. Under the Act, cities, counties, and public industrial authorities have the ability to abate sales and use taxes and property taxes for various time periods depending on the type of business, all for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City. For the fiscal year ended September 30, 2021, the City abated taxes totaling $3,576,438 under this Act, as summarized below.

NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Purpose	Type of Taxes Abated	% of Taxes Abated during the Fiscal Year	Taxes Abated during the Fiscal Year
To construct and/or build major additions to manufacturing facilities	Property Tax	50%	$ 793,864
To construct and/or build major additions to sawmill facility	Property Tax	50%	226,714
To construct and/or build major additions to warehousing and distribution facilities	Property Tax	50%	29,651
To construct food processing facility	Property Tax	50%	69,984
To construct and/or build major additions to brewery	Property Tax	50%	166
To construct and/or build major additions to manufacturing facilities	Sales Tax	4%	2,091,483
To construct and/or build major additions to warehousing and distribution facilities	Sales Tax	4%	132,576
To construct food processing facility	Sales Tax	4%	232,000
			$ 3,576,438

Various lawsuits are pending against the City. In addition, several claims have been filed which have not yet resulted in lawsuits. The liability, if any, associated with these matters is not determinable at September 30, 2021. The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for the expenditures disallowed under the terms of the grant. City management believes such disallowances, if any, will be immaterial.

On October 18, 2019, the City and the Opelika Industrial Development Authority (OIDA) entered into an agreement whereby the City loaned OIDA $2,990,000 for the purpose of acquiring land to develop a new technology park. In accordance with the agreement, OIDA shall make 11 annual principal installments of $250,000 and accrued interest and one final annual installment of all remaining principal and interest beginning November 1, 2020 through November 1, 2031. The first and second payments due October 2020 and 2021 were forgiven by the City.

NOTE 12 - RESTATEMENT

During the year ended September 30, 2021, it was discovered that the prior year's accounts receivable balance was overstated related to the National Village Project. The City posted a prior period adjustment to correct both the beginning fund balance and the prior year receivable. Therefore, the City decreased and restated its beginning Sewer System's net position by $600,000. As of September 30, 2020, the City reported the Sewer System's net position balance totaling $37,995,364. After the restatement, the City reported a balance in the Sewer System's net position balance totaling $37,395,364. As of September 30, 2020, the accounts receivable balance was overstated by $600,000.

In a prior year, the City discovered that some capital assets that were previously retired remained in its capital asset balances. During the year ended September 30, 2021, the City reevaluated the Electric Utility's capital asset system and posted a prior period adjustment to correct both the beginning fund balance and related assets to reflect only the capital assets that remain in use. The City decreased and restated its beginning Electric Utility's net position by $2,134,609. As of September 30, 2020, the City reported the Electric Utility's net position balance totaling $52,329,617. After the restatement, the City reported a balance in the Electric Utility's net position balance totaling $50,195,008. As of September 30, 2020, the capital assets balance was overstated by $2,134,609.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

DESCRIPTION	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:				
Taxes:				
Sales	$ 32,700,000	$ 32,700,000	$ 41,741,504	$ 9,041,504
Property:				
Property	4,100,000	4,100,000	4,813,567	713,567
Payments in lieu of taxes	5,717	5,717	16,132	10,415
	4,105,717	4,105,717	4,829,699	723,982
Other:				
Gasoline	820,000	820,000	785,353	(34,647)
Cigarette	60,900	60,900	66,247	5,347
Rental	650,000	650,000	755,470	105,470
Wine	28,000	28,000	32,480	4,480
	1,558,900	1,558,900	1,639,550	80,650
Total taxes	38,364,617	38,364,617	48,210,753	9,846,136
Special assessments	12,000	12,000	(8,826)	(20,826)
Licenses and permits:				
Occupational	12,600,000	12,600,000	13,933,400	1,333,400
Business:				
General	3,260,000	3,260,000	3,393,379	133,379
Lodging	925,000	925,000	983,726	58,726
Franchise fee	515,000	515,000	499,645	(15,355)
	4,700,000	4,700,000	4,876,750	176,750
Telecommunications fees	22,000	22,000	6,500	(15,500)
Permits and inspections	810,600	810,600	1,567,658	757,058
Total licenses and permits	18,132,600	18,132,600	20,384,308	2,251,708

UNAUDITED

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

DESCRIPTION	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Intergovernmental revenue:				
Shared county revenue:				
Motor vehicle license	$ 136,000	$ 136,000	$ 134,484	$ (1,516)
Shared state revenue:				
Bank excise tax	199,000	199,000	777,094	578,094
Business privilege tax	74,000	74,000	75,657	1,657
Share of liquor tax profits	144,750	144,750	218,333	73,583
State asset forfeiture	-	7,948	33,803	25,855
	417,750	425,698	1,104,887	679,189
Shared federal revenue:				
Federal asset forfeiture	-	95,351	14,844	(80,507)
	-	95,351	14,844	(80,507)
Other:				
Grants:				
Federal	27,000	27,000	3,233,448	3,206,448
State	-	-	17,421	17,421
Lee County	59,000	95,664	59,000	(36,664)
	86,000	122,664	3,309,869	3,187,205
Total intergovernmental revenue	639,750	779,713	4,564,084	3,784,371
Charges for services:				
Administration:				
Other governments	24,000	24,000	26,232	2,232
	24,000	24,000	26,232	2,232
Public safety:				
Board of Education	150,000	150,000	150,000	-
Other	164,000	164,000	263,049	99,049
Towing, fire calls, and fire training	-	413	3,879	3,466
	314,000	314,413	416,928	102,515

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CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

DESCRIPTION	**ORIGINAL BUDGET**	**FINAL BUDGET**	**ACTUAL**	**VARIANCE WITH FINAL BUDGET OVER (UNDER)**
Public works:				
Clearing and grading	$ -	$ -	$ 51,572	$ 51,572
Other	30,000	30,000	48,157	18,157
	30,000	30,000	99,729	69,729
Health:				
Graves and monuments	125,000	125,000	144,700	19,700
Evergreen cemetery	26,000	26,000	31,500	5,500
	151,000	151,000	176,200	25,200
Culture and recreation:				
Entry fees and concessions	1,490,000	1,490,000	1,356,462	(133,538)
Total charges for services	2,009,000	2,009,413	2,075,551	66,138
Fines and forfeitures:				
Public safety:				
Fines and costs	412,000	412,000	409,700	(2,300)
Culture and recreation:				
Fines	22,000	22,000	21,162	(838)
Total fines and forfeitures	434,000	434,000	430,862	(3,138)
Miscellaneous revenues:				
Interest earnings	300,000	300,000	215,653	(84,347)
Other:				
Rental income	107,000	107,000	107,028	28
Contributions	-	82,049	79,374	(2,675)
Cemetery lots	130,000	130,000	168,800	38,800
Miscellaneous	50,000	80,272	929,226	848,954
Total other	287,000	399,321	1,284,428	885,107
Total miscellaneous revenues	587,000	699,321	1,500,081	800,760
Total revenues	$ 60,178,967	$ 60,431,664	$ 77,156,813	$ 16,725,149

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTION/DEPARTMENT/OBJECT	**ORIGINAL BUDGET**	**FINAL BUDGET**	**ACTUAL**	**VARIANCE WITH FINAL BUDGET OVER (UNDER)**
Expenditures:				
Current:				
General government:				
Mayor:				
Personnel services	$ 220,259	$ 220,259	$ 216,763	$ (3,496)
Other	425,300	257,648	62,849	(194,799)
Total mayor	645,559	477,907	279,612	(198,295)
Administration:				
Personnel services	214,107	214,107	198,732	(15,375)
Other	477,300	647,144	536,719	(110,425)
Total administration	691,407	861,251	735,451	(125,800)
Legislative - City Clerk:				
Personnel services	151,194	151,194	150,597	(597)
Other	250,930	200,930	179,388	(21,542)
Total legislative	402,124	352,124	329,985	(22,139)
Legal - City Attorney:				
Personnel services	166,408	166,408	166,175	(233)
Other	216,660	250,299	213,513	(36,786)
Total legal	383,068	416,707	379,688	(37,019)
Other:				
Revenue:				
Personnel services	452,235	453,405	391,646	(61,759)
Other	67,600	90,384	75,840	(14,544)
	519,835	543,789	467,486	(76,303)
Accounting:				
Personnel services	604,356	603,706	593,751	(9,955)
Services provided other funds	(118,992)	(117,742)	(118,119)	(377)
Other	111,168	110,568	80,677	(29,891)
	596,532	596,532	556,309	(40,223)
Community relations:				
Personnel services	154,685	154,685	166,356	11,671
Other	120,250	145,971	125,017	(20,954)
	274,935	300,656	291,373	(9,283)

UNAUDITED

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Information technology:				
Personnel services	$ 845,657	$ 845,657	$ 832,483	$ (13,174)
Services provided other funds	(266,021)	(266,021)	(266,021)	-
Other	1,951,090	2,805,760	2,504,227	(301,533)
	2,530,726	3,385,396	3,070,689	(314,707)
Judicial:				
Personnel services	329,566	329,566	322,482	(7,084)
Other	36,500	40,500	25,576	(14,924)
	366,066	370,066	348,058	(22,008)
Human resources administration:				
Personnel services	345,922	369,667	359,760	(9,907)
Other	221,795	198,050	35,131	(162,919)
	567,717	567,717	394,891	(172,826)
Planning:				
Personnel services	503,909	503,909	511,450	7,541
Other	79,400	367,938	192,641	(175,297)
	583,309	871,847	704,091	(167,756)
Purchasing:				
Personnel services	338,891	338,891	343,382	4,491
Services provided other funds	(45,624)	(45,624)	(45,624)	-
Other	22,350	20,945	8,196	(12,749)
	315,617	314,212	305,954	(8,258)
Nondepartmental:				
Auburn-Opelika Airport	156,647	156,647	124,960	(31,687)
Lee-Russell Council of Governments	157,900	157,900	157,900	-
Opelika Chamber of Commerce	65,000	65,000	65,000	-
Opelika Industrial Development Authority	125,000	125,000	375,000	250,000
Lee County Extension Service	12,500	12,500	12,500	-
Envision Opelika	20,000	20,000	20,000	-
Downtown Development Authority	6,000	6,000	6,000	-
Main Street, Inc.	25,000	25,000	25,000	-
J W Darden Foundation	5,000	5,000	5,000	-
Other	-	51,500	51,500	-
	573,047	624,547	842,860	218,313
Total other	6,327,784	7,574,762	6,981,711	(593,051)
Total general government	8,449,942	9,682,751	8,706,447	(976,304)

UNAUDITED

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTION/DEPARTMENT/OBJECT	**ORIGINAL BUDGET**	**FINAL BUDGET**	**ACTUAL**	**VARIANCE WITH FINAL BUDGET OVER (UNDER)**
Public safety:				
Police:				
Personnel services	$ 10,202,568	$ 10,265,074	$ 9,712,081	$ (552,993)
Other	2,107,710	2,957,965	2,147,137	(810,828)
Total police	12,310,278	13,223,039	11,859,218	(1,363,821)
Fire:				
Personnel services	5,600,557	5,672,601	5,646,458	(26,143)
Other	727,600	716,600	661,281	(55,319)
Total fire	6,328,157	6,389,201	6,307,739	(81,462)
Other:				
Nondepartmental:				
Juvenile Court	10,000	10,000	10,000	-
Lee County Emergency Management	35,000	35,000	35,000	-
Emergency Medical Service	375,476	375,476	375,476	-
Other	-	1,000	1,000	-
Total other	420,476	421,476	421,476	-
Total public safety	19,058,911	20,033,716	18,588,433	(1,445,283)
Public works:				
Highways and streets				
Personnel services	-	-	-	-
Other	1,191,230	1,233,388	1,228,246	(5,142)
Total highways and streets	1,191,230	1,233,388	1,228,246	(5,142)
Engineering:				
Personnel services	505,938	505,938	447,977	(57,961)
Other	109,400	645,361	446,808	(198,553)
Total engineering	615,338	1,151,299	894,785	(256,514)

UNAUDITED

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Other:				
Administration				
Other	$ 521,677	$ 627,020	$ 584,559	$ (42,461)
	521,677	627,020	584,559	(42,461)
Cemetery:				
Other	276,650	280,650	229,823	(50,827)
	276,650	280,650	229,823	(50,827)
Automotive shop:				
Other	732,230	834,715	751,933	(82,782)
	732,230	834,715	751,933	(82,782)
Building maintenance:				
Other	623,615	599,194	551,188	(48,006)
	623,615	599,194	551,188	(48,006)
Inspection:				
Personnel services	465,324	465,324	465,385	61
Other	155,800	155,935	64,277	(91,658)
	621,124	621,259	529,662	(91,597)
Ground maintenance:				
Other	1,005,460	1,077,027	1,069,241	(7,786)
	1,005,460	1,077,027	1,069,241	(7,786)
Total other	3,780,756	4,039,865	3,716,406	(323,459)
Total public works	5,587,324	6,424,552	5,839,437	(585,115)

UNAUDITED

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTION/DEPARTMENT/OBJECT	**ORIGINAL BUDGET**	**FINAL BUDGET**	**ACTUAL**	**VARIANCE WITH FINAL BUDGET OVER (UNDER)**
Health:				
Animal control:				
Personnel services	$ 73,155	$ 73,155	$ 80,214	$ 7,059
Other	7,328	7,328	4,094	(3,234)
	80,483	80,483	84,308	3,825
Other:				
Nondepartmental:				
Lee County Health Department	46,000	46,000	46,000	-
East Alabama Mental Health	40,000	40,000	40,000	-
Valley Haven School	2,000	2,000	2,000	-
Lee County Humane Society	123,157	123,157	123,157	-
Substance Abuse	25,000	25,000	25,000	-
Child Care Alliance	6,000	6,000	6,000	-
Red Cross	10,000	10,000	10,000	-
Child Advocacy Center	5,000	5,000	-	(5,000)
COVID-19	-	-	85,899	85,899
Other	4,500	7,500	7,500	-
Total other	261,657	264,657	345,556	80,899
Total health	342,140	345,140	429,864	84,724
Welfare:				
Other:				
Nondepartmental:				
East Alabama Services for the Elderly	7,500	7,500	7,500	-
Lee County Youth Development Center	35,000	35,000	35,000	-
One Voice Shelter Coalition	10,000	10,000	10,000	
Boys and Girls Clubs	45,000	45,000	45,000	-
Council on Human Relations	20,000	20,000	20,000	-
Storybook Farms	6,000	6,000	6,000	-
Christian Care Ministries	3,000	3,000	3,000	-
East Alabama Food Bank	16,667	16,667	16,667	-
Other	-	9,000	9,000	-
Total welfare	143,167	152,167	152,167	-

UNAUDITED

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Culture and recreation:				
Parks and recreation:				
Personnel services	$ 2,068,433	$ 2,068,433	$ 1,976,588	$ (91,845)
Other	3,678,571	3,745,678	3,280,033	(465,645)
Total parks and recreation	5,747,004	5,814,111	5,256,621	(557,490)
Library:				
Personnel services	769,807	769,807	738,314	(31,493)
Other	237,800	437,615	261,795	(175,820)
Total library	1,007,607	1,207,422	1,000,109	(207,313)
Other:				
Nondepartmental:				
Keep Opelika Beautiful	38,000	38,000	38,000	-
Museum of East Alabama	30,500	30,500	30,500	-
Opelika Arts Association	30,000	30,000	30,000	-
Other	12,500	20,000	20,000	-
Total other	111,000	118,500	118,500	-
Total culture and recreation	6,865,611	7,140,033	6,375,230	(764,803)
Economic development:				
Personnel services	322,534	322,534	322,773	239
Other	265,375	275,478	80,768	(194,710)
Total	587,909	598,012	403,541	(194,471)
Nondepartmental:				
Industrial incentives	706,828	860,455	489,757	(370,698)
Commercial incentives	375,500	667,177	732,171	64,994
Total	1,082,328	1,527,632	1,221,928	(305,704)
Total economic development	1,670,237	2,125,644	1,625,469	(500,175)
Education	3,323,500	3,337,000	3,333,500	(3,500)
Capital outlay	5,096,194	33,789,267	23,834,000	(9,955,267)

UNAUDITED

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTION/DEPARTMENT/OBJECT	**ORIGINAL BUDGET**	**FINAL BUDGET**	**ACTUAL**	**VARIANCE WITH FINAL BUDGET OVER (UNDER)**
Debt service:				
Principal	$ 680,215	$ 680,215	$ -	$ (680,215)
Interest	17,876	17,876	-	(17,876)
Total debt service	698,091	698,091	-	(698,091)
Total expenditures	51,235,117	83,728,361	68,884,547	(14,843,814)
Excess of revenues over (under) expenditures	8,943,850	(23,296,697)	8,272,266	31,568,963
Other financing sources (uses):				
Sale of capital assets	-	49,290	100,427	51,137
Transfers from Electric Utility Fund	3,000,000	3,000,000	3,000,000	-
Transfers from Sewer Fund	-	-	-	-
Transfers from Nonmajor Special Revenue Funds	2,801,097	20,236	1,158,459	1,138,223
Transfers from Nonmajor Capital Project Fund	-	1,208,173	746,640	(461,533)
Transfers from Garden Hills Cemetery Trust Fund	20,000	20,000	14,896	(5,104)
Transfers to General Obligation Debt Service Fund	(5,664,951)	(5,664,951)	(3,852,954)	1,811,997
Transfers to Sportsplex Fund	-	-	-	-
Transfers to Garden Hills Cemetery Perpetual Care Trust Fund	-	-	(41,825)	(41,825)
Transfers to Community Development Funds	-	-	-	-
Transfers to Nonmajor Special Revenue Funds	(6,201,099)	(6,201,099)	(4,476,537)	1,724,562
Transfers to Nonmajor Capital Projects Funds	-	(59,419)	(65,303)	(5,884)
Transfers to Health Insurance Funds	(97,800)	(97,800)	-	97,800
Total other financing sources (uses)	(6,142,753)	(7,725,570)	(3,416,197)	4,309,373
Excess of revenues and other sources over (under) expenditures and other uses	2,801,097	(31,022,267)	4,856,069	35,878,336
Fund balance, beginning of year	66,187,466	66,187,466	66,187,466	-
Fund balance, end of year	$ 68,988,563	$ 35,165,199	$ 71,043,535	$ 35,878,336

UNAUDITED

CITY OF OPELIKA
SCHOOL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:				
Taxes:				
Property	$ 8,300,000	$ 8,300,000	$ 9,084,156	$ 784,156
Investment income	28,000	28,000	3,963	(24,037)
Total revenues	8,328,000	8,328,000	9,088,119	760,119
Expenditures:				
Current:				
Education	7,365,064	7,365,064	8,125,701	760,637
Total expenditures	7,365,064	7,365,064	8,125,701	760,637
Excess of revenues over (under) expenditures	962,936	962,936	962,418	(518)
Other financing sources (uses):				
Transfers to other funds	(962,936)	(962,936)	(962,418)	518
Total other financing sources (uses)	(962,936)	(962,936)	(962,418)	518
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	612	612
Fund balances, end of year	$ -	$ -	$ 612	$ 612

UNAUDITED

CITY OF OPELIKA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS ENDED SEPTEMBER 30,

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	$ 1,488,062	$ 1,559,187	$ 1,490,565	$ 1,497,607	$ 1,442,512	$ 1,412,607
Interest	6,650,133	6,542,771	6,502,549	6,281,661	6,055,938	5,829,028
Changes of benefit terms	1,111,605	-	-	-	-	-
Differences between expected and actual experience	(276,844)	332,101	(546,247)	1,203,336	467,869	1,293,867
Changes of assumptions	-	-	436,905	-	3,431,801	-
Benefit payments, including refunds of employee contributions	(6,371,855)	(6,490,330)	(6,304,031)	(6,019,196)	(5,721,480)	(5,676,784)
Transfers among employers	35,400	(608,658)	(419,392)	29,171	(173,315)	-
Net change in total pension liability	2,636,501	1,335,071	1,160,349	2,992,579	5,503,325	2,858,718
Total pension liability - beginning	89,551,289	88,216,218	87,055,869	84,063,290	78,559,965	75,701,247
Total pension liability - ending (a)	$ 92,187,790	$ 89,551,289	$ 88,216,218	$ 87,055,869	$ 84,063,290	$ 78,559,965
Plan Fiduciary Net Position						
Contributions - employer	$ 2,869,685	$ 2,608,922	$ 2,556,321	$ 2,288,116	$ 2,243,275	$ 2,317,790
Contributions - member	1,461,430	1,440,575	1,352,780	1,285,637	1,345,519	1,355,450
Net investment income	2,667,393	1,231,904	4,312,206	5,585,674	4,250,351	515,062
Benefit payments, including refunds of employee contributions	(6,371,855)	(6,490,330)	(6,304,031)	(6,019,196)	(5,721,480)	(5,676,784)
Transfers among employees	35,400	(608,658)	(419,392)	29,171	(173,315)	(79,807)
Net change in plan fiduciary net position	662,053	(1,817,587)	1,497,884	3,169,402	1,944,350	(1,568,289)
Plan net position - beginning	47,682,132	49,499,719	48,001,835	44,832,433	42,888,083	44,456,372
Plan net position - ending (b)	$ 48,344,185	$ 47,682,132	$ 49,499,719	$ 48,001,835	$ 44,832,433	$ 42,888,083
Net pension liability (asset) - ending (a) - (b)	$ 43,843,605	$ 41,869,157	$ 38,716,499	$ 39,054,034	$ 39,230,857	$ 35,671,882
Plan fiduciary net position as a percentage of the total pension liability	52.44%	53.25%	56.11%	55.14%	53.33%	54.59%
Covered employee payroll	$ 19,106,781	$ 17,628,631	$ 17,528,945	$ 16,547,083	$ 16,840,471	$ 16,260,839
Net pension liability (asset) as a percentage of covered-employee payroll	229.47%	237.51%	220.87%	236.02%	232.96%	219.37%

UNAUDITED

CITY OF OPELIKA
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
LAST SIX FISCAL YEARS ENDED SEPTEMBER 30,

	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 4,630,231	$ 4,387,097	$ 3,998,592	$ 2,710,697	$ 2,317,489	$ 2,759,158
Contributions in relation to the actuarially determined contribution	4,630,231	4,387,097	3,998,592	2,710,697	2,317,489	2,759,158
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 19,392,942	$ 19,106,781	$ 17,628,631	$ 17,528,945	$ 16,547,083	$ 16,840,471
Contributions as a percentage of covered employee payroll	23.88%	22.96%	22.68%	15.46%	14.01%	16.38%

UNAUDITED

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which the contributions are reported. Contributions for fiscal year 2021 were based on the September 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2020 to September 30, 2021:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	28.0 years
Asset valuation method	Five-year smoothed market
Inflation	2.75%
Salary increases	3.25 - 5.00%, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

CITY OF OPELIKA

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST FOUR YEARS ENDED SEPTEMBER 30,

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 580,543	$ 158,783	$ 67,768	$ 72,153
Interest	159,970	178,809	131,209	120,339
Differences between expected and actual experience	4,365,508	328,282	2,551,136	50,947
Changes of assumptions	879,377	230,271	1,061,816	(199,968)
Benefit payments and net transfers	(524,740)	(234,883)	(222,638)	(216,600)
Net change in total OPEB liability	5,460,658	661,262	3,589,291	(173,129)
Total OPEB liability - beginning	7,500,848	6,839,586	3,250,295	3,423,424
Total OPEB liability - ending	$ 12,961,506	$ 7,500,848	$ 6,839,586	$ 3,250,295
Covered employee payroll	$ 18,391,482	$ 18,625,604	$ 17,909,235	$ 15,582,216
Total OPEB liability as a percentage of covered-employee payroll	70.48%	40.27%	38.19%	20.86%
Notes to Schedule:				
Benefit Changes:	None	None	None	None
Changes in Assumptions:				
Discount Rate:	2.15%	2.21%	2.66%	4.18%
Mortality:	RP-2000	RP-2000	RP-2000	RP-2000
Trend:	Variable	5.50%	5.50%	5.50%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, the City of Opelika will only present information for those years for which information is available.

UNAUDITED

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL NONMAJOR FUNDS STATEMENTS

SPECIAL REVENUE FUNDS are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

DEBT SERVICE FUNDS are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

CAPITAL PROJECTS FUNDS are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

PERMANENT FUNDS are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the government's programs.

CITY OF OPELIKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	GARDEN HILLS CEMETERY PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 4,618,656	$ 36,959	$ 1,746,599	$ -	$ 6,402,214
Cash with fiscal agent	-	376	-	-	376
Investments	23,749	1,364,403	-	1,535,146	2,923,298
Accrued interest	-	-	-	2,610	2,610
Receivables	53,419	-	180,037	-	233,456
Due from other funds	83,491	-	-	12,165	95,656
Due from other governments	425,662	-	-	-	425,662
Total current assets	5,204,977	1,401,738	1,926,636	1,549,921	10,083,272
Other assets:					
Deposits	69,045	-	-	-	69,045
Total other assets	69,045	-	-	-	69,045
Total assets	$ 5,274,022	$ 1,401,738	$ 1,926,636	$ 1,549,921	$ 10,152,317
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 83,833	$ -	$ 9,241	$ 758	$ 93,832
Accrued payroll and benefits	6,326	-	-	-	6,326
Due to other funds	116,259	-	-	-	116,259
Due to other governments	44,446	-	-	-	44,446
Matured bonds and interest payable	-	471,425	-	-	471,425
Total liabilities	250,864	471,425	9,241	758	732,288
Deferred inflows of resources:					
Unearned revenues	225,872	-	-	-	225,872
Total deferred inflows of resources	225,872	-	-	-	225,872
Fund balances:					
Nonspendable	69,045	-	-	1,549,163	1,618,208
Restricted	2,324,185	930,313	1,917,395	-	5,171,893
Assigned	2,409,006	-	-	-	2,409,006
Unassigned	(4,950)	-	-	-	(4,950)
Total fund balance	4,797,286	930,313	1,917,395	1,549,163	9,194,157
Total liabilities, deferred inflows of resources and fund balances	$ 5,274,022	$ 1,401,738	$ 1,926,636	$ 1,549,921	$ 10,152,317

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

CITY OF OPELIKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	GARDEN HILLS CEMETERY PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:					
Intergovernmental	$ 587,930	$ -	$ 113,742	$ -	$ 701,672
Investment income	11,137	69	149	184,238	195,593
Grant Income	1,388,814	-	-	-	1,388,814
Business licenses and permits	465,415	-	-	-	465,415
Total revenues	2,453,296	69	113,891	184,238	2,751,494
Expenditures:					
Current:					
General government	523,344	-	30,235	9,690	563,269
Public safety	203,569	-	-	-	203,569
Public works	69,419	-	-	-	69,419
Economic development and urban rehabilitation	36,373	-	-	-	36,373
Capital outlay	1,430,271	-	-	-	1,430,271
Debt service:					
Principal retirement	-	4,140,000	-	-	4,140,000
Interest and fiscal charges	-	4,146,297	-	-	4,146,297
Total expenditures	2,262,976	8,286,297	30,235	9,690	10,589,198
Excess of revenues over (under) expenditures	190,320	(8,286,228)	83,656	174,548	(7,837,704)
Other financing sources (uses):					
Proceeds from long-term debt	-	1,810,150	-	-	1,810,150
Transfers from governmental funds	65,588	6,474,749	(2)	41,825	6,582,160
Transfers to governmental funds	(1,158,742)	-	-	(14,896)	(1,173,638)
Total other financing sources	(1,093,154)	8,284,899	(2)	26,929	7,218,672
Excess of revenues and other sources over (under) expenditures and other uses	(902,834)	(1,329)	83,654	201,477	(619,032)
Fund balances, beginning of year	5,700,120	931,642	1,833,741	1,347,686	9,813,189
Fund balances, end of year	$ 4,797,286	$ 930,313	$ 1,917,395	$ 1,549,163	$ 9,194,157

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

NONMAJOR SPECIAL REVENUE FUNDS

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

$.07 State Gasoline Tax Fund – This fund is used to account for the government's share of revenues to be used exclusively for the purposes of paying the costs of transportation planning, the construction, reconstruction, maintenance, widening, alteration and improvement of public roads, bridges, streets, and other public ways.

$.04 & $.05 State Gasoline Tax Fund – This fund is used to account for the government's share of revenues to be used exclusively for the purposes of paying the costs of resurfacing, restoring, and rehabilitating roads, bridges and streets, and bridge replacement road construction.

Rebuild Alabama State Gasoline Tax Fund – This fund is used to account for the government's share of revenues to be used exclusively for the purposes of paying the costs of maintenance, improvement, replacement, and construction of roads and bridges; matching funds for federal road or bridge projects; debt repayment for road and bridge projects; or joint road and bridge projects with one or more municipalities and/or counties.

Capital Improvement Fund – This fund is used to account for the government's share of revenues to be used exclusively for the purposes of paying the costs of capital improvements or the renovation of capital improvements or to retire debt associated with capital improvements.

Community Development Funds – These funds are used to account for the community development block grants that are funding revitalization projects for substandard housing in the government's jurisdiction and other grant revenues for community improvements.

Road Maintenance Fund – This fund is used to account for the repair, maintenance, and improvement of all county roads within the city limits.

Rosemere Cemetery Fund – This fund is used to account for the government's share of revenues to be used exclusively for the perpetual care, maintenance, and preservation of the graves in this cemetery.

Lodging Tax Fund – This fund is used to account for the portion of the sales tax that the government intends to use to fund economic development initiatives.

Friends of the Lewis E. Cooper, Jr. Memorial Library Trust Fund – This fund is used to account for donations received and related interest income. The principal and interest income can be used to acquire and improve library facilities and materials.

CITY OF OPELIKA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2021

	$0.07 STATE GASOLINE TAX FUND	$0.04 & $0.05 STATE GASOLINE TAX FUND	REBUILD ALABAMA STATE GASOLINE TAX FUND	CAPITAL IMPROVEMENT FUND	COMMUNITY DEVELOPMENT FUNDS	ROAD MAINTENANCE FUND	ROSEMERE CEMETERY FUND	LODGING TAX FUND	COOPER LIBRARY EXPENDABLE TRUST FUND	COMBINED TOTALS
ASSETS										
Cash and cash equivalents	$ 489,491	$ 203,216	$ 90,753	$ 1,466,330	$ 15,692	$ 543,887	$ 248	$ 1,809,039	$ -	$ 4,618,656
Investments	-	-	-	-	-	-	-	-	23,749	23,749
Other receivables	-	-	-	-	-	-	-	53,419	-	53,419
Due from other funds	-	-	-	-	-	83,491	-	-	-	83,491
Due from other governments	12,989	10,254	27,746	222,400	152,273	-	-	-	-	425,662
Total current assets	502,480	213,470	118,499	1,688,730	167,965	627,378	248	1,862,458	23,749	5,204,977
Other assets:										
Deposits	-	-	-	-	-	-	-	69,045	-	69,045
Total other assets	-	-		-	-	-	-	69,045	-	69,045
Total assets	$ 502,480	$ 213,470	$ 118,499	$ 1,688,730	$ 167,965	$ 627,378	$ 248	$ 1,931,503	$ 23,749	$ 5,274,022
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	$ -	$ -	$ -	$ 591	$ 2,412	$ 80,830	$ -	$ -	$ -	$ 83,833
Accrued payroll and benefits	-	-	-	-	6,326	-	-	-	-	6,326
Due to other funds	-	-	-	-	116,259	-	-	-	-	116,259
Due to other governments	-	-	-	-	44,446	-	-	-	-	44,446
Total liabilities	-	-		591	169,443	80,830	-	-	-	250,864
Deferred inflows of resources:										
Unearned revenues	-	-	-	222,400	3,472	-	-	-	-	225,872
Total unearned revenues	-	-		222,400	3,472	-	-	-	-	225,872
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	69,045	-	69,045
Restricted	502,480	213,470	118,499	1,465,739	-	-	248	-	23,749	2,324,185
Assigned	-	-	-	-	-	546,548	-	1,862,458	-	2,409,006
Unassigned	-	-	-	-	(4,950)	-	-	-	-	(4,950)
Total fund balance	502,480	213,470	118,499	1,465,739	(4,950)	546,548	248	1,931,503	23,749	4,797,286
Total liabilities, deferred inflows of resources and fund balances	$ 502,480	$ 213,470	$ 118,499	$ 1,688,730	$ 167,965	$ 627,378	$ 248	$ 1,931,503	$ 23,749	$ 5,274,022

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

CITY OF OPELIKA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	$0.07 STATE GASOLINE TAX FUND	$0.04 & $0.05 STATE GASOLINE TAX FUND	REBUILD ALABAMA STATE GASOLINE TAX FUND	CAPITAL IMPROVEMENT FUND	COMMUNITY DEVELOPMENT FUNDS	ROAD MAINTENANCE FUND	ROSEMERE CEMETERY FUND	LODGING TAX FUND	COOPER LIBRARY EXPENDABLE TRUST FUND	COMBINED TOTALS
Revenues:										
Intergovernmental:										
Shared state gasoline tax	$ 77,187	$ 60,988	$ 179,968	$ -	$ -	$ -	$ -	$ -	$ -	$ 318,143
Alabama trust fund	-	-	-	269,787	-	-	-	-	-	269,787
Federal grants	-	-	-	701,198	687,616	-	-	-	-	1,388,814
Total intergovernmental	77,187	60,988	179,968	970,985	687,616	-	-	-	-	1,976,744
Business licenses and permits	-	-	-	-	-	-	-	465,415	-	465,415
Miscellaneous:										
Investment income	37	90	32	23	-	5,002	-	23	5,930	11,137
Total miscellaneous	37	90	32	23	-	5,002	-	23	5,930	11,137
Total revenues	77,224	61,078	180,000	971,008	687,616	5,002	-	465,438	5,930	2,453,296
Expenditures:										
Current:										
General government	-	-	-	-	523,344	-	-	-	-	523,344
Public safety	-	-	-	-	203,569	-	-	-	-	203,569
Public works	-	-	-	68,436	-	-	983	-	-	69,419
Economic development and urban rehabilitation	-	-	-	-	-	-	-	36,373	-	36,373
Total current expenditures	-	-	-	68,436	726,913	-	983	36,373	-	832,705
Capital outlay	-	-	-	955,598	8,350	466,323	-	-	-	1,430,271
Total expenditures	-	-	-	1,024,034	735,263	466,323	983	36,373	-	2,262,976
Excess revenues over (under) expenditures	77,224	61,078	180,000	(53,026)	(47,647)	(461,321)	(983)	429,065	5,930	190,320
Other financing resources (uses):										
Transfers from governmental funds	-	-		60,428	5,160	-	-	-	-	65,588
Transfers to governmental funds	(80,400)	(64,000)	(107,319)	(255,000)	-	(652,023)	-	-	-	(1,158,742)
Total other financing sources (uses)	(80,400)	(64,000)	(107,319)	(194,572)	5,160	(652,023)	-	-	-	(1,093,154)
Excess of revenues and other sources over (under) expenditures and other uses	(3,176)	(2,922)	72,681	(247,598)	(42,487)	(1,113,344)	(983)	429,065	5,930	(902,834)
Fund balances, beginning of year	505,656	216,392	45,818	1,713,337	37,537	1,659,892	1,231	1,502,438	17,819	5,700,120
Fund balances, end of year	$ 502,480	$ 213,470	$ 118,499	$ 1,465,739	$ (4,950)	$ 546,548	$ 248	$ 1,931,503	$ 23,749	$ 4,797,286

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

NONMAJOR DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

CITY OF OPELIKA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2021

	GENERAL OBLIGATION WARRANTS	GENERAL OBLIGATION SCHOOL WARRANTS	TOTAL NONMAJOR DEBT SERVICE FUNDS
ASSETS			
Cash and cash equivalents	$ 35,425	$ 1,534	$ 36,959
Cash with fiscal agent	376	-	376
Investments	892,789	471,614	1,364,403
Total current assets	928,590	473,148	1,401,738
Total assets	$ 928,590	$ 473,148	$ 1,401,738
LIABILITIES AND FUND BALANCES			
Liabilities:			
Matured bonds and interest payable	$ -	$ 471,425	$ 471,425
Total liabilities	-	471,425	471,425
Fund balances:			
Restricted	928,590	1,723	930,313
Total fund balance	928,590	1,723	930,313
Total liabilities, deferred inflows of resources and fund balances	$ 928,590	$ 473,148	$ 1,401,738

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

CITY OF OPELIKA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	GENERAL OBLIGATION WARRANTS	GENERAL OBLIGATION SCHOOL WARRANTS	TOTAL NONMAJOR DEBT SERVICE FUNDS
Revenues:			
Investment income	$ 49	$ 20	$ 69
Total revenues	49	20	69
Expenditures:			
Debt service:			
Principal retirement	3,340,000	800,000	4,140,000
Interest and fiscal charges	3,983,879	162,418	4,146,297
Total expenditures	7,323,879	962,418	8,286,297
Excess of revenues over (under) expenditures	(7,323,830)	(962,398)	(8,286,228)
Other financing sources (uses):			
Proceeds used to refund bonds	1,810,150	-	1,810,150
Transfers from governmental funds	5,512,331	962,418	6,474,749
Total other financing sources	7,322,481	962,418	8,284,899
Excess of revenues and other sources over (under) expenditures and other uses	(1,349)	20	(1,329)
Fund balances, beginning of year	929,939	1,703	931,642
Fund balances, end of year	$ 928,590	$ 1,723	$ 930,313

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

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition of major capital facilities other than those financed by proprietary funds and trust funds.

Municipal Complexes Fund – This fund is used to account for the construction of the new justice center and renovation projects at the municipal court. The justice center construction is funded by sales tax and the municipal court renovations are funded by various fines and court fees.

2011 Road Construction Fund – This fund is used to account for the collection of bond series proceeds restricted for various City road construction and expansion capital projects and for the expenditures of such funds for the projects.

Industrial Access Road Grant Capital Projects Funds – These funds are used to account for the construction for industrial access roads funded by state industrial access road grants.

CITY OF OPELIKA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2021

	MUNICIPAL COMPLEXES FUND		2011 ROAD CONSTRUCTION FUND		INDUSTRIAL ACCESS ROAD GRANT CAPITAL PROJECTS		TOTALS	
ASSETS								
Cash and cash equivalents	$	1,034,746	$	45,400	$	666,453	$	1,746,599
Receivables, net		37		180,000		-		180,037
Total assets	$	1,034,783	$	225,400	$	666,453	$	1,926,636
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	$	9,241	$	-	$	-	$	9,241
Total liabilities		9,241		-		-		9,241
Fund balances:								
Restricted		1,025,542		225,400		666,453		1,917,395
Total fund balances		1,025,542		225,400		666,453		1,917,395
Total liabilities, deferred inflows of resources and fund balances	$	1,034,783	$	225,400	$	666,453	$	1,926,636

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

CITY OF OPELIKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	MUNICIPAL COMPLEXES FUND	2011 ROAD CONSTRUCTION FUND	INDUSTRIAL ACCESS ROAD GRANT CAPITAL PROJECTS	TOTALS
Revenues:				
Intergovernmental	$ 113,742	$ -	$ -	$ 113,742
Investment income	149	-	-	149
Total revenues	113,891	-	-	113,891
Expenditures:				
General government	30,235	-	-	30,235
Total expenditures	30,235	-	-	30,235
Excess of revenue over (under) expenditures	83,656	-	-	83,656
Other financing sources (uses):				
Transfers from governmental funds	-	-	(2)	(2)
Total other financing sources (uses)	-	-	(2)	(2)
Excess of revenues and other sources over (under) expenditures and other uses	83,656	-	(2)	83,654
Fund balances, beginning of year	941,886	225,400	666,455	1,833,741
Fund balances, end of year	$ 1,025,542	$ 225,400	$ 666,453	$ 1,917,395

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

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

Workmen's Compensation Insurance Fund – This fund is used to account for the accumulation and allocation of costs associated with workmen's compensation insurance.

Worker's Health Insurance Fund – This fund is used to account for the accumulation and allocation for costs associated with employee health insurance.

CITY OF OPELIKA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	WORKMEN'S COMPENSATION INSURANCE FUND	WORKER'S HEALTH INSURANCE FUND	COMBINED TOTALS
ASSETS			
Current assets:			
Cash	$ 3,684,922	$ 2,406,140	$ 6,091,062
Claim reimbursements receivable	-	26,010	26,010
Total current assets	3,684,922	2,432,150	6,117,072
Other assets:			
Deposits	19,229	-	19,229
Total assets	$ 3,704,151	$ 2,432,150	$ 6,136,301
LIABILITIES			
Current liabilities:			
Accounts payable	$ 3,694	$ 57,595	$ 61,289
Liability for unpaid claims	52,162	149,400	201,562
Unearned revenues	-	363,079	363,079
Total current liabilities	55,856	570,074	625,930
Long-term liabilities:			
Liability for unpaid claims	130,961	-	130,961
Total liabilities	186,817	570,074	756,891
NET POSITION			
Restricted	183,123	-	183,123
Unrestricted	3,334,211	1,862,076	5,196,287
Total net position	$ 3,517,334	$ 1,862,076	$ 5,379,410

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

CITY OF OPELIKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	WORKMEN'S COMPENSATION INSURANCE FUND	WORKER'S HEALTH INSURANCE FUND	COMBINED TOTALS
Operating revenues:			
Charges for insurance	$ 453,976	$ 4,336,746	$ 4,790,722
Operating expenses:			
Insurance claims and expenses	170,269	3,296,049	3,466,318
Total operating expenses	170,269	3,296,049	3,466,318
Operating income/(loss)	283,707	1,040,697	1,324,404
Nonoperating revenues:			
Interest revenue	5,099	82	5,181
Change in net position	288,806	1,040,779	1,329,585
Net position, beginning of year	3,228,528	821,297	4,049,825
Net position, end of year	$ 3,517,334	$ 1,862,076	$ 5,379,410

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

CITY OF OPELIKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	WORKMEN'S COMPENSATION INSURANCE FUND	WORKER'S HEALTH INSURANCE FUND	COMBINED TOTALS
Cash flows from operating activities:			
Receipts from other funds for premiums	$ 453,976	$ 4,346,499	$ 4,800,475
Payments to suppliers and others	(172,213)	(3,402,113)	(3,574,326)
Claims paid	(14,849)	1,273	(13,576)
Net cash provided by operating activities	266,914	945,659	1,212,573
Cash flows from investing activities:			
Interest on investments	5,099	82	5,181
Net cash provided by investing activities	5,099	82	5,181
Net increase in cash and cash equivalents	272,013	945,741	1,217,754
Cash and cash equivalents - beginning of year	3,412,909	1,460,399	4,873,308
Cash and cash equivalents - end of year	$ 3,684,922	$ 2,406,140	$ 6,091,062
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 283,707	$ 1,040,697	$ 1,324,404
Change in assets and liabilities:			
Claim reimbursements receivable	-	773	773
Accounts payable	(1,944)	(106,064)	(108,008)
Liability for unpaid claims	(14,849)	500	(14,349)
Unearned revenue	-	9,753	9,753
Net cash provided by operating activities	$ 266,914	$ 945,659	$ 1,212,573

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

SUPPLEMENTAL SCHEDULES

CITY OF OPELIKA
SCHEDULE OF DEBT
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Amount available and to be provided for the payment of long-term debt:	
General obligation debt:	
Amount available in debt service funds	$ -
Amount to be provided (for principal)	87,664,853
Other long-term debt:	
Amount available in debt service funds	-
Amount to be provided (for principal)	-
Total available and to be provided	$ 87,664,853
Long-term debt outstanding:	
General obligation debt:	
Serial bonds and warrants:	
Warrants issued 2011, due in installments to November 1, 2036	2,155,000
Warrants issued 2012, due in installments to March 1, 2029	3,290,000
Warrants issued 2014, due in installments to January 1, 2033	8,070,000
Warrants issued 2015, due in installments to January 1, 2038	9,075,000
Warrants issued 2016, due in installments to January 1, 2036	3,240,000
Warrants issued 2019, due in installments to October 1, 2026	1,860,000
Warrants issued 2019, due in installments to November 1, 2037	46,430,000
Total general obligation serial bonds and warrants	74,120,000
Other:	
Vacation, sick leave, workmen's compensation claims and OPEB liabilities	13,544,853
Total general obligation other	13,544,853
Total long-term debt	$ 87,664,853

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

CITY OF OPELIKA
SCHEDULE OF DEBT SERVICE
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Obligation Bonds and Warrants		Other Long-term Debt		Total General Long-term Debt		
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total**
2022	$ 3,865,000	$ 3,987,611	-	-	$ 3,865,000	$ 3,987,611	$ 7,852,611
2023	4,430,000	2,046,499	-	-	4,430,000	2,046,499	6,476,499
2024	4,525,000	1,940,659	-	-	4,525,000	1,940,659	6,465,659
2025	4,640,000	1,818,815	-	-	4,640,000	1,818,815	6,458,815
2026	4,740,000	1,686,568	-	-	4,740,000	1,686,568	6,426,568
2027	4,315,000	1,558,362	-	-	4,315,000	1,558,362	5,873,362
2028	4,440,000	1,434,204	-	-	4,440,000	1,434,204	5,874,204
2029	4,570,000	1,303,158	-	-	4,570,000	1,303,158	5,873,158
2030	4,285,000	1,171,007	-	-	4,285,000	1,171,007	5,456,007
2031	4,490,000	1,037,811	-	-	4,490,000	1,037,811	5,527,811
2032	4,630,000	896,345	-	-	4,630,000	896,345	5,526,345
2033	4,470,000	750,684	-	-	4,470,000	750,684	5,220,684
2034	4,545,000	604,140	-	-	4,545,000	604,140	5,149,140
2035	4,730,000	451,475	-	-	4,730,000	451,475	5,181,475
2036	4,865,000	292,184	-	-	4,865,000	292,184	5,157,184
2037	5,010,000	132,114	-	-	5,010,000	132,114	5,142,114
2038	1,570,000	26,494	-	-	1,570,000	26,494	1,596,494
Vacation, sick, other:	-	-	13,544,853	-	13,544,853	-	13,544,853
	$ 74,120,000	$ 21,138,130	$ 13,544,853	$ -	$ 87,664,853	$ 21,138,130	$ 108,802,983

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

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2021

GENERAL OBLIGATION WARRANTS, SERIES 2011

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
$ 2,155,000	2022	5.000%	$ 2,155,000	$ 1,864,025	$ 4,019,025
			$ 2,155,000	$ 1,864,025	$ 4,019,025

Note: Warrants mature on November 1 of each year as indicated. Interest is paid semi-annually on November 1 and May 1 as indicated.

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

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2021

GENERAL OBLIGATION SCHOOL WARRANTS, SERIES 2012-B

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
$ 3,290,000	2022	2.24%	$ 380,000	$ 70,369	$ 450,369
2,910,000	2023	2.24%	390,000	61,624	451,624
2,520,000	2024	2.24%	395,000	52,866	447,866
2,125,000	2025	2.24%	410,000	43,567	453,567
1,715,000	2026	2.24%	415,000	34,198	449,198
1,300,000	2027	2.24%	425,000	24,659	449,659
875,000	2028	2.24%	435,000	14,946	449,946
440,000	2029	2.24%	440,000	4,955	444,955
			$ 3,290,000	$ 307,184	$ 3,597,184

Note: Warrants mature on March 1 of each year as indicated. Interest is paid semi-annually on September 1 and March 1 as indicated.

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

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2021

GENERAL OBLIGATION SCHOOL WARRANTS, SERIES 2014

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
$ 8,070,000	2022	3.00%	$ 860,000	$ 274,550	$ 1,134,550
7,210,000	2023	2.00%	885,000	252,800	1,137,800
6,325,000	2024	3.00%	905,000	230,375	1,135,375
5,420,000	2025	4.00%	935,000	198,100	1,133,100
4,485,000	2026	4.00%	690,000	165,600	855,600
3,795,000	2027	4.00%	-	151,800	151,800
3,795,000	2028	4.00%	-	151,800	151,800
3,795,000	2029	4.00%	-	151,800	151,800
3,795,000	2030	4.00%	-	151,800	151,800
3,795,000	2031	4.00%	1,215,000	127,500	1,342,500
2,580,000	2032	4.00%	1,265,000	77,900	1,342,900
1,315,000	2033	4.00%	1,315,000	26,300	1,341,300
			$ 8,070,000	$ 1,960,325	$ 10,030,325

Note: Warrants mature on January 1 of each year as indicated. Interest is paid semi-annually on January 1 and July 1 as indicated.

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

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2021

GENERAL OBLIGATION WARRANTS, SERIES 2015

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
$ 9,075,000	2022	2.000%	$ 45,000	$ 339,669	$ 384,669
9,030,000	2023	2.000%	45,000	338,769	383,769
8,985,000	2024	2.000%	45,000	337,869	382,869
8,940,000	2025	2.000%	45,000	336,969	381,969
8,895,000	2026	4.000%	305,000	330,419	635,419
8,590,000	2027	4.000%	980,000	304,719	1,284,719
7,610,000	2028	4.000%	1,015,000	264,819	1,279,819
6,595,000	2029	4.000%	1,060,000	223,319	1,283,319
5,535,000	2030	4.000%	40,000	201,319	241,319
5,495,000	2031	4.000%	40,000	199,719	239,719
5,455,000	2032	4.000%	45,000	198,019	243,019
5,410,000	2033	4.000%	45,000	196,219	241,219
5,365,000	2034	4.000%	1,340,000	168,519	1,508,519
4,025,000	2035	4.000%	40,000	140,919	180,919
3,985,000	2036	4.000%	900,000	122,119	1,022,119
3,085,000	2037	3.375%	1,515,000	78,553	1,593,553
1,570,000	2038	3.375%	1,570,000	26,494	1,596,494
			$ 9,075,000	$ 3,808,432	$ 12,883,432

Note: Warrants mature on January 1 of each year as indicated. Interest is paid semi-annually on January 1 and July 1 as indicated.

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

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2021

GENERAL OBLIGATION WARRANTS, SERIES 2016

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
$ 3,240,000	2022	2.250%	$ 15,000	$ 127,331	$ 142,331
3,225,000	2023	2.250%	15,000	126,994	141,994
3,210,000	2024	2.250%	15,000	126,656	141,656
3,195,000	2025	2.250%	15,000	126,319	141,319
3,180,000	2026	2.250%	15,000	125,981	140,981
3,165,000	2027	2.250%	15,000	125,644	140,644
3,150,000	2028	2.250%	15,000	125,306	140,306
3,135,000	2029	2.250%	15,000	124,969	139,969
3,120,000	2030	4.000%	1,105,000	102,700	1,207,700
2,015,000	2031	4.000%	10,000	80,400	90,400
2,005,000	2032	4.000%	10,000	80,000	90,000
1,995,000	2033	4.000%	10,000	79,600	89,600
1,985,000	2034	4.000%	10,000	79,200	89,200
1,975,000	2035	4.000%	1,400,000	51,000	1,451,000
575,000	2036	4.000%	575,000	11,500	586,500
			$ 3,240,000	$ 1,493,600	$ 4,733,600

Note: Warrants mature on January 1 of each year as indicated. Interest is paid semi-annually on January 1 and July 1 as indicated.

General Obligation Warrants Series 2019-A

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
$ 2,275,000	2022	4.31%	$ -	$ 76,400	$ 76,400
2,275,000	2023	4.31%	445,000	63,275	508,275
1,830,000	2024	4.31%	455,000	47,500	502,500
1,375,000	2025	4.31%	470,000	29,000	499,000
905,000	2026	4.31%	490,000	9,800	499,800
			$ 1,860,000	$ 225,975	$ 2,085,975

Note: Warrants mature on October 1 of each year as indicated. Interest is paid semi-annually on April 1 and October 1 as indicated.

CITY OF OPELIKA
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2021

General Obligation Taxable Warrants Series 2019-B

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
$ 46,430,000	2022	2.05%	$ 410,000	$ 1,235,267	$ 1,645,267
46,020,000	2023	2.12%	2,650,000	1,203,037	3,853,037
43,370,000	2024	2.19%	2,710,000	1,145,393	3,855,393
40,660,000	2025	2.24%	2,765,000	1,084,860	3,849,860
37,895,000	2026	2.36%	2,825,000	1,020,570	3,845,570
35,070,000	2027	2.46%	2,895,000	951,540	3,846,540
32,175,000	2028	2.59%	2,975,000	877,333	3,852,333
29,200,000	2029	2.66%	3,055,000	798,115	3,853,115
26,145,000	2030	2.69%	3,140,000	715,188	3,855,188
23,005,000	2031	2.65%	3,225,000	630,192	3,855,192
19,780,000	2032	2.84%	3,310,000	540,426	3,850,426
16,470,000	2033	2.89%	3,100,000	448,565	3,548,565
13,370,000	2034	2.96%	3,195,000	356,421	3,551,421
10,175,000	2035	3.01%	3,290,000	259,556	3,549,556
6,885,000	2036	3.04%	3,390,000	158,565	3,548,565
3,495,000	2037	3.07%	3,495,000	53,561	3,548,561
			$ 46,430,000	$ 11,478,589	$ 57,908,589

Note: Warrants mature on November 1 of each year as indicated. Interest is paid semi-annually on May 1 and November 1 as indicated.

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

STATISTICAL TABLES

CITY OF OPELIKA

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES	LICENSES AND PERMITS	INTERGOVERN-MENTAL	CHARGES FOR SERVICES	FINES AND FORFEITS	MISCELLANEOUS	TOTAL
2012	$ 33,419,521	$ 12,386,893	$ 1,447,390	$ 1,722,829	$ 457,777	$ 1,267,245	$ 50,701,655
2013	34,805,004	13,106,003	3,078,982	1,711,351	622,729	860,410	54,184,479
2014	35,854,925	13,561,949	3,984,989	1,744,646	849,347	1,046,998	57,042,854
2015	38,221,293	14,690,102	1,274,397	1,806,639	885,458	705,061	57,582,950
2016	42,012,979	15,343,030	1,622,560	1,826,772	842,410	892,209	62,539,960
2017	42,338,000	16,376,060	1,528,209	1,945,086	680,135	1,038,668	63,906,158
2018	43,754,239	17,304,949	1,782,477	1,790,747	675,735	1,792,969	67,101,116
2019	46,893,433	18,371,097	1,829,838	2,194,131	422,348	4,859,617	74,570,464
2020	49,825,052	18,595,996	1,391,225	1,553,057	315,944	4,551,250	76,232,524
2021	57,294,909	20,849,723	2,014,887	2,075,551	430,862	6,450,010	89,115,942

Notes:
Unaudited
(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds (assessments are not included).

CITY OF OPELIKA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS	HEALTH	WELFARE	CULTURE AND RECREATION	EDUCATION	ECONOMIC DEVELOPMENT AND URBAN REHABILITATION	DEBT SERVICE	TOTAL
2012	$ 4,566,038	$ 13,100,993	$ 3,402,392	$ 285,025	$ 120,000	$ 5,689,829	$ 12,989,069	$ 1,404,323	$ 7,627,515	$ 49,185,184
2013	4,485,147	14,501,462	3,690,857	295,393	115,000	5,869,515	38,455,271	1,875,634	11,373,355	80,661,634
2014	5,126,763	13,857,446	4,128,059	293,483	113,000	5,944,165	15,614,039	1,802,635	10,046,479	56,926,069
2015	5,475,666	13,791,311	3,754,005	288,231	135,000	6,086,841	8,210,536	2,085,423	7,678,779	47,505,792
2016	5,956,735	14,243,534	4,118,714	288,597	131,000	6,236,111	8,403,028	2,587,208	8,238,814	50,203,741
2017	5,758,885	14,331,914	4,510,461	338,142	115,000	5,999,030	9,032,839	3,932,830	8,298,381	52,317,482
2018	7,907,441	15,140,036	4,305,849	343,436	115,500	6,160,806	8,817,616	2,208,753	7,413,900	52,413,337
2019	7,337,625	17,343,534	5,643,745	368,730	128,167	6,354,987	10,383,812	2,357,545	7,367,776	57,285,921
2020	7,902,571	18,210,868	5,770,510	480,258	110,400	5,920,245	10,977,995	1,409,952	11,661,101	62,443,900
2021	9,269,716	19,149,861	5,908,856	429,864	152,167	6,375,230	11,459,201	1,661,842	8,286,297	62,693,034

Notes:
Unaudited
(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. Capital outlay expenditures are not included.

CITY OF OPELIKA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO
TOTAL GENERAL EXPENDITURES (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2012	$ 3,915,124	$ 3,712,391	$ 7,627,515	$ 49,185,184	15.5
2013	7,052,116	4,321,239	11,373,355	80,661,634	14.1
2014	5,881,555	4,164,924	10,046,479	56,926,069	17.6
2015	3,561,984	4,116,795	7,678,779	47,505,792	16.2
2016	3,731,383	4,507,431	8,238,814	50,203,741	16.4
2017	4,609,935	3,688,446	8,298,381	52,317,482	15.9
2018	4,056,372	3,357,528	7,413,900	52,413,337	14.1
2019	4,130,215	3,237,561	7,367,776	57,285,921	12.9
2020	7,580,000	4,081,101	11,661,101	62,443,900	18.7
2021	4,140,000	4,146,297	8,286,297	62,693,034	13.2

Notes:
Unaudited
(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. Capital outlay expenditures are not included.

CITY OF OPELIKA
PROPERTY TAX LEVIES IN LEE COUNTY, ALABAMA
LAST TEN FISCAL YEARS

FISCAL YEAR	**TOTAL TAX LEVY**	
2012	$ 78,525,166	(1)
2013	80,056,643	(1)
2014	81,745,195	(1)
2015	84,775,025	(1)
2016	88,297,348	(1)
2017	95,524,264	(1)
2018	104,452,429	(1)
2019	112,941,943	(1)
2020	121,248,333	(1)
2021	128,785,025	(1)

Notes:
Unaudited
(1) Source: Lee County Revenue Commissioner

CITY OF OPELIKA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	REAL PROPERTY		PERSONAL PROPERTY (1)		TOTAL		
FISCAL YEAR	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
2012	$ 298,054,120	$ 1,969,037,700	$ 90,194,480	$ 439,054,333	$ 388,248,600	$ 2,408,092,033	16.1
2013	293,241,080	1,937,087,700	90,898,500	442,756,633	384,139,580	2,379,844,333	16.1
2014	295,482,360	1,953,690,900	93,970,800	457,992,867	389,453,160	2,411,683,767	16.1
2015	302,299,900	1,986,871,600	99,523,780	485,749,700	401,823,680	2,472,621,300	16.3
2016	313,250,120	2,058,494,000	98,094,300	478,460,067	411,344,420	2,536,954,067	16.2
2017	334,006,260	2,233,686,500	118,468,860	580,411,300	452,475,120	2,814,097,800	16.1
2018	386,831,180	2,547,496,100	122,490,580	600,319,233	509,321,760	3,147,815,333	16.2
2019	412,514,440	2,734,714,700	139,993,240	687,108,200	552,507,680	3,421,822,900	16.1
2020	436,619,660	2,916,339,300	149,028,980	729,702,867	585,648,640	3,646,042,167	16.1
2021	470,408,060	3,178,417,500	172,645,560	847,491,767	643,053,620	4,026,206,267	16.0

Property is assessed as a percentage of appraised value on the following basis:

Class I	Public Utility	30%
Class II	Commercial	20%
Class III	Residential	10%

Notes:
Unaudited
Ad Valorem Taxes are assessed and collected for the City of Opelika by Lee County.
Source - Lee County Revenue Commissioner
(1) Excludes value of motor vehicles

CITY OF OPELIKA

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS

The tax rates shown below were effective for periods as indicated. (Composition of tax rate per hundred dollars of assessed valuation.)

State of Alabama			
General Fund (no limit as to time)	$ 0.25		
Soldier Fund (no limit as to time)	0.10		
School Fund (no limit as to time)	0.30		
Total State of Alabama			$ 0.65
Lee County			
County Tax:			
General Fund (no limit as to time)	0.65		
Road Fund (no limit as to time)	0.30		
Dependent Children	0.15		
Hospital (no limit as to time)	0.25		
Total		$ 1.35	
County Schools:			
General School Fund (no limit as to time)	0.50		
Total (shared with City schools based on average daily attendance)		0.50	
Total Lee County			1.85
City of Opelika			
Municipal Tax:			
General Municipal Purposes (no limit as to time)	0.50		
Debt Service (no limit as to time)	0.50		
Public School Uses (exclusively for support and furtherance of education) (voted to Sept. 30, 2024)	1.00		
Public School Uses (exclusively for support and furtherance of education) (voted to Sept. 30, 2024)	0.60		
Total		2.60	
Special School Tax:			
Special School Tax (voted to Sept. 30, 2048)	0.30		
Total		0.30	
Total City of Opelika			2.90
Total tax rate			$ 5.40

Notes:

Unaudited

Source: Alabama Department of Revenue

Taxes due - October 1

Taxes delinquent - January 1

Penalties for delinquency - $2.50 plus 6.00% interest

Tax sale date - Usually May or June

CITY OF OPELIKA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	POPULATION		ASSESSED VALUE	GROSS BONDED DEBT	GENERAL DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
	CENSUS	NUMBER						
2012	2010	26,477	$ 384,139,580	$ 83,291,432 (1)	$ -	$ 83,291,432	21.45	3,146
2013	2010	26,477	389,453,160	78,888,935 (1)	182,534	78,706,401	20.49	2,973
2014	2010	26,477	401,823,680	74,839,890 (1)	-	74,839,890	19.22	2,827
2015	2010	26,477	411,344,420	81,042,906 (1)	-	81,042,906	19.70	3,061
2016	2010	26,477	452,475,120	93,211,522 (1)	-	93,211,522	20.60	3,520
2017	2010	26,477	509,321,760	88,601,587 (1)	-	88,601,587	17.40	3,346
2018	2010	26,477	552,507,680	84,545,215 (1)	-	84,545,215	15.30	3,193
2019	2010	26,477	552,507,680	80,415,000 (1)	-	80,415,000	14.55	3,037
2020	2010	26,477	585,648,640	78,260,000 (1)	-	78,260,000	13.36	2,956
2021	2020	30,995	643,053,620	74,120,000 (1)	-	74,120,000	11.53	2,391

Notes:
Unaudited
(1) Does not include long-term debt that is not a general obligation of the government.

CITY OF OPELIKA
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2021

Assessed value of real and personal taxable property as of September 30, 2021 (including motor vehicles and excluding exempt property) (2)				$ 531,416,980
Debt limit, twenty percent of assessed value (constitutional limitation) (1)				$ 106,283,396
Outstanding General Obligation Debt:				
Debt in governmental activities	$ 74,120,000			
Debt in business-type activities	1,220,000			
Other long-term liabilities	13,544,853			
Total general obligation debt for computation			$ 88,884,853	
Less: Bonds exempted from legal debt limit (1):				
Bonds issued for schools:				
2011 General Obligation Warrants	$ 1,305,000			
2012-B General Obligation School Warrants	3,290,000			
2019-B General Obligation Refunding School Warrants	29,201,000			
Total		$ 33,796,000		
Bonds issued for sewers:				
2012 General Obligation Sewer Improvement Refunding Warrants	1,220,000			
Total		1,220,000		
Total exempt bonds			35,016,000	
NET BONDED INDEBTEDNESS				53,868,853
LEGAL DEBT MARGIN				$ 52,414,543

Notes:

Unaudited

(1) Section 225, as amended, Constitution of State of Alabama, limits debt of the City of Opelika to twenty percent of the assessed value of property.
Excluded from this limitation are bonds issued for schools, water works, sewers and assessed improvements.

(2) Source: Lee County Revenue Commissioner

CITY OF OPELIKA
COMPUTATION OF OVERLAPPING DEBT
SEPTEMBER 30, 2021

	GROSS DEBT LESS DEBT SERVICE ASSETS	PERCENTAGE OF DEBT APPLICABLE TO CITY OF OPELIKA	CITY OF OPELIKA DEBT BURDEN
City of Opelika			
Gross bonded debt (1)	$ 74,120,000		
Other long-term debt	13,544,853		
Total long-term debt	87,664,853		
Less: amounts available for debt service	-		
Direct net debt	$ 87,664,853	100%	$ 87,664,853
Overlapping Debt			
Lee County, Alabama (fiscal year ending September 30, 2021)			
Net overlapping debt	$ 4,855,000 (2)	27.8%	1,349,690
Total direct and overlapping debt			$ 89,014,543

Notes:

Unaudited

(1) Does not include general obligation debt reported by the enterprise funds
(2) Obtained from the Lee County Commission debt service schedule.

CITY OF OPELIKA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	PER CAPITA INCOME	MEDIAN AGE	PERCENT OF HIGH SCHOOL GRADUATES AMONG PERSONS OVER 25	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2012	27,092 (1)	$ 20,937 (3)	35.0 (3)	80.3 (3)	8,201 (4)	6.4%
2013	27,825 (1)	20,937 (3)	35.5 (3)	80.3 (3)	8,176 (4)	5.0% (5)
2014	28,635 (1)	20,937 (3)	35.5 (3)	80.3 (3)	7,965 (4)	4.7% (5)
2015	29,171 (1)	23,447 (3)	36.7 (3)	82.6 (3)	7,921 (4)	4.8% (5)
2016	29,527 (1)	23,447 (3)	36.7 (3)	82.6 (3)	8,216 (4)	4.8% (5)
2017	29,869 (1)	23,447 (3)	36.7 (3)	82.6 (3)	8,288 (4)	2.8% (5)
2018	30,240 (1)	25,133 (3)	36.0 (3)	82.6 (3)	8,242 (4)	3.5% (5)
2019	30,555 (1)	26,001 (1)	37.0 (3)	87.5 (3)	8,338 (4)	2.2% (5)
2020	30,908 (1)	26,298 (1)	37.0 (3)	88.6 (3)	6,173 (4), (6)	5.6% (5)
2021	30,995 (2)	26,298 (1)	37.0 (3)	90.6 (3)	7,287 (4), (6)	2.5% (5)

Notes:

Unaudited

(1) Source: U.S. Census Bureau Population Estimate
(2) Source: 2020 Federal Census
(3) Source: Opelika Industrial Development Authority
(4) Source: Opelika City Schools and Southern Union State Community College
(5) Source: U.S. Bureau of Labor Statistics
(6) Southern Union State Community College revised its enrollment count to only include students physically on campus.

CITY OF OPELIKA
CONSTRUCTION
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1) NUMBER OF UNITS	COMMERCIAL CONSTRUCTION (1) VALUE	RESIDENTIAL CONSTRUCTION (1) NUMBER OF UNITS	RESIDENTIAL CONSTRUCTION (1) VALUE
2012	30	$ 58,590,827	146	$ 31,579,110
2013	27	19,298,488	141	28,582,167
2014	23	21,226,262	124	27,546,351
2015	30	105,231,989	154	36,071,178
2016	29	76,904,319	169	40,559,669
2017	27	84,559,226	203	51,892,610
2018	22	53,314,219	253	60,737,938
2019	20	18,479,689	278	68,854,216
2020	15	36,841,594	384	97,059,046
2021	28	19,622,721	488	118,679,354

Notes:

Unaudited
(1) Amounts shown are new construction only.

CITY OF OPELIKA
PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2021

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	TAX COLLECTED	PERCENT OF TOTAL ASSESSED VALUATION
Gambro Renal Products, Inc.	Industry/Manufacturer	$ 46,601,400	$ 1,650,801	7.25%
Mando America, Corporation	Industry/Manufacturer	23,499,080	1,002,810	3.65%
West Fraser, Inc.	Industry/Lumber Mill	24,358,440	703,228	3.79%
Wal-Mart	Retail/Distribution	13,018,560	702,507	2.02%
THF/TKG Tiger Town, LLC	Retail	12,354,520	667,144	1.92%
Hanwha	Industry/Manufacturer	12,384,020	441,155	1.93%
Daewon America, Inc.	Industry/Manufacturer	10,517,600	420,522	1.64%
Pharmavite, LLC	Industry/Manufacturer	12,571,200	408,685	1.95%
Jo-Ann Stores Supply Chain Management	Distribution Center	9,266,700	402,791	1.44%
Car Tech, LLC	Industry/Manufacturer	10,863,520	293,414	1.69%
Total assessed value and tax collected for ten largest taxpayers		175,435,040	6,693,057	27.28%
Total assessed value of other taxpayers		467,618,580		72.72%
Total assessed value of all taxpayers		$ 643,053,620		100.0%

Notes:
Unaudited
Source: Lee County Revenue Commissioner
Amounts shown are assessed at October 1, 2020 and collected during fiscal year ended September 30, 2021.

CITY OF OPELIKA
MISCELLANEOUS STATISTICS (1)
SEPTEMBER 30, 2021

Date of Incorporation	1854
Form of Government	Mayor-Council
Area	57 square miles
Miles of Streets:	
Paved	282
Unpaved	5
Fire Protection:	
Number of stations	4
Number of firefighters, paramedics and other personnel	69
Police Protection:	
Number of stations	1
Number of police officers and other personnel	114
Education:	
Attendance centers:	
Primary, intermediate and middle schools	7
Secondary schools	1
State colleges	1
Number of students	7,287
Auburn University, in adjoining Auburn, Alabama	31,526
Sewers:	
Sanitary sewers	316
Building Permits:	
Number of permits	1,127
Estimated value of new construction and improvements	$ 193,284,728
Recreation and Culture:	
Number of parks and playgrounds	12 with 488 acres
Number of community centers	3
Number of golf courses (public and private)	3
Number of tennis courts	12
Number of pickleball courts	13
Number of libraries	1
Number of volumes	122,301
City Employees	350

Note:

(1) Unaudited

City of Opelika
Planning Commission Report

Action Requested:	Rezoning from R-1 to C-2
Location of Property:	2800 block Society Hill Road
Property Owner(s):	Capps Family Partners, LTD Blake Rice, authorized representative
Current Zoning:	R-1 and C-2
Proposed Zoning:	C-2
Existing Land Use:	Undeveloped

Surrounding Zoning Districts And Land Uses:

North	R-1	Undeveloped
South	R-1	Undeveloped
East	PUD	Opelika-Auburn News (Wyndham PUD)
West	PUD	Undeveloped

Rezoning

The applicant is requesting to rezone 40 acres from R-1 to C-2. A total of 242 townhome rental units are proposed for the rezoning property. An 18 acre portion of the townhome property is currently zoned C-2. The rezoning property is adjacent to a R-1 (low density residential) zone on the north and south sides; the R-1 adjacent properties are undeveloped except for a single family home on 4.6 acres on the north side. On the adjacent east and west side is PUD (commercial) zoned properties. On the east side across Society Hill Road, the adjacent PUD property is the Opelika-Auburn News office property on 8.6 acres. The west side PUD is accessed from Gateway Drive adjacent to Exit 58 on I-85; the commercial PUD was approved in 2020 and phase one construction has begun: a QT gas station with convenience store & limited truck stop. In phase 2, restaurants are planned for lots adjacent to QT. The adjacent PUD property next to the townhome development is labeled 'entertainment'.

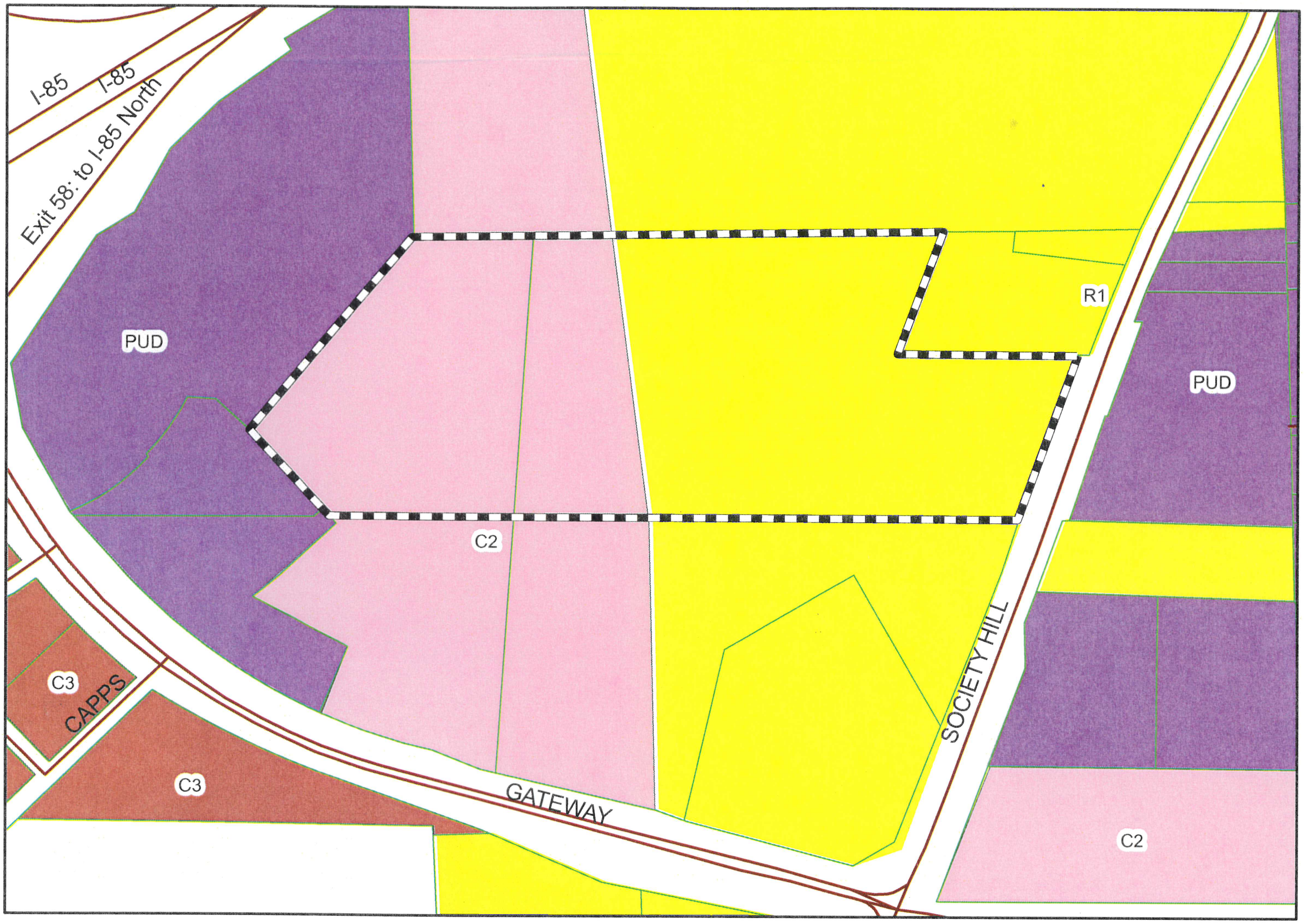
Recommendation

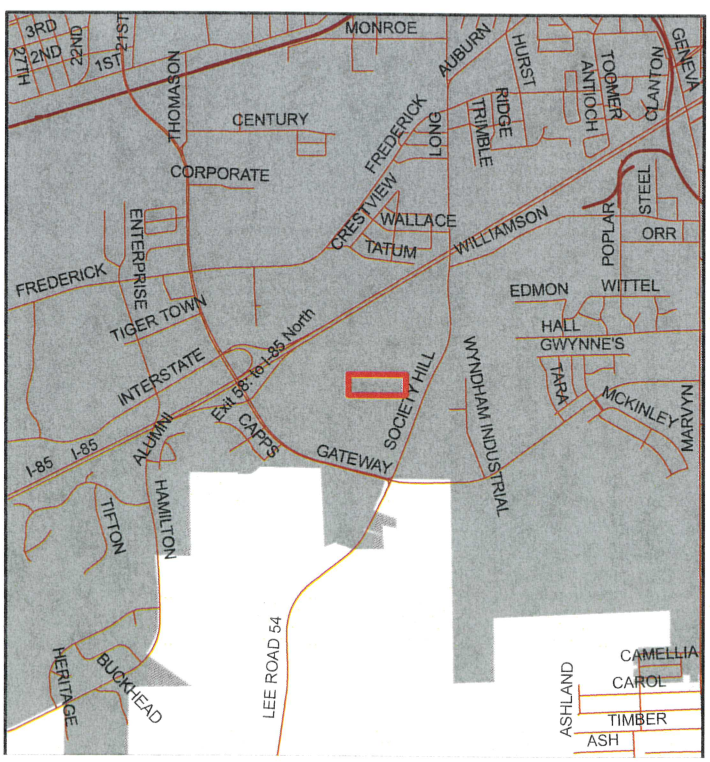
Staff believes the rezoning to C-2 for townhomes would not have a significant negative impact on the surrounding area. The townhome density at 6 dwellings per acre is much lower than the maximum 16 dwelling units allowed in a C-2. (The low density is due to topography challenges and two ponds (2.5 acres) on the property.) An 18 acre portion of the 40 acre rezoning property is currently zoned C-2. The 40 acre townhome development is primarily adjacent to undeveloped land on all sides except a single family home on 4.6 acres, and the Opelika-Auburn News office across

Society Hill Road. The townhomes will be compatible with the O-A News office and a mini-warehouse & U-Haul truck rental business about 300 feet south of the townhome property. The development is conveniently located about one mile from Exit 58 on I-85 near Tiger Town; Exit 58 provides a broad range of retail stores, grocery stores, and entertainment uses to serve residential demands. **Staff recommends Planning Commission send a positive recommendation to the City Council to rezone the property from R-1 to C-2.**

At the February 22nd meeting, the Planning Commission voted to send a positive recommendation to the City Council to rezone the property from R-1 to C-2.

THE COTTAGES AT SOCIETY HILL REZONING
SOCIETY HILL ROAD
R-1 TO C-2





The applicant is requesting to rezone 40 acres to C-2 for 242 townhomes units;18 acres is currently zoned C-2. Two private streets from Society Hill Road accesses the townhomes; each entrance has a security gate with electronic access controls. The development's amenties include a club house, swimming pool, and a dog park.

Subject Property