



**CITY OF OPELIKA
CITY COUNCIL
WORKSESSION MEETING AGENDA
300 Martin Luther King Blvd.
March 3, 2026
TIME: 5:30 PM**

1. A CALL TO ORDER
 1. George Allen, Janataka Hughley-Holmes, Leigh Whatley, Chuck Beams, Todd Rauch
2. PRESENTATIONS
 1. Presentation for Property Located at 601 Avenue A - Katie Wolter, M.D.
3. RESOLUTIONS
4. ORDINANCES
5. GENERAL UPDATES
6. REVIEW/DISCUSS CURRENT COUNCIL MEETING AGENDA
 1. Discussion of Consent Agenda or Regular Agenda Items.
 2. City's FY2025 Audit Report & Financial Statements - John Boles, CPA.
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)705-5130.”

CITY OF OPELIKA, ALABAMA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

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
Tim Aja, 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
Brian Weiss, Human Resources Director
Matt Mosley, Planning Director
Lillie Finley, Purchasing/Revenue Director
Scott Parker, City Engineer
John Sweatman, Economic Development Director
Brent Poteet, Opelika Power Services Director
Rosanna McGinnis, Library Director
Denise Rogers, Municipal Court Clerk
Donald (Shane) Boyd, Fire Chief
Shane Healey, Police Chief
John Gwin, Public Works Director
Jasen Spoon, Opelika Environmental Services Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Opinions

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

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 primary government of City of Opelika, Alabama as of September 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

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 of the City of Opelika, Alabama's legal entity.

These primary government financial statements do not include financial data for the City of Opelika, Alabama's legal separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City of Opelika, Alabama'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, Alabama, as of September 30, 2025, the changes in its financial position, or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the City of Opelika, Alabama, as of and for the year ended September 30, 2025, and our report thereon, dated February 26, 2026, expressed unmodified opinions on those financial statements.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 19 and 67 through 81 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers

it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

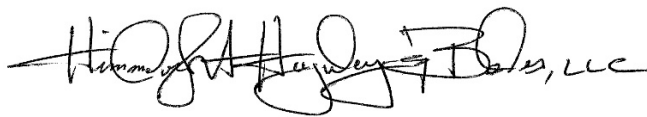
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and statistical sections' but does not include the basic financial statements and our auditors' report thereon.

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 management's discussion and analysis, 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.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Himmelwright, Huguley & Boles, LLC
Opelika, Alabama
February 26, 2026

Management's Discussion and Analysis (unaudited)

City of Opelika, Alabama

For the Year Ended September 30, 2025

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, 2025. 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 2025:

- City Hall Basement Renovation-finished and furnished
- Public Works Building-finished and furnished
- Parks and Recreation Facilities improvements:
 - Floral Park Improvements
 - Bandy Park Improvements
 - Sportsplex Improvements
 - Covington Improvements
 - Pickleball Phase III
 - Springvilla Lodge & other Improvements
 - Tennis Court Improvements
 - Westridge Renovation and Improvements

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 2025, including some with grant funding assistance:

- Sidewalks & Intersection Improvements, Americans with Disabilities Act
- Various Street Improvements
- Intersection Improvements
- Sportsplex Parkway Extension
- North Uniroyal, Waverly, etc., Shared Use Paths
- Northpark Drive Improvements and new bridge
- Thomason & Veteran Drive Extensions are ongoing

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 2025 by \$414,181,375 (net position), page 22 which is a 6.4% increase in net position from \$389,116,882 at September 30, 2024. This variance is explained on page 12.
- The unassigned fund balance for the General Fund was \$71,234,373 or 70% of total General Fund expenditures and other financing uses; this was a decrease of \$9,161,328 (11%) from fiscal 2024.
- The Statement of Activities shows the primary government received taxes and other revenue of \$176,682,925 and had expenses of \$151,618,432, page 23. This amount includes the Governmental Funds, Sewer, Solid Waste, and Electric Utility Services.
- The City's total long-term liabilities at year-end were \$117,994,965, a decrease of \$44,309,360 since last year.
- The General Fund gave Opelika City Schools \$12,022,785. This represents the education portion of the property tax collected less payments to debt service for 2012-B & 2019-A warrants of \$1,381,867. Additionally, the City appropriated \$3,310,000 in fiscal year 2025.
- Overall General Fund revenues for the fiscal year ending September 30, 2025 were \$92,771,469 or 3.8% less than last year. Sales Tax collections of \$50,954,138 were 1.1% more than last year. Property Tax collections of \$7,235,152 were 2.8% more than last year. Occupational License Fees of \$15,632,228 were 12.2% less than last year. Business licenses and permits of \$8,442,740 were 2.2% less than last year.
- The General Fund revenues of \$92,771,469 were 2.0% under the final budget of \$94,634,270 for the year. General Fund expenditures of \$101,677,733 were 21.4% less than the final budget of \$129,333,105 for the year.
- 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 \$1,017,797 with total road construction and sidewalk repairs of \$9,478,676.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 10. 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, 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 15. The fund financial statements begin on page 24 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 \$414,181,375 as of September 30, 2025. This is an increase of 6.4% 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		Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 137,973,981	\$ 160,463,932	\$ 50,519,337	\$ 65,475,864	\$ 188,493,318	\$ 225,939,796
Capital assets	273,149,830	247,837,401	103,043,346	98,400,821	376,193,176	346,238,222
Total assets	411,123,811	408,301,333	153,562,683	163,876,685	564,686,494	572,178,018
Def chgs & refunding costs	1,640,839	2,635,736	-	1,712,051	1,640,839	4,347,787
Net diff b/t proj & act earnings						
on plan investments	3,514,890	4,169,620	762,213	876,940	4,277,103	5,046,560
Emplr retirement contributions	5,960,943	5,140,120	1,044,513	905,657	7,005,456	6,045,777
Net diff b/t proj & act earnings						
on OPEB	3,923,372	5,049,738	919,921	1,126,499	4,843,293	6,176,237
Total deferred outflows of resources	15,040,044	16,995,214	2,726,647	4,621,147	17,766,691	21,616,361
Total assets & deferred outflows of resources	\$ 426,163,855	\$ 425,296,547	\$ 156,289,330	\$ 168,497,832	\$ 582,453,185	\$ 593,794,379
Long term liabilities	\$ 106,196,331	\$ 128,354,093	\$ 11,798,634	\$ 33,950,232	\$ 117,994,965	\$ 162,304,325
Other liabilities	11,068,413	9,607,036	10,833,778	10,871,165	21,902,191	20,478,201
Total liabilities	117,264,744	137,961,129	22,632,412	44,821,397	139,897,156	182,782,526
Net diff b/t proj & act earnings						
on retirement plan investments	3,549,630	129,126	633,442	34,080	4,183,072	163,206
Changes in assumptions-OPEB	2,333,873	1,580,315	426,564	288,360	2,760,437	1,868,675
Leases	180,248	214,693	160,057	211,967	340,305	426,660
Unearned revenues	21,090,840	19,436,430	-	-	21,090,840	19,436,430
Total deferred inflows of resources	27,154,591	21,360,564	1,220,063	534,407	28,374,654	21,894,971
Total liabilities & deferred inflows of resources	144,419,335	159,321,693	23,852,475	45,355,804	168,271,810	204,677,497
Net position:						
Net investment in capital assets	249,514,369	209,176,154	103,043,346	78,747,872	352,557,715	287,924,026
Net position - restricted	30,070,634	24,061,077	-	977,074	30,070,634	25,038,151
Net position - unrestricted	2,159,517	32,737,623	29,393,509	43,417,082	31,553,026	76,154,705
Total net position	\$ 281,744,520	\$ 265,974,854	\$ 132,436,855	\$ 123,142,028	\$ 414,181,375	\$ 389,116,882

Total Net position in the governmental activities is \$282 million. The Total Net position consists of net investment in capital assets of \$249.5 million, Net position – restricted of \$30.1 million, and Net position – unrestricted of approximately \$2.1 million.

Net investment in capital assets consists of the following components: Capital assets of \$273,149,830 are reduced by \$23,621,959 of related debt that was issued to finance acquisition of infrastructure assets. This amount consists of 2016 Warrants \$3,426,220, 2019-B Warrants \$11,740,586, 2022 Warrants \$10,109,494 and less deferred charges and debt issue costs of \$1,654,341.

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 8 through Note 11.

CITY OF OPELIKA CHANGES IN NET POSITION

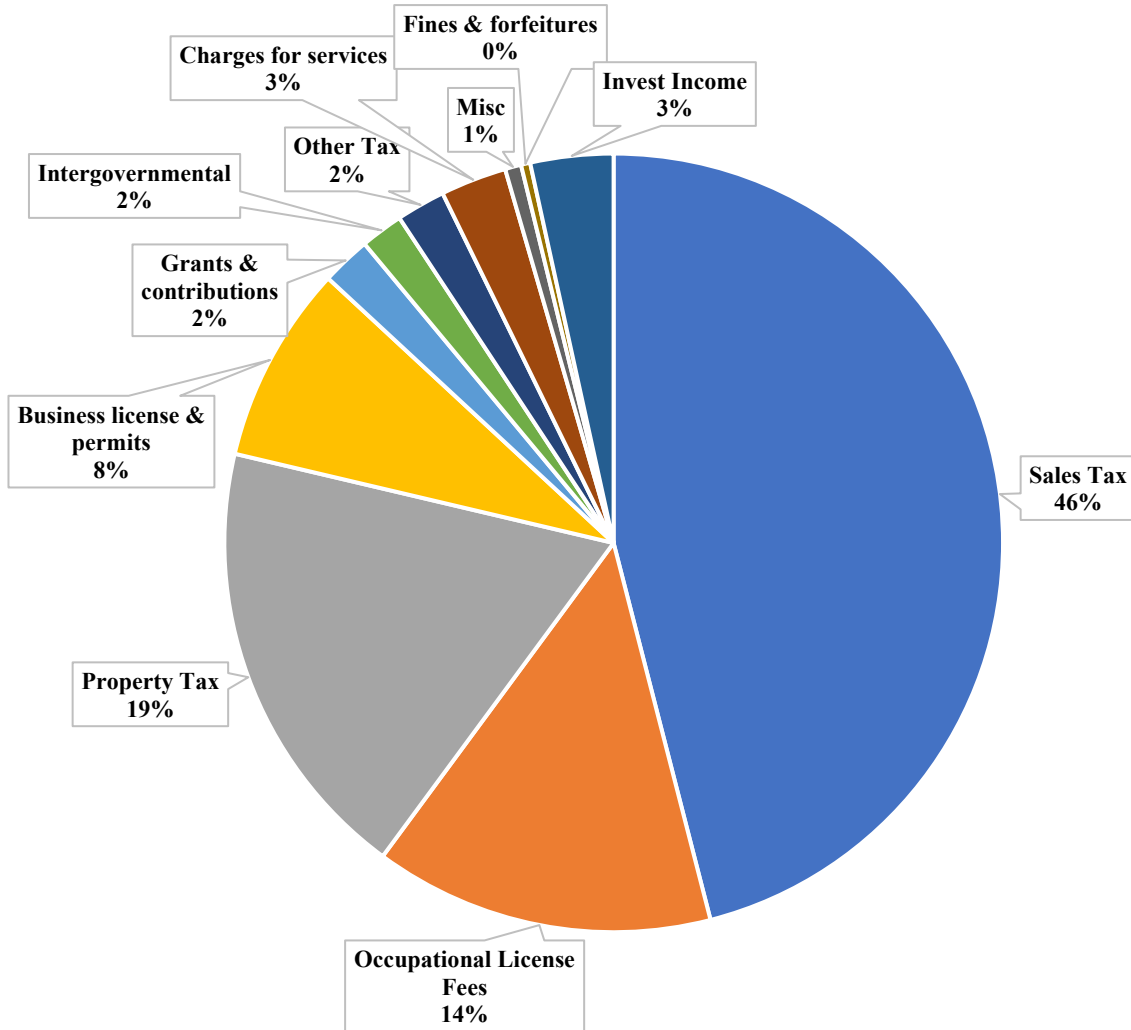
	Governmental Activities		Business-Type Activities		Government Wide	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 3,223,666	\$ 3,394,902	\$ 59,004,671	\$ 61,974,460	\$ 62,228,337	\$ 65,369,362
Operating grants and contributions	786,294	1,067,522	-	-	786,294	1,067,522
Capital grants and contributions	493,857	6,382,256	3,182,512	2,739,735	3,676,369	9,121,991
General revenues:						
Taxes:						
Property	20,570,595	20,456,077	-	-	20,570,595	20,456,077
Sales	50,954,138	50,383,168	-	-	50,954,138	50,383,168
Other	4,036,139	3,857,725	-	-	4,036,139	3,857,725
Licenses and permits	24,734,177	27,117,130	-	-	24,734,177	27,117,130
Investment earnings	3,904,460	5,607,506	1,004,858	1,176,153	4,909,318	6,783,659
Gain on sale of capital assets	(399,462)	(128,954)	21,970	321,750	(377,492)	192,796
Miscellaneous	735,997	451,038	4,429,053	3,601,927	5,165,050	4,052,965
Total revenues	109,039,861	118,588,370	67,643,064	69,814,025	176,682,925	188,402,395
Expenses:						
General government	14,771,892	13,455,091	-	-	14,771,892	13,455,091
Public safety	30,340,367	28,653,628	-	-	30,340,367	28,653,628
Public works	13,614,509	11,743,467	-	-	13,614,509	11,743,467
Health	523,172	743,033	-	-	523,172	743,033
Welfare	524,250	345,250	-	-	524,250	345,250
Culture and recreation	13,116,765	10,972,166	-	-	13,116,765	10,972,166
Education	19,266,034	17,735,685	-	-	19,266,034	17,735,685
Econ development and urban rehab	2,355,447	1,608,737	-	-	2,355,447	1,608,737
Interest on long-term debt	2,106,330	2,446,172	-	-	2,106,330	2,446,172
Electric	-	-	46,624,718	43,676,126	46,624,718	43,676,126
Sewer	-	-	4,039,096	3,715,826	4,039,096	3,715,826
Solid Waste	-	-	4,335,852	3,638,468	4,335,852	3,638,468
Telecommunications	-	-	-	73,077	-	73,077
Total Expenses	96,618,766	87,703,229	54,999,666	51,103,497	151,618,432	138,806,726
Increases in net position before x-fers	12,421,095	30,885,141	12,643,398	18,710,528	25,064,493	49,595,669
Transfers	3,348,571	4,008,000	(3,348,571)	(4,008,000)	-	-
Increase in net position	\$ 15,769,666	\$ 34,893,141	\$ 9,294,827	\$ 14,702,528	\$ 25,064,493	\$ 49,595,669

Government-wide revenues decreased by 6.2%, while government-wide expenses increased by 9.2%. The decrease in revenues is due to decreased charges for services revenue from our business type activities, decreased capital grants and contributions, license and permit revenue and investment earnings from our governmental activities.

Government-wide expenses increased by 9.2% for the year. Governmental Type expenses increased by \$8,915,537 or 10.2% while Business Type expenses increased by \$3,896,169 or 7.6%.

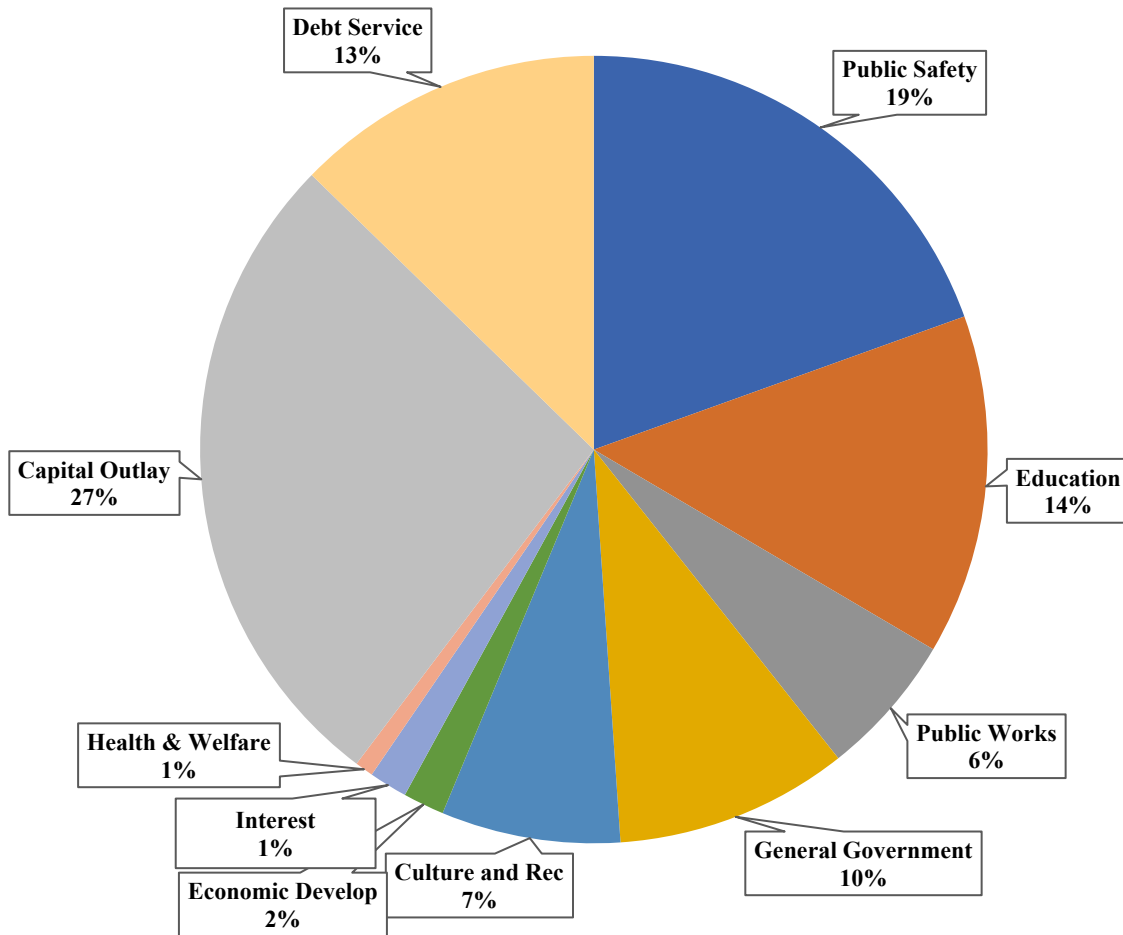
Below is a graphic representation of the City's distribution of Revenue sources for fiscal year 2025:

Revenue - Governmental Activities
September 30, 2025

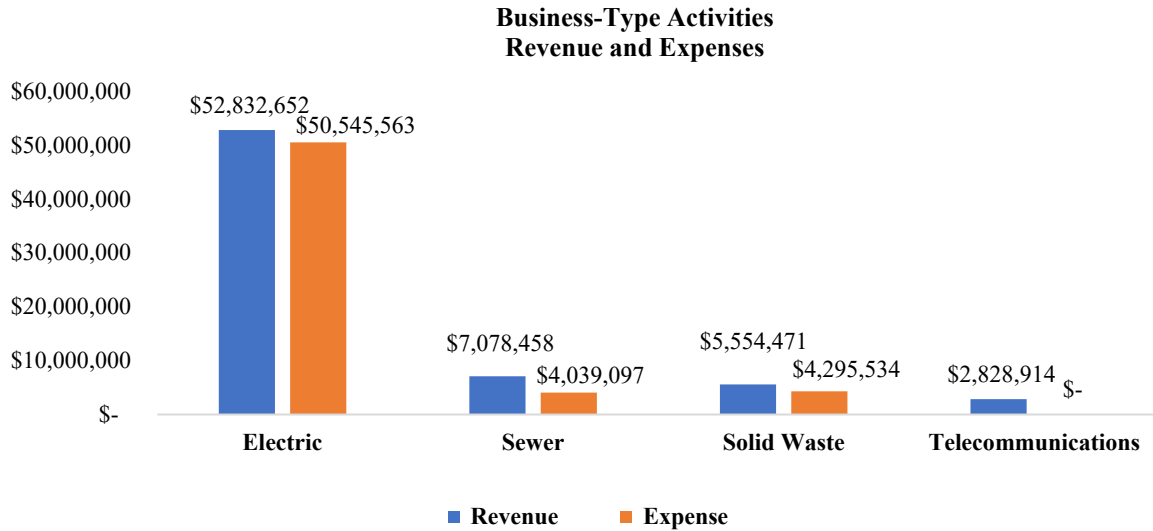


Below is a graphic representation of the City's Expenses in fiscal year 2025:

**Expenditures - Governmental Activities
September 30, 2025**



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 21 and 22, and the balance sheet for governmental funds on pages 24 and 25 are explained on page 26. The differences in the Statement of Activities on page 23 and the Statement of Revenues, Expenditures, and Changes in Fund Balances on pages 27 and 28 are explained on page 29.

As the City completed the year, its governmental funds (as presented in the balance sheet on pages 24 and 25) reported a combined fund balance of \$98,284,834. This is a decrease of \$23,776,184 in the combined fund balance from prior year. The General Fund's Unassigned Fund Balance decreased by \$9,161,328, and the Assigned Fund Balance increased by \$740,828. The overall Fund Balance in General Fund decreased \$8,092,506.

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 21 and 22, and the Statement of Net Assets, proprietary funds on pages 30 and 31 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 32.

The net position of the proprietary funds increased in 2025 to \$133,212,299 from \$123,797,996 in 2024. The net position of Electric, Sewer, Telecommunications and Solid Waste increased by a total of \$9,414,303. Electric increased by \$2,287,090, Sewer increased by \$3,039,361, Telecommunications increased by \$2,828,913 and Solid Waste increased by \$1,258,939.

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, 2025. The most significant adjustments are itemized below:

DEPARTMENT	DESCRIPTION	AMOUNT
Public Works	Office Furniture for New Bldg	\$ 268,629
Public Works	Contract Increase	\$ 355,554
Public Works	Springvilla Rd. Bridge Improvements	\$ 286,000
Admin	Appropriations	\$ 166,925
Culture and Recreation	Appropriations	\$ 237,418
Education	Appropriations	\$ 3,847,250
Health	Appropriations	\$ 3,524
Welfare	Appropriations	\$ 26,466
Engineering	Storm Drainage Projects	\$ 87,100
Engineering	Street & Intersection Improvements	\$ 177,324
Engineering	Thomason Drive Extension	\$ 6,776,990
Fire	Equipment	\$ 61,355
Info Tech	Equip/Hardware/Software	\$ 809,248
Culture and Recreation	Bandy Park Improvements	\$ 132,000
Culture and Recreation	Floral Park Improvements	\$ 366,737
Culture and Recreation	Pickleball Courts III	\$ 397,500
Culture and Recreation	Sportsplex Improvements	\$ 138,086
Culture and Recreation	Springvilla Lodge	\$ 3,216,200
Culture and Recreation	Westridge Improvements	\$ 164,500
Police	Equipment	\$ 52,443
Police	Vehicles	\$ 399,317

In addition to these adjustments, the Library Board contract authorizes budget carry-forwards. The Library carry-forward was \$746,592.

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, 2025, amounted to \$376,193,176 (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 6 for additional capital asset information.

This year's major additions to capital assets included:

DEPARTMENT	CAPITAL PURCHASES	AMOUNT
Admin	City Hall Basement Renovation	\$ 63,815
Engineering	Equipment	\$ 15,300
Engineering	Shared Use Path	\$ 1,568,958
Engineering	Stream Mitigation Credits	\$ 450,438
Engineering	Thomason Dr. Extension	\$ 81,700
Engineering	Traffic Signal Upgrades	\$ 17,800
Engineering	Various Road Improvements	\$ 2,311,163
Engineering	Veterans Pkwy Improvements	\$ 371,965
Fire	Equipment & Vehicles	\$ 344,493
Fire	Preparation for New Fire Station	\$ 264,600
Fire	Fire Training Center Improvements	\$ 56,290
Inspection	Vehicle	\$ 27,005
Info Tech	Equip/Hardware/Software	\$ 636,864
Culture and Recreation	Vehicles and Equipment	\$ 115,414
Culture and Recreation	Bandy Park Improvements	\$ 134,201
Culture and Recreation	Covington Improvements	\$ 9,510
Culture and Recreation	Floral Park Improvements	\$ 69,585
Culture and Recreation	Pickleball Courts III	\$ 104,030
Culture and Recreation	Pottery	\$ 8,317
Culture and Recreation	Sportsplex Improvements	\$ 212,212
Culture and Recreation	Springvilla Lodge	\$ 176,223
Culture and Recreation	Tennis Courts	\$ 113,500
Culture and Recreation	Westridge Improvements	\$ 1,210,725
Police	Equipment	\$ 22,410
Police	Vehicles	\$ 1,069,830
Public Works	Building & Furnishing	\$ 234,344
Public Works	Building Improvements	\$ 45,420
Public Works	Equipment	\$ 605,483
Public Works	Grounds Maint	\$ 194,999
Public Works	Vehicles	\$ 1,187,978
Opelika Power System	Equipment & Vehicles	\$ 617,125
Opelika Power System	System Expansion and Upgrades	\$ 6,643,766
Sewer Treatment	Buildings	\$ 157,600
Sewer Treatment	System Improvements	\$ 29,487
Sewer Treatment	Equipment & Vehicles	\$ 236,664
Sewer Wastewater	Equipment	\$ 157,396
Opelika Environ Services	Equipment & Vehicles	\$ 1,452,452

**Capital Assets at Year-end
 Net of Accumulated Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 13,253,218	\$ 12,730,354	\$ 2,462,062	\$ 2,462,062	\$ 15,715,280	\$ 15,192,416
Buildings and improvements	77,046,200	63,685,974	13,466,037	13,627,068	90,512,237	77,313,042
System	-	-	80,512,053	76,475,921	80,512,053	76,475,921
Improvements other than buildir	35,070,903	34,573,360	-	-	35,070,903	34,573,360
Equipment	26,550,719	17,715,070	6,547,731	5,177,635	33,098,450	22,892,705
Infrastructure	110,579,252	107,051,061	-	-	110,579,252	107,051,061
Construction in process	10,649,538	12,081,582	55,463	658,135	10,705,001	12,739,717
Total	\$ 273,149,830	\$ 247,837,401	\$ 103,043,346	\$ 98,400,821	\$ 376,193,176	\$ 346,238,222

Debt Administration

As of September 30, 2025, the City of Opelika had total city-wide long-term liabilities of \$117,994,965. This amount decreased by \$44,309,360 from fiscal year end 2024.

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, 2025, the City had approximately \$132,001,607 of available debt margin. See Note 8 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	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 53,255,000	\$ 70,805,000	\$ -	\$ -	\$ 53,255,000	\$ 70,805,000
Other long-term debt	-	-	-	21,365,000	-	21,365,000
Unamortized premiums/discounts	358,571	1,179,608	-	-	358,571	1,179,608
Compensated absences	4,385,567	3,719,701	586,953	587,699	4,972,520	4,307,400
Net OPEB liability	9,143,256	10,214,902	2,032,635	2,228,928	11,175,891	12,443,830
Net Pension liability	39,026,544	42,391,103	9,179,046	9,768,605	48,205,590	52,159,708
Claims and judgements	27,393	43,779	-	-	27,393	43,779
Total	\$ 106,196,331	\$ 128,354,093	\$ 11,798,634	\$ 33,950,232	\$ 117,994,965	\$ 162,304,325

ECONOMIC DEVELOPMENT RECAP

Fiscal year 2025 was another great year for industrial, residential, and retail development within the City of Opelika.

Existing industries located in the City of Opelika combined for over \$59.4 million of new capital investment resulting in the creation of an additional 164 new jobs. These investments were made in the following business sectors: Food & Beverage, Pharmaceutical, Advanced Manufacturing, and Mobility (Automotive).

Residential growth remained strong with 543 new single-family homes with a permitted value of over \$137 million. The total residential investments made in fiscal year 2025 reached a new all-time high of over \$137 million.

New retail and commercial businesses continue to open in Opelika. In fiscal year 2025 we saw the grand opening of the Element Hotel by Westin, near completion of Towneplace Suites by Marriott, and site work beginning on the Hilton Homewood Suites. Additional announcements included: Rally House, Bath & Body Works, and Palmetto Moon retail stores; Sante, Piedmont, and Sam's Southern Eatery restaurants just to name a few.

Fiscal year 2025 also generated a lot of momentum for fiscal year 2026 with the announcement of Chasing Aces Golf and the Flat Penney Junction redevelopment downtown and we anticipate being another year of substantial growth of our city in all sectors.

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, ALABAMA

Statement of Net Position

September 30, 2025

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 41,962,432	\$ 29,210,982	\$ 71,173,414
Investments	44,729,674	10,047,971	54,777,645
Receivables:			
Accounts and unbilled service receivable, net	-	9,137,396	9,137,396
Lease	60,318	55,465	115,783
Sales and use taxes	5,121,587	-	5,121,587
Occupational license taxes	3,024,432	-	3,024,432
Property taxes	7,208,314	-	7,208,314
Other	1,431,282	-	1,431,282
Due from other governments	3,657,486	493,746	4,151,232
Supplies and prepaid expenses	350,945	1,452,751	1,803,696
Restricted assets:			
Temporarily restricted:			
Cash with fiscal agent	3,841,685	-	3,841,685
Receivable for property taxes, restricted for school purposes	13,588,810	-	13,588,810
Investments	10,482,446	-	10,482,446
Permanently restricted:			
Investments	2,157,693	-	2,157,693
Other	356,877	121,026	477,903
Capital assets:			
Land	13,253,218	2,462,062	15,715,280
Building	97,760,686	17,104,068	114,864,754
System improvements other than buildings	41,451,911	164,493,540	205,945,451
Equipment	48,045,631	16,447,893	64,493,524
Infrastructure	165,241,882	-	165,241,882
Construction work in progress	10,649,538	55,463	10,705,001
Total original cost	<u>376,402,866</u>	<u>200,563,026</u>	<u>576,965,892</u>
Less: accumulated depreciation	<u>(103,253,036)</u>	<u>(97,519,680)</u>	<u>(200,772,716)</u>
Capital assets, net	<u>273,149,830</u>	<u>103,043,346</u>	<u>376,193,176</u>
Total assets	<u>411,123,811</u>	<u>153,562,683</u>	<u>564,686,494</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges and refunding costs	1,640,839	-	1,640,839
Net difference between projected and actual earnings			
on plan investments	3,514,890	762,213	4,277,103
Employer retirement contributions	5,960,943	1,044,513	7,005,456
Net difference between projected and actual earnings on OPEB	<u>3,923,372</u>	<u>919,921</u>	<u>4,843,293</u>
Total deferred outflows of resources	<u>15,040,044</u>	<u>2,726,647</u>	<u>17,766,691</u>
 Total assets and deferred outflows of resources	 <u>\$ 426,163,855</u>	 <u>\$ 156,289,330</u>	 <u>\$ 582,453,185</u>

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

CITY OF OPELIKA, ALABAMA

Statement of Net Position

September 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Accounts payable	\$ 8,661,221	\$ 6,351,385	\$ 15,012,606
Accrued payroll and benefits	1,015,153	163,540	1,178,693
Accrued interest payable	618,347	-	618,347
Due to other funds	(775,444)	775,444	-
Due to other governments	1,549,136	-	1,549,136
Long-term liabilities:			
Due within one year	4,488,978	192,745	4,681,723
Due in more than one year	53,537,553	394,208	53,931,761
Net pension liability	39,026,544	9,179,046	48,205,590
Net OPEB liability	9,143,256	2,032,635	11,175,891
Customer deposits	-	3,543,409	3,543,409
Total liabilities	<u>117,264,744</u>	<u>22,632,412</u>	<u>139,897,156</u>
 DEFERRED INFLOWS OF RESOURCES			
Net difference between projected and actual earnings			
on retirement plan investments	3,549,630	633,442	4,183,072
Changes in assumptions - OPEB	2,333,873	426,564	2,760,437
Leases	180,248	160,057	340,305
Unearned revenues	21,090,840	-	21,090,840
Total deferred inflows of resources	<u>27,154,591</u>	<u>1,220,063</u>	<u>28,374,654</u>
 Total liabilities and deferred inflows of resources	144,419,335	23,852,475	168,271,810
 NET POSITION			
Net investment in capital assets	249,514,369	103,043,346	352,557,715
Net position - restricted			
Cooper library	10,482,446	-	10,482,446
Garden hills cemetery	2,157,693	-	2,157,693
General obligation school warrants	3,841,685	-	3,841,685
School system	13,588,810	-	13,588,810
Net position - unrestricted	2,159,517	29,393,509	31,553,026
Total net position	<u>\$ 281,744,520</u>	<u>\$ 132,436,855</u>	<u>\$ 414,181,375</u>

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

CITY OF OPELIKA, ALABAMA
Statement of Activities
For The Year Ended September 30, 2025

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary government:							
Governmental activities:							
General government	\$ 14,771,892	\$ 26,228	\$ 15,000	\$ -	\$ (14,730,664)	\$ -	\$ (14,730,664)
Public safety	30,340,367	818,787	10,782	-	(29,510,798)	-	(29,510,798)
Public works	13,614,509	281,717	-	436,837	(12,895,955)	-	(12,895,955)
Health	523,172	-	-	-	(523,172)	-	(523,172)
Welfare	524,250	-	-	-	(524,250)	-	(524,250)
Culture and recreation	13,116,765	2,096,934	131,264	57,020	(10,831,547)	-	(10,831,547)
Education	19,266,034	-	-	-	(19,266,034)	-	(19,266,034)
Economic development and urban rehabilitation	2,355,447	-	629,248	-	(1,726,199)	-	(1,726,199)
Interest on long-term debt	2,106,330	-	-	-	(2,106,330)	-	(2,106,330)
Total governmental activities	96,618,766	3,223,666	786,294	493,857	(92,114,949)	-	(92,114,949)
Business-type activities:							
Electric	46,624,718	47,150,617	-	3,182,512	-	3,708,411	3,708,411
Sewer	4,039,096	6,405,552	-	-	-	2,366,456	2,366,456
Solid waste	4,335,852	5,448,502	-	-	-	1,112,650	1,112,650
Total business-type activities	54,999,666	59,004,671	-	3,182,512	-	7,187,517	7,187,517
Total primary government	\$ 151,618,432	\$ 62,228,337	\$ 786,294	\$ 3,676,369	(92,114,949)	7,187,517	(84,927,432)
General revenues:							
Taxes:							
Property					20,570,595	-	20,570,595
Sales					50,954,138	-	50,954,138
Other					4,036,139	-	4,036,139
Licenses and permits					24,734,177	-	24,734,177
Investment earnings					3,904,460	1,004,858	4,909,318
(Loss)/Gain on sale of capital assets					(399,462)	21,970	(377,492)
Miscellaneous income					735,997	4,429,053	5,165,050
Transfers					3,348,571	(3,348,571)	-
Total general revenues and transfers					107,884,615	2,107,310	109,991,925
Change in net position					15,769,666	9,294,827	25,064,493
Net position, beginning of year					265,974,854	123,142,028	389,116,882
Net position, end of year					\$ 281,744,520	\$ 132,436,855	\$ 414,181,375

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

CITY OF OPELIKA, ALABAMA

Balance Sheet
Governmental Funds
September 30, 2025

	<u>GENERAL FUND</u>	<u>SCHOOL TAX SPECIAL REVENUE FUND</u>	<u>GENERAL OBLIGATION WARRANTS FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and cash equivalents	\$ 24,584,224	\$ 1,366,987	\$ 35,426	\$ 9,585,672	\$ 35,572,309
Receivables:					
Occupational license taxes	3,024,432	-	-	-	3,024,432
Sales and use taxes	5,061,253	-	-	60,334	5,121,587
Property taxes	7,208,314	13,588,810	-	-	20,797,124
Assessments	7,821	-	-	-	7,821
Accrued interest	-	-	-	2,401	2,401
Leases	60,318	-	-	-	60,318
Other	1,036,638	-	-	150,037	1,186,675
Due from other funds	1,268,080	-	-	7,313	1,275,393
Due from other governments	2,053,378	-	-	1,604,108	3,657,486
Supplies	268,776	-	-	-	268,776
Prepaid expenses	82,169	-	-	-	82,169
Investments	44,729,674	-	3,084,935	13,396,889	61,211,498
Total current assets	<u>89,385,077</u>	<u>14,955,797</u>	<u>3,120,361</u>	<u>24,806,754</u>	<u>132,267,989</u>
Other assets:					
Deposits	-	-	-	69,045	69,045
Lease receivable, non-current	268,603	-	-	-	268,603
Total other assets	<u>268,603</u>	<u>-</u>	<u>-</u>	<u>69,045</u>	<u>337,648</u>
Total assets	<u>\$ 89,653,680</u>	<u>\$ 14,955,797</u>	<u>\$ 3,120,361</u>	<u>\$ 24,875,799</u>	<u>\$ 132,605,637</u>

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

CITY OF OPELIKA, ALABAMA

Balance Sheet
Governmental Funds
September 30, 2025

	<u>GENERAL FUND</u>	<u>SCHOOL TAX SPECIAL REVENUE FUND</u>	<u>GENERAL OBLIGATION WARRANTS FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,823,608	\$ -	\$ -	\$ 945,362	\$ 7,768,970
Retainage payable	542,340	-	-	17,140	559,480
Accrued payroll and benefits	1,159,224	-	-	2,026	1,161,250
Due to other funds	7,313	-	-	1,268,080	1,275,393
Due to other governments	26,351	1,522,785	-	-	1,549,136
Matured bonds and interest payable	-	-	-	218,375	218,375
Total liabilities	8,558,836	1,522,785	-	2,450,983	12,532,604
Deferred inflows of resources:					
Leases	180,248	-	-	-	180,248
Unearned revenues	7,226,761	13,428,659	-	952,531	21,607,951
Total deferred inflows of resources	7,407,009	13,428,659	-	952,531	21,788,199
Fund balances:					
Nonspendable:					
Supplies	268,776	-	-	-	268,776
Prepays expenses	82,169	-	-	-	82,169
Other noncurrent assets	-	-	-	69,045	69,045
Permanent funds - nonexpendable	-	-	-	2,166,439	2,166,439
Restricted to:					
Special revenue	-	4,353	-	4,550,966	4,555,319
Debt service	-	-	3,120,361	49,909	3,170,270
Capital projects	-	-	-	414,836	414,836
Public safety	291,174	-	-	-	291,174
Opioid settlement	431,875	-	-	-	431,875
Committed:					
Special projects	12,987	-	-	-	12,987
Assigned to:					
Sportsplex	-	-	-	11,414,064	11,414,064
Economic development	-	-	-	2,364,725	2,364,725
Capital projects	1,366,481	-	-	-	1,366,481
Unassigned	71,234,373	-	-	442,301	71,676,674
Total fund balances	73,687,835	4,353	3,120,361	21,472,285	98,284,834
Total liabilities, deferred inflows of resources and fund balances	\$ 89,653,680	\$ 14,955,797	\$ 3,120,361	\$ 24,875,799	\$ 132,605,637

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

CITY OF OPELIKA, ALABAMA
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 September 30, 2025

Total fund balances - governmental funds		\$ 98,284,834
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.		273,149,830
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.		6,475,861
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.		968,429
Deferred inflows and outflows of resources not due and payable in the current period and, therefore, are not reported in the funds.		7,515,702
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	\$ (53,255,000)
	Premiums, discounts and refunding costs	1,282,268
	Accrued interest payable	(399,972)
	Net pension liability	(39,026,544)
	Net OPEB liability	(9,143,256)
	Compensated absences	(4,107,632)
		<u>(104,650,136)</u>
Net position of governmental activities		<u>\$ 281,744,520</u>

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

CITY OF OPELIKA, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2025

	<u>GENERAL FUND</u>	<u>SCHOOL TAX SPECIAL REVENUE FUND</u>	<u>GENERAL OBLIGATIONS WARRANTS FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Revenues:					
Taxes:					
Property	\$ 7,235,152	\$ 13,335,443	\$ -	\$ -	\$ 20,570,595
Sales	50,954,138	-	-	-	50,954,138
Other	2,251,945	-	-	-	2,251,945
Occupational license fees	15,632,228	-	-	-	15,632,228
Business licenses and permits	8,442,740	-	-	659,209	9,101,949
Intergovernmental	1,174,946	-	-	795,310	1,970,256
Charges for services	3,045,859	-	-	-	3,045,859
Fines and forfeitures	426,216	-	-	-	426,216
Investment income	2,683,964	70,843	91,998	969,068	3,815,873
Grant income	131,264	-	-	1,981,707	2,112,971
Contributions	57,020	-	-	100,000	157,020
Miscellaneous	735,997	-	-	-	735,997
Total revenues	<u>92,771,469</u>	<u>13,406,286</u>	<u>91,998</u>	<u>4,505,294</u>	<u>110,775,047</u>
Expenditures:					
Current:					
General government	12,314,395	-	-	911,721	13,226,116
Public safety	26,550,520	-	-	378,077	26,928,597
Public works	8,099,518	-	-	540	8,100,058
Health	523,172	-	-	-	523,172
Welfare	524,250	-	-	-	524,250
Culture and recreation	10,152,699	-	-	-	10,152,699
Education	7,243,250	12,022,784	-	-	19,266,034
Economic development and urban rehabilitation	1,491,232	-	-	842,907	2,334,139
Capital outlay	34,778,697	-	-	2,465,521	37,244,218
Debt service:					
Principal retirement	-	-	17,140,000	410,000	17,550,000
Interest and fiscal charges	-	-	1,688,985	481,867	2,170,852
Total expenditures	<u>101,677,733</u>	<u>12,022,784</u>	<u>18,828,985</u>	<u>5,490,633</u>	<u>138,020,135</u>
Excess of revenues over (under) expenditures	(8,906,264)	1,383,502	(18,736,987)	(985,339)	(27,245,088)

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

CITY OF OPELIKA, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2025

	<u>GENERAL FUND</u>	<u>SCHOOL TAX SPECIAL REVENUE FUND</u>	<u>GENERAL OBLIGATION WARRANTS FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Other financing sources (uses):					
Sale of capital assets	\$ 120,333	\$ -	\$ -	\$ -	\$ 120,333
Transfers from governmental funds	13,101,824	-	13,214,512	14,052,693	40,369,029
Transfers from proprietary funds	4,000,000	-	-	-	4,000,000
Transfers to governmental funds	(16,408,399)	(1,381,867)	(28,704)	(23,201,488)	(41,020,458)
Transfers to proprietary funds	-	-	-	-	-
Total other financing sources (uses)	<u>813,758</u>	<u>(1,381,867)</u>	<u>13,185,808</u>	<u>(9,148,795)</u>	<u>3,468,904</u>
Net change in fund balances	(8,092,506)	1,635	(5,551,179)	(10,134,134)	(23,776,184)
Fund balances, beginning of year	<u>81,780,341</u>	<u>2,718</u>	<u>8,671,540</u>	<u>31,606,419</u>	<u>122,061,018</u>
Fund balances, end of year	<u>\$ 73,687,835</u>	<u>\$ 4,353</u>	<u>\$ 3,120,361</u>	<u>\$ 21,472,285</u>	<u>\$ 98,284,834</u>

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

CITY OF OPELIKA, ALABAMA
 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, 2025

Net change in fund balances - all governmental funds		\$ (23,776,184)
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	\$ 37,244,218	
Less: current year depreciation	<u>(11,454,705)</u>	25,789,513
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	42,711	
Disposals at net book value/transfers	<u>(519,795)</u>	(477,084)
Revenues previously recorded in the Statement of Activities that provide current financial resources are reported as revenues in the funds.		
		(1,467,779)
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	<u>17,550,000</u>	17,550,000
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.		
		(1,257,821)
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.		
		<u>(590,979)</u>
Change in net assets of governmental activities		<u>\$ 15,769,666</u>

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

CITY OF OPELIKA, ALABAMA

Statement of Net Position

Proprietary Funds

September 30, 2025

	<u>ELECTRIC UTILITY</u>	<u>SEWER SYSTEM</u>	<u>TELE- COMMUNICATIONS</u>	<u>SOLID WASTE COLLECTION</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
ASSETS						
Current assets:						
Cash	\$ 15,882,560	\$ 8,055,510	\$ -	\$ 5,272,912	\$ 29,210,982	\$ 6,390,123
Accounts and unbilled service receivable, net	8,200,416	358,462	-	578,518	9,137,396	236,786
Lease receivable	55,465	-	-	-	55,465	-
Due from other governments	-	493,746	-	-	493,746	-
Supplies	1,452,751	-	-	-	1,452,751	-
Investments	10,047,971	-	-	-	10,047,971	-
Total current assets	<u>35,639,163</u>	<u>8,907,718</u>	<u>-</u>	<u>5,851,430</u>	<u>50,398,311</u>	<u>6,626,909</u>
Capital assets:						
Land	2,083,145	149,370	-	229,547	2,462,062	-
Building	13,600,553	279,046	-	3,224,469	17,104,068	-
System	94,078,304	70,375,376	-	39,860	164,493,540	-
Equipment	6,214,837	4,205,061	-	6,027,995	16,447,893	-
Construction work in progress	-	55,463	-	-	55,463	-
Total original cost	<u>115,976,839</u>	<u>75,064,316</u>	<u>-</u>	<u>9,521,871</u>	<u>200,563,026</u>	<u>-</u>
Less: accumulated depreciation	<u>(64,574,102)</u>	<u>(29,838,680)</u>	<u>-</u>	<u>(3,106,898)</u>	<u>(97,519,680)</u>	<u>-</u>
Capital assets, net	<u>51,402,737</u>	<u>45,225,636</u>	<u>-</u>	<u>6,414,973</u>	<u>103,043,346</u>	<u>-</u>
Other assets:						
Deposits	-	-	-	-	-	19,229
Lease receivable, non-current	121,026	-	-	-	121,026	-
Total other assets	<u>121,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,026</u>	<u>19,229</u>
Total assets	<u>87,162,926</u>	<u>54,133,354</u>	<u>-</u>	<u>12,266,403</u>	<u>153,562,683</u>	<u>6,646,138</u>
DEFERRED OUTFLOWS OF RESOURCES						
Employer retirement contributions	769,899	-	-	274,614	1,044,513	-
Net difference between projected and actual earnings on Plan investments	539,912	-	-	222,301	762,213	-
Net difference between projected and actual earnings on OPEB plan	672,736	-	-	247,185	919,921	-
Total deferred outflows of resources	<u>1,982,547</u>	<u>-</u>	<u>-</u>	<u>744,100</u>	<u>2,726,647</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 89,145,473</u>	<u>\$ 54,133,354</u>	<u>\$ -</u>	<u>\$ 13,010,503</u>	<u>\$ 156,289,330</u>	<u>\$ 6,646,138</u>

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

CITY OF OPELIKA, ALABAMA

Statement of Net Position

Proprietary Funds

September 30, 2025

	ELECTRIC UTILITY	SEWER SYSTEM	TELE- COMMUNICATIONS	SOLID WASTE COLLECTION	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 5,980,277	\$ 281,019	\$ -	\$ 90,089	\$ 6,351,385	\$ 319,721
Accrued payroll and benefits	275,341	-	-	80,944	356,285	-
Liability for unpaid claims	-	-	-	-	-	144,888
Unearned revenue	-	-	-	-	-	453,719
Total current liabilities	<u>6,255,618</u>	<u>281,019</u>	<u>-</u>	<u>171,033</u>	<u>6,707,670</u>	<u>918,328</u>
Noncurrent liabilities:						
Accrued employee benefits	344,597	-	-	49,611	394,208	-
Net pension liability	6,831,009	-	-	2,348,037	9,179,046	-
Net OPEB liability	1,497,340	-	-	535,295	2,032,635	-
Liability for unpaid claims	-	-	-	-	-	27,393
Customer deposits	3,363,959	-	-	179,450	3,543,409	-
Total noncurrent liabilities	<u>12,036,905</u>	<u>-</u>	<u>-</u>	<u>3,112,393</u>	<u>15,149,298</u>	<u>27,393</u>
Total liabilities	<u>18,292,523</u>	<u>281,019</u>	<u>-</u>	<u>3,283,426</u>	<u>21,856,968</u>	<u>945,721</u>
DEFERRED INFLOWS OF RESOURCES						
Net difference between projected and actual earnings on Plan investments						
	451,879	-	-	181,563	633,442	-
Changes of assumptions - OPEB	314,613	-	-	111,951	426,564	-
Leases	160,057	-	-	-	160,057	-
Total deferred inflows of resources	<u>926,549</u>	<u>-</u>	<u>-</u>	<u>293,514</u>	<u>1,220,063</u>	<u>-</u>
NET POSITION						
Invested in capital assets, net of related debt	51,402,737	45,225,636	-	6,414,973	103,043,346	-
Restricted	-	-	-	-	-	40,443
Unrestricted	<u>18,523,664</u>	<u>8,626,699</u>	<u>-</u>	<u>3,018,590</u>	<u>30,168,953</u>	<u>5,659,974</u>
Total net position	<u>\$ 69,926,401</u>	<u>\$ 53,852,335</u>	<u>\$ -</u>	<u>\$ 9,433,563</u>	<u>\$ 133,212,299</u>	<u>\$ 5,700,417</u>

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

CITY OF OPELIKA, ALABAMA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For The Year Ended September 30, 2025

	<u>ELECTRIC UTILITY</u>	<u>SEWER SYSTEM</u>	<u>TELE- COMMUNICATIONS</u>	<u>SOLID WASTE COLLECTION</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
Operating revenues:						
Charges for services, net	\$ 47,150,617	\$ 6,405,552	\$ -	\$ 5,448,502	\$ 59,004,671	\$ 5,578,448
Operating expenses:						
Power purchased	30,881,141	-	-	-	30,881,141	-
Personnel services	3,836,965	-	-	1,675,311	5,512,276	-
Insurance claims and expenses	145,997	8,362	-	86,746	241,105	6,378,038
Other	6,339,487	2,392,024	-	1,923,917	10,655,428	-
Depreciation	3,242,008	1,638,710	-	609,558	5,490,276	-
Total operating expenses	<u>44,445,598</u>	<u>4,039,096</u>	<u>-</u>	<u>4,295,532</u>	<u>52,780,226</u>	<u>6,378,038</u>
Operating income	2,705,019	2,366,456	-	1,152,970	6,224,445	(799,590)
Nonoperating revenues (expenses):						
Investment revenue	848,123	69,431	-	87,304	1,004,858	89,135
Miscellaneous revenue (expenses)	1,581,459	16	2,828,913	18,665	4,429,053	-
Interest expense and fiscal charges	(2,099,964)	-	-	-	(2,099,964)	-
Gain on sale of capital assets	21,970	-	-	-	21,970	-
Total nonoperating revenues (expenses)	<u>351,588</u>	<u>69,447</u>	<u>2,828,913</u>	<u>105,969</u>	<u>3,355,917</u>	<u>89,135</u>
Income (loss) before other revenues and transfers	3,056,607	2,435,903	2,828,913	1,258,939	9,580,362	(710,455)
Other revenues and transfers in (out):						
Capital contributions from developers and others	3,182,512	-	-	-	3,182,512	-
Operating transfers in	47,971	603,458	-	-	651,429	-
Operating transfers (out)	<u>(4,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,000,000)</u>	<u>-</u>
Total other revenues and transfers	<u>(769,517)</u>	<u>603,458</u>	<u>-</u>	<u>-</u>	<u>(166,059)</u>	<u>-</u>
Changes in net position	2,287,090	3,039,361	2,828,913	1,258,939	9,414,303	(710,455)
Net position, beginning of year	<u>67,639,311</u>	<u>50,812,974</u>	<u>(2,828,913)</u>	<u>8,174,624</u>	<u>6,410,872</u>	<u>6,410,872</u>
Net position, end of year	<u>\$ 69,926,401</u>	<u>\$ 53,852,335</u>	<u>\$ -</u>	<u>\$ 9,433,563</u>	<u>\$ 5,700,417</u>	<u>\$ 5,700,417</u>
					(119,476)	
					<u>\$ 9,294,827</u>	

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

CITY OF OPELIKA, ALABAMA
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2025

	ELECTRIC UTILITY	SEWER SYSTEM	TELE- COMMUNICATIONS	SOLID WASTE COLLECTION	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
Cash flows from operating activities:						
Receipts from customers	\$ 46,080,619	\$ 6,298,089	\$ -	\$ 5,771,601	\$ 58,150,309	\$ -
Receipts from other funds for premiums	-	-	-	-	-	5,628,444
Customer deposits	115,059	-	-	3,374	118,433	-
Payments to suppliers for goods and services	(37,191,815)	(2,301,199)	-	(1,954,394)	(41,447,408)	(6,280,232)
Payments to employees for services	(3,713,120)	-	-	(1,647,662)	(5,360,782)	-
Claims paid	(145,997)	(8,362)	-	(86,746)	(241,105)	1,130,283
Internal activity - payments to (from) other funds	2,828,938	-	(2,828,938)	-	-	-
Net cash provided by/(used in) operating activities	7,973,684	3,988,528	(2,828,938)	2,086,173	11,219,447	478,495
Cash flows from noncapital financing activities:						
Other receipts	1,581,459	16	2,828,913	18,665	4,429,053	-
Operating transfers to other funds	(4,000,000)	603,458	-	-	(3,396,542)	-
Net cash (used in)/provided by noncapital financing activities	(2,418,541)	603,474	2,828,913	18,665	1,032,511	-
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(4,916,691)	(581,147)	-	(1,452,451)	(6,950,289)	-
Principal paid on debt maturities	(21,365,000)	-	-	-	(21,365,000)	-
Interest and fiscal fees paid on debt maturities	(451,029)	-	-	-	(451,029)	-
Proceeds from sale of assets	21,970	-	-	-	21,970	-
Net cash used in capital and related financing activities	(26,710,750)	(581,147)	-	(1,452,451)	(28,744,348)	-
Cash flows from investing activities:						
Cash invested in US treasuries	(10,000,000)	-	-	-	(10,000,000)	-
Restricted cash used	977,074	-	-	-	977,074	-
Interest on investments	848,123	69,431	-	87,304	1,004,858	89,135
Net cash (used in)/provided by investing activities	(8,174,803)	69,431	-	87,304	(8,018,068)	89,135
Net (decrease)/increase/in cash and cash equivalents	(29,330,410)	4,080,286	(25)	739,691	(24,510,458)	567,630
Cash and cash equivalents at beginning of year	45,212,970	3,975,224	25	4,533,221	53,721,440	5,822,493
Cash and cash equivalents at end of year	<u>\$ 15,882,560</u>	<u>\$ 8,055,510</u>	<u>\$ -</u>	<u>\$ 5,272,912</u>	<u>\$ 29,210,982</u>	<u>\$ 6,390,123</u>

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

CITY OF OPELIKA, ALABAMA
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2025

	<u>ELECTRIC UTILITY</u>	<u>SEWER SYSTEM</u>	<u>TELE- COMMUNICATIONS</u>	<u>SOLID WASTE COLLECTION</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS</u>
Reconciliation of operating income to net cash provided by/(used in) operating activities:						
Operating income	\$ 2,705,019	\$ 2,366,456	\$ -	\$ 1,152,970	\$ 6,224,445	\$ (799,590)
Adjustment to reconcile operating income to net cash provided by/(used in) operating activities:						
Depreciation and amortization	3,242,008	1,638,710	-	609,558	5,490,276	-
Change in assets and liabilities:						
(Increase) decrease in accounts receivable and unbilled service receivable	(1,069,998)	(308)	-	323,099	(747,207)	1,434,459
(Increase) decrease in due from other funds	2,828,938	-	-	-	2,828,938	-
(Increase) decrease in due from other governments	-	(107,155)	-	-	(107,155)	-
(Increase) decrease in inventories	317,503	-	-	-	317,503	-
Increase (decrease) in accounts payable	(290,605)	90,825	-	(30,477)	(230,257)	97,806
Increase (decrease) in accrued payroll and benefits	10,944	-	-	6,387	17,331	-
Increase (decrease) in net pension liability/OPEB	112,901	-	-	21,262	134,163	-
Increase (decrease) in leases	1,915	-	-	-	1,915	-
Increase (decrease) in liability for unpaid claims	-	-	-	-	-	(304,176)
Increase (decrease) in due to other funds	-	-	(2,828,938)	-	(2,828,938)	-
Increase (decrease) in unearned revenue	-	-	-	-	-	49,996
Increase (decrease) in customer deposits	115,059	-	-	3,374	118,433	-
Net cash provided by/(used in) operating activities	<u>\$ 7,973,684</u>	<u>\$ 3,988,528</u>	<u>\$ (2,828,938)</u>	<u>\$ 2,086,173</u>	<u>\$ 11,219,447</u>	<u>\$ 478,495</u>
Non-cash investing, capital and financing activities:						
Capital assets contributed by developers and others	<u>\$ 3,182,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,182,512</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Opelika, Alabama (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 \$36,013,000 at September 30, 2025 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 2025, the City collected \$13,335,443 of ad valorem taxes of which \$1,381,867 was used for debt service and \$12,022,784 was remitted to the Board of Ed. At September 30, 2025, the City had not yet remitted \$1,522,785 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, 2025, 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, 2025. 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 made special appropriations to the Board of Ed. totaling \$846,500.

The City of Opelika Industrial Development Authority (the “Authority”) recruits industry and promotes economic development for the City of Opelika, Alabama. The City Council appoints the members to the Authority’s Board. During the year ended September 30, 2025, the City appropriated \$236,000 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.

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 \$1,523,519 during the year ended September 30, 2025.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025, the City received \$42,251 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 Public Park Authority, Inc., (the "IPPPA"), a jointly governed organization. The IPPPA 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. Because the Venture has no operations, no financial statements are prepared. Complete financial statements of the IPPPA can be obtained from the IPPPA 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 \$167,516 to the Lee-Russell Council of Governments during the year ended September 30, 2025.

The Indian Pines Public Park Authority, Inc. (the "IPPPA") 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 IPPPA 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 IPPPA and the two cities authorizes the IPPPA to operate and maintain the golf course. The City approved a special appropriation to the IPPPA in the amount of \$1,151,000 over a five year period. The City appropriated \$230,200 of the five year commitment to the IPPPA during the year ended September 30, 2023. The commitment to appropriate future funds to IPPPA is a nonexchange transaction and will be recorded as the appropriations are made. During the year ended September 30, 2024, the City loaned the IPPPA \$525,000. Interest only payments are payable by IPPPA until the loan is due in full in 2029. This amount is included in due from other governments in the accompanying balance sheet.

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, 2025.

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 \$40,000 to the Center during the year ended September 30, 2025.

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 \$447,782 to EAMC for emergency medical services during the year ended September 30, 2025.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 **General Obligation Warrants Fund** accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

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.

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 Solid Waste Collection Fund are major funds. All of the City's enterprise funds are as follows:

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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.

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.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025, 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 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 \$1,277,578 in the Electric Utility Fund, \$110,810 in the Solid Waste Collection Fund, and \$186 in the Sewer System Fund.

The City’s lease receivables are measured at the present value of lease payments expected to be received during the leases terms. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivables. The deferred inflow of resources is amortized on the straight-line bases over the terms of the leases.

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.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 advanced IPPPA \$525,000 during the year ended September 30, 2024. This amount is included in the due from other governments on the accompanying balance sheet for governmental funds.

I. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. 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 they are earned by employees. GASB Statement No. 101 became effective for fiscal year 2025 requiring municipalities to record liabilities for all probable leave accruals. The City's existing methodology is consistent with the requirements of the new standard.

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, 2025, 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.

Capitalization thresholds and estimated useful lives are as follows:

	<u>Minimum Cost</u>	<u>Useful Life</u>
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

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025, the City reported \$1,640,839 of bond refunding costs as deferred outflows of resources in the Statement of Net Position. During the current year, the City recorded \$7,005,456 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 \$4,277,103 and deferred outflows for the net difference between projected and actual earnings on OPEB totaling \$4,843,293.

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, 2025, the City recognized \$21,090,840 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 \$4,183,072, OPEB changes in assumptions totaling \$2,760,437 and leases totaling \$340,305.

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.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Nonspendable Fund Balance – 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.

Restricted Fund Balance – 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).

Committed Fund Balance – 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.

Assigned Fund Balance – 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.

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.

P. SUBSEQUENT EVENTS

The City has evaluated events subsequent to the date of the Statement of Net Position through February 26, 2026, the date the financial statements were available to be issued. On November 3, 2025, the City's elected new mayor assumed office. Other than the change in elected leadership, no additional events have occurred subsequent to the Statement of Net Position through February 26, 2026, that would require adjustment or additional disclosure in the financial statements.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

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 \$27,698,762 under this contract during the year ended September 30, 2025. 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, 2025, the carrying amount of the City's deposits in financial institutions was \$71,173,414 and the bank balance was \$70,968,077. 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, 2025, 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 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.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments' fair value measurements are as follows at September 30, 2025:

Investment Type	Cost	Fair Value	% of Total	Maturity	Rating	Agency	Level
Cash	\$ 116,693	\$ 116,693	0.2%	n/a	n/a	n/a	1
Fixed Income Investments	49,620	49,895	0.1%	9/30/2026	AA	n/a	2
Fixed Income Investments	25,000	25,061	0.0%	11/17/2025	BBB	n/a	2
				11/18/2025-			
Fixed Income Investments	234,994	237,056	0.3%	6/1/2027	n/a	n/a	2
Investment Co of America Fd	22,768	40,023	0.1%	n/a	***	Morningstar	1
U.S. Treasury	68,944,492	69,061,753	96.9%	n/a	n/a	n/a	2
First Eagle Global Fund - I	22,555	41,103	0.1%	n/a	*****	Morningstar	1
Other common stock	957,601	1,687,885	2.4%	n/a	Various	Various	1
Total investments	<u>\$ 70,373,723</u>	<u>\$ 71,259,469</u>					

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, 2025.

- U.S. Treasury: valued at cost plus accrued interest, which approximates fair value.
- Fixed Income Investments: valued at cost plus accrued interest, which approximates fair value.
- Common stock and other investments: valued based on quoted market prices.

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 – LEASE RECEIVABLE

In November 2018, the City entered into a lease with a fiber provider. Under the lease, the vendor pays the City \$5,000 per month for one hundred twenty months in exchange for operating its business within three office spaces owned by the City. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3%. In fiscal year 2025, the City recognized \$53,825 in lease revenue and \$6,175 of interest revenue in connection with the lease.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 5 – LEASE RECEIVABLE (CONTINUED)

In January 2000, the City entered into a lease with a cellular tower site development company. Under the lease, the vendor pays the City \$1,000 per month for one cellular or PCS service provider, with increased rent of \$425 for each additional cellular or PCS provider. The initial term of the lease was five years, with the lease reserving the option to renew the lease for up to five additional terms of five year each. For each year of the initial term and each year of any extended term, the rent increases by 4% over the preceding calendar year's rent. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3%. In fiscal year 2025, the City recognized \$20,411 in lease revenue and \$3,427 of interest revenue in connection with the lease.

In December 1999, the City entered into a lease with a cellular tower site development company. Under the lease, the vendor pays the City \$750 per month for one cellular or PCS service provider, with increased rent of \$375 for each additional cellular or PCS provider. The initial term of the lease was five years, with the lease reserving the option to renew the lease for up to five additional terms of five year each. For each year of the initial term and each year of any extended term, the rent increases by 4% over the preceding calendar year's rent. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3%. In fiscal year 2025, the City recognized \$27,045 in lease revenue and \$4,637 of interest revenue in connection with the lease.

In April 2023, the City entered into a lease with a cellular tower site development company. Under the lease, the vendor pays the City \$1,500 per month for nonexclusive access and utility easement to provide access to a tower compound. The initial term of the lease was ten years, with the lease reserving the option to renew the lease for up to five additional terms of five year each. For each year of the initial term and each year of any extended term, the rent increases by 2% over the preceding calendar year's rent. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.2%. In fiscal year 2025, the City recognized \$8,549 in lease revenue and \$3,813 of interest revenue in connection with the lease.

As of September 30, 2025, the General Fund's lease receivables totaled \$328,921. The noncurrent portion of this balance as of September 30, 2025, totaled \$268,603. As of September 30, 2025, the Electric Utility Fund's lease receivables totaled \$176,491. The noncurrent portion this balance as of September 30, 2025, totaled \$121,026.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 6 - 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	\$ 12,730,354	\$ 522,864	\$ -	\$ 13,253,218
Construction in process	12,081,582	18,813,681	20,245,725	10,649,538
Total capital assets not being depreciated	<u>24,811,936</u>	<u>19,336,545</u>	<u>20,245,725</u>	<u>23,902,756</u>
Capital assets being depreciated:				
Buildings and improvements	84,390,463	15,721,534	2,351,311	97,760,686
Improvements other than buildings	39,515,853	2,010,118	74,060	41,451,911
Equipment	36,965,713	12,317,008	1,237,090	48,045,631
Infrastructure	157,094,433	8,147,449	-	165,241,882
Total capital assets being depreciated	<u>317,966,462</u>	<u>38,196,109</u>	<u>3,662,461</u>	<u>352,500,110</u>
Less accumulated depreciation for:				
Buildings and improvements	20,704,489	1,852,089	1,842,092	20,714,486
Improvements other than buildings	4,942,493	1,512,173	73,658	6,381,008
Equipment	19,250,643	3,433,118	1,188,849	21,494,912
Infrastructure	50,043,372	4,619,258	-	54,662,630
Total accumulated depreciation	<u>94,940,997</u>	<u>11,416,638</u>	<u>3,104,599</u>	<u>103,253,036</u>
Total capital assets being depreciated, net	<u>223,025,465</u>	<u>26,779,471</u>	<u>557,862</u>	<u>249,247,074</u>
Governmental activities capital assets, net	<u>\$ 247,837,401</u>	<u>\$ 46,116,016</u>	<u>\$ 20,803,587</u>	<u>\$ 273,149,830</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,462,062	\$ -	\$ -	\$ 2,462,062
Construction in process	658,135	-	602,672	55,463
Total capital assets not being depreciated	<u>3,120,197</u>	<u>-</u>	<u>602,672</u>	<u>2,517,525</u>
Capital assets being depreciated:				
Buildings and improvements	16,915,558	188,510	-	17,104,068
Systems	156,493,509	8,083,326	83,295	164,493,540
Equipment	14,071,668	2,463,637	87,412	16,447,893
Total capital assets being depreciated	<u>187,480,735</u>	<u>10,735,473</u>	<u>170,707</u>	<u>198,045,501</u>
Less accumulated depreciation for:				
Buildings and improvements	3,288,490	349,541	-	3,638,031
Systems	80,017,588	4,047,194	83,295	83,981,487
Equipment	8,894,033	1,093,541	87,412	9,900,162
Total accumulated depreciation	<u>92,200,111</u>	<u>5,490,276</u>	<u>170,707</u>	<u>97,519,680</u>
Total capital assets being depreciated, net	<u>95,280,624</u>	<u>5,245,197</u>	<u>-</u>	<u>100,525,821</u>
Business-type activities capital assets, net	<u>\$ 98,400,821</u>	<u>\$ 5,245,197</u>	<u>\$ 602,672</u>	<u>\$ 103,043,346</u>

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the following functions:

Governmental activities:	
General government	\$ 1,083,022
Public safety	2,154,280
Public works, including infrastructure	5,450,961
Culture and recreation	<u>2,766,442</u>
Total depreciation	<u>\$ 11,454,705</u>
Business-type activities:	
Electric utility fund	\$ 3,242,008
Sewer system fund	1,638,710
Solid waste collection fund	<u>609,558</u>
Total depreciation	<u>\$ 5,490,276</u>

NOTE 7 - INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2025 consisted of the following:

DUE TO	DUE FROM		
	General	Non-major Governmental	Total
General	\$ -	\$ 1,268,080	\$ 1,268,080
Non-major Governmental	7,313	-	7,313
Total	<u>\$ 7,313</u>	<u>\$ 1,268,080</u>	<u>\$ 1,275,393</u>

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 TO	TRANSFER FROM					
	General	School Tax Special Revenue	General Obligation Warrants	Non-major Governmental	Electric Utility	Total
General	\$ -	\$ -	\$ -	\$ 13,101,824	\$ 4,000,000	\$ 17,101,824
Electric Utility	47,971	-	-	-	-	47,971
General Obligation Warrants	3,718,842	-	-	9,495,670	-	13,214,512
Non-major Governmental	12,641,586	1,381,867	28,704	536	-	14,052,693
Sewer System	-	-	-	603,458	-	603,458
Total	<u>\$ 16,408,399</u>	<u>\$ 1,381,867</u>	<u>\$ 28,704</u>	<u>\$ 23,201,488</u>	<u>\$ 4,000,000</u>	<u>\$ 45,020,458</u>

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 7 - INTERFUND BALANCES AND TRANSFERS (CONTINUED)

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 8 - LONG-TERM LIABILITIES

Long-term liabilities at September 30, 2025 consisted of the following items:

	<u>Governmental</u>	<u>Business-type</u>
Bonds:		
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%	\$ 1,715,000	\$ -
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%	3,426,220	-
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%	490,000	-
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%	37,872,857	-
General Obligation School Warrants, Series 2022 due in annual installments of \$320,000 to \$1,255,000 through October 1, 2037, bearing interest rates of 3.00% to 5.00%	10,109,494	-
Other Liabilities:		
Compensated absences	4,385,567	586,953
Net OPEB liability	9,143,256	2,032,635
Claims and judgments	27,393	-
Total long-term liabilities	<u>\$ 67,169,787</u>	<u>\$ 2,619,588</u>

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 8 - 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	\$ 70,805,000	\$ -	\$ 17,550,000	\$ 53,255,000	\$ 3,745,000
Unamortized premiums and discounts	1,179,608	-	821,037	358,571	-
Total debt	<u>71,984,608</u>			<u>53,613,571</u>	<u>3,745,000</u>
Other liabilities:					
Compensated absences	3,719,701			4,385,567	730,928
OPEB liability	10,214,902			9,143,256	-
Claims and judgments	43,779			27,393	13,050
Total other liabilities	<u>13,978,382</u>			<u>13,556,216</u>	<u>743,978</u>
Total governmental activities	<u>\$ 85,962,990</u>			<u>\$ 67,169,787</u>	<u>\$ 4,488,978</u>
Business-type Activities					
Debt:					
Other long-term debt	\$ 21,365,000	\$ -	\$ 21,365,000	\$ -	\$ -
Total debt	<u>21,365,000</u>			<u>-</u>	<u>-</u>
Other liabilities:					
Compensated absences	587,699			586,953	190,719
OPEB liability	2,228,928			2,032,635	-
Total other liabilities	<u>2,816,627</u>			<u>2,619,588</u>	<u>190,719</u>
Total business-type activities	<u>\$ 24,181,627</u>			<u>\$ 2,619,588</u>	<u>\$ 190,719</u>

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 9.

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 \$140,646 at September 30, 2025.

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, \$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. During fiscal year 2025, the City paid the remaining balance of \$8,940,000 in full.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

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. During fiscal year 2025, the City paid the remaining balance of \$5,420,000 in full.

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 \$55,549 at September 30, 2025.

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 \$3,078 at September 30, 2025.

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 \$0 at September 30, 2025 and the remaining balance of \$490,000 was paid in full in October 2025, subsequent to year end.

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 \$1,441,566 at September 30, 2025.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

On October 13, 2022, the City issued General Obligation School Warrants, Series 2022 totaling \$9,975,000. The bonds were issued to construct, acquire, and equip certain capital school improvements to the facilities of the Board of Ed. Principal payments begin on October 1, 2026 and continue through October 1, 2037. The bonds bear interest at rates between 3.00% and 5.00%. Interest is payable on April 1 and October 1 annually. The proceeds of the Series 2022 school warrants, totaling \$10,141,957, include a premium of \$166,957. This premium will be amortized over the life of the new debt.

There are several limitations and restrictions contained in the various bond indentures. As of September 30, 2025, 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 remaining balance of \$8,910,000 was paid in full during fiscal year 2025.

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 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 remaining balance of \$12,415,000 was paid in full during fiscal year 2025.

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

Governmental Activities		
General Obligations		
Year	Principal	Interest
2026	\$ 3,745,000	\$ 1,607,699
2027	3,655,000	1,510,993
2028	3,765,000	1,410,235
2029	3,870,000	1,306,789
2030	5,065,000	1,178,938
2031-2035	22,175,000	3,896,223
2036-2038	10,980,000	448,807
Total	<u>\$ 53,255,000</u>	<u>\$ 11,359,684</u>

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 9 - 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, 2025 to September 30, 2025 is \$0, and has been \$0 for the previous five years.

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 \$40,443 at September 30, 2025. 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 3.80% 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.

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:

	Current Year Claims and Changes in			
	<u>Beginning Balance</u>	<u>Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2022-2023	\$ 177,723	\$ 3,915	\$ 46,678	\$ 134,960
2023-2024	134,960	(18,929)	47,674	68,357
2024-2025	68,357	(45,583)	(17,669)	40,443

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, 2025, 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, 2021 through September 30, 2025, 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, 2021 through September 30, 2025, 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.

The City’s health insurance claims and expenses exceeded the charges for health insurance revenue in the Worker’s Health Insurance fund by \$812,787 for the year ended September 30, 2025. Assets exceeded liabilities as of September 30, 2025, resulting in a fund balance of \$1,418,741.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 9 - RISK MANAGEMENT (CONTINUED)

The claims liability of \$131,838 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:

	Current Year Claims and Changes in			
	Beginning Balance	Estimates	Claim Payments	Ending Balance
2022-2023	\$ 161,000	\$ 3,867,372	\$ 3,682,172	\$ 346,200
2023-2024	346,200	3,538,832	3,476,932	408,100
2024-2025	408,100	4,298,288	4,574,550	131,838

NOTE 10 - 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 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control effective October 1, 2021. 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 15 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) Eight 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. One vested active employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - d. One vested active employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 10 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

- e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
- f. One vested active employee of a participating employer other than a municipality, city or county 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 formula method. 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 up to 80% of their average final compensation. State Police are allowed 2.375% for each year of State Police service in computing the formula method.

Act 351 of the Legislature of 2022 provides that any Tier 2 member who withdraw from service after the completion of at least 30 years of service is entitled to an annual retirement benefit.

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 of 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 628 employers adopted Act 2019-132 as of September 30, 2024.

Act 2019-132 was amended by Act 348 of the Legislature of 2022. Act 2022-348 amended Act 2019-132 by removing the date limitation for any local participating employer to submit its resolution electing to provide its Tier 2 members with the same retirement benefits provided as its Tier 1 members. Act 2022-348 also amended Act 2019-32 by removing the date limitation for a local participating employer to petition the ERS Board of Control for a reconsideration if the ERS Board of Control denied its election to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members.

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOS) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of partial lump sum distribution selected.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 10 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

The ERS serves approximately 890 local participating employers. The ERS membership includes approximately 117,309 participants. As of September 30, 2024, membership consisted of:

Retirees and beneficiaries currently receiving benefits	32,477
Terminated employees entitled to but not yet receiving benefits	2,425
Terminated employees not entitled to a benefit	22,097
Active members	60,279
Post-DROP participants who are still in active service	31
Total	<u><u>117,309</u></u>

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 statute 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 certified law enforcement, correctional officers', and firefighters' member contribution rates 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, 2025, the City's active employee contribution rate was 24.91% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 7.97% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2025 was 16.63% of pensionable pay for Tier 1 employees, and 16.90% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2022, 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 \$7,005,456 for the year ended September 30, 2025.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023, rolled forward to September 30, 2024, using standard roll-forward techniques as shown in the following table:

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 10 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

	<u>Expected</u>	<u>Actual Before Plan Changes</u>	<u>Actual After Plan Changes</u>
(a) TPL as of September 30, 2023	\$ 105,491,317	\$ 108,420,764	\$ 108,420,764
(b) Discount rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2023 - September 30, 2024	2,422,668	2,422,668	2,422,668
(d) Transfers Among Employers:	-	(389,204)	(389,204)
(e) Actual Benefit Payments and Refunds for the period October 1, 2023 - September 30, 2024	(7,257,483)	(7,257,483)	(7,257,483)
(f) TPL as of September 30, 2024 [(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5*(b))]	<u>\$ 108,245,264</u>	<u>\$ 111,003,751</u>	<u>\$ 111,003,751</u>
(g) Difference between Expected and Actual:		\$ 2,758,487	
(h) Less Liability Transferred for Immediate Recognition:		<u>(289,204)</u>	
(i) Difference between Expected and Actual - Experience (Gain)/Loss		<u>\$ 3,147,691</u>	
(k) Difference between Actual TPL Before and After Plan Changes - Benefit Change (Gain)/Loss			\$ -

Actuarial Assumptions. The total pension liability as of September 30, 2024 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2023. The key actuarial assumptions are summarized below:

Inflation	2.50%
Projected salary increases	3.25% - 6.00% for State and Local Employees and 4.00% - 7.75% for State Police, including inflation
Investment rate of return*	7.45%, including inflation

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 10 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

Mortality rates were based on the Pub-2010 Below-Median Tables, projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Setback (-)		Adjustment to Rates
Non-FLC Service Retirees	General Health Below Median	Male: +2 Female: +2		Male: 90% ages <65, 96% ages >= 65 Female: 96% all ages
FLC/State Police Retirees	Public Safety Health Below Median	Male: +1 Female: none		None
Beneficiaries	Contigent Survivor Below Median	Male: +2 Female: +2		None
Non-FLC Disabled Retirees	General Disability	Male: +7 Female: +3		None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7 Female: none		None

The actuarial assumptions used in September 30, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

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	15.00%	2.80%
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%	9.00%
Real Estate	10.00%	6.50%
Cash	5.00%	1.50%
Total	100.00%	

*Includes assumed rate of inflation of 2.00%.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 10 - EMPLOYEE RETIREMENT PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will 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.

Change in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2023	\$ 105,491,317	\$ 53,331,609	\$ 52,159,708
Changes for the year:			
Service cost	2,422,668	-	2,422,668
Interest	7,588,762	-	7,588,762
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	3,147,691	-	3,147,691
Contributions - employer	-	3,964,506	(3,964,506)
Contributions - employee	-	2,057,837	(2,057,837)
Net investment income	-	11,090,896	(11,090,896)
Benefits of payments, including refunds of employee contributions	(7,257,483)	(7,257,483)	-
Transfers among employers	(389,204)	(389,204)	-
Net changes:	5,512,434	9,466,552	(3,954,118)
Balances at September 30, 2024	\$ 111,003,751	\$ 62,798,161	\$ 48,205,590

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 7.45%, 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 (6.45%) or 1-percentage point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)
City's Net Pension Liability	\$ 61,329,914	\$ 48,205,590	\$ 37,246,373

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, 2024. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2024. The auditor’s report 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/>.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 10 - 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, 2025, the City recognized pension expense of \$4,631,351. At September 30, 2025, 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	\$ 3,262,029	\$ 81,591
Changes of assumptions	1,015,074	-
Net difference between projected and actual earnings on pension plan investments	-	4,101,481
Employer contributions subsequent to the measurement date	7,005,456	-
	<u>\$ 11,282,559</u>	<u>\$ 4,183,072</u>

\$7,005,454 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, 2026. 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:

2026	\$ 570,212
2027	1,461,173
2028	(1,341,188)
2029	(829,323)
2030	233,161
Thereafter	-

NOTE 11 - 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.

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.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 11 - POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Employees covered by benefit terms. At September 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	39
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	371
	410
	410

Total OPEB Liability

The City’s total OPEB liability is \$11,175,891 as of the measurement date September 30, 2025, the end of the fiscal year.

Actuarial Assumptions and other inputs. The total OPEB liability in the September 30, 2025 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	3.81%, annually (Beginning of year to determine ADC)
	4.90%, annually (As of end of year measurement date)
Healthcare cost trend rates	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, 2025, the end of the applicable measurement period.

The actuarial assumptions used in the September 30, 2025 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2024.

Changes in the Total OPEB Liability:

Balance at September 30, 2024	\$	12,443,830
Changes for the year:		
Service cost		224,375
Interest		466,340
Differences between expected and actual experience		(196,993)
Changes in assumptions		(1,353,803)
Benefit payments and net transfers		(407,858)
Net changes		(1,267,939)
Balance at September 30, 2025	\$	11,175,891

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 (3.90%) or 1-percentage-point higher (5.90%) than the current discount rate:

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 11 - POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

	1.0% Decrease (3.90%)	Current Discount Rate (4.90%)	1.0% Increase (5.90%)
Total OPEB Liability	\$ 13,557,883	\$ 11,175,891	\$ 9,333,327

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	\$ 9,542,910	\$ 11,175,891	\$ 13,302,058

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$1,364,625. At September 30, 2025, 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	\$ 3,673,603	\$ (313,392)
Changes in assumptions	1,169,690	(2,447,045)
Total	\$ 4,843,293	\$ (2,760,437)

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:

2026	\$ 673,910
2027	594,117
2028	(155,152)
2029	57,907
2030	106,047
Thereafter	806,029

NOTE 12 - 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, 2025.

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2025 totals \$7,865,960. 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 paid ESG an additional \$430,772 for special projects in the downtown area. 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, 2025. 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, 2025, the City abated taxes totaling \$4,644,093 under this Act, as summarized below.

<u>Purpose</u>	<u>Type of Taxes Abated</u>	<u>% of Taxes Abated during the Fiscal Year</u>	<u>Taxes Abated during the Fiscal Year</u>
To construct and/or build major additions to manufacturing facilities	Property Tax	50%	\$ 713,174
To construct and/or build major additions to sawmill facility	Property Tax	50%	181,647
To construct food processing plant	Property Tax	50%	92,989
To construct and/or build major additions to warehousing and distribution facilities	Property Tax	50%	62,519
To construct facilities for a plant growing and distribution business	Property Tax	50%	6,117
To purchase new manufacturing equipment and other	Property Tax	50%	2,259
To construct and/or build major additions to brewery/distillery	Property Tax	50%	141
To construct and/or build major additions to manufacturing facilities	Sales Tax	4%	\$ 3,337,240
To construct and/or build major additions to warehousing and distribution facilities	Sales Tax	4%	155,877
To construct food processing plant	Sales Tax	4%	85,731
To construct and/or build major additions to brewery	Sales Tax	4%	6,399
			\$ 4,644,093

CITY OF OPELIKA, ALABAMA

Notes to Financial Statements

September 30, 2025

(Continued)

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2025. 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 payments due October 2020, 2021, 2022, 2023, and 2024 were forgiven by the City. In 2025, a lot was sold totaling \$139,000 and the remaining yearly payment amount of \$111,000 was forgiven by the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

DESCRIPTION	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:				
Taxes:				
Sales	\$ 50,500,000	\$ 50,500,000	\$ 50,954,138	\$ 454,138
Property:				
Property	7,000,000	7,000,000	7,192,901	192,901
Payments in lieu of taxes	46,000	46,000	42,251	(3,749)
	<u>7,046,000</u>	<u>7,046,000</u>	<u>7,235,152</u>	<u>189,152</u>
Other:				
Gasoline	950,000	950,000	995,002	45,002
Cigarette	69,238	69,238	55,822	(13,416)
Rental	900,000	900,000	1,170,791	270,791
Wine	33,000	33,000	30,330	(2,670)
	<u>1,952,238</u>	<u>1,952,238</u>	<u>2,251,945</u>	<u>299,707</u>
Total taxes	<u>59,498,238</u>	<u>59,498,238</u>	<u>60,441,235</u>	<u>942,997</u>
Special assessments	<u>10,000</u>	<u>10,000</u>	<u>34,427</u>	<u>24,427</u>
Licenses and permits:				
Occupational	<u>18,500,000</u>	<u>18,500,000</u>	<u>15,632,228</u>	<u>(2,867,772)</u>
Business:				
General	4,300,000	4,300,000	4,653,510	353,510
Lodging	1,400,000	1,432,799	1,287,117	(145,682)
Franchise fee	550,000	550,000	636,188	86,188
	<u>6,250,000</u>	<u>6,282,799</u>	<u>6,576,815</u>	<u>294,016</u>
Telecommunications fees	10,000	10,000	5,000	(5,000)
Permits and inspections	<u>2,219,000</u>	<u>2,219,000</u>	<u>1,860,925</u>	<u>(358,075)</u>
Total licenses and permits	<u>26,979,000</u>	<u>27,011,799</u>	<u>24,074,968</u>	<u>(2,936,831)</u>

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

DESCRIPTION	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Intergovernmental revenue:				
Shared county revenue:				
Motor vehicle license	\$ 145,000	\$ 145,000	\$ 170,042	\$ 25,042
Shared state revenue:				
Bank excise tax	700,000	700,000	463,244	(236,756)
Business privilege tax	76,500	76,500	77,952	1,452
Share of liquor tax profits	297,500	297,500	359,591	62,091
State asset forfeiture	-	25,967	50,735	24,768
	<u>1,074,000</u>	<u>1,099,967</u>	<u>951,522</u>	<u>(148,445)</u>
Shared federal revenue:				
Federal asset forfeiture	-	-	19,612	19,612
	<u>-</u>	<u>-</u>	<u>19,612</u>	<u>19,612</u>
Other:				
Grants:				
State	-	5,000	131,264	126,264
Lee County	26,000	45,479	33,770	(11,709)
	<u>26,000</u>	<u>50,479</u>	<u>165,034</u>	<u>114,555</u>
Total intergovernmental revenue	<u>1,245,000</u>	<u>1,295,446</u>	<u>1,306,210</u>	<u>10,764</u>
Charges for services:				
Administration:				
Other governments	25,500	25,500	26,228	728
	<u>25,500</u>	<u>25,500</u>	<u>26,228</u>	<u>728</u>
Public safety:				
Board of Education	300,000	300,000	300,000	-
Other	318,622	318,622	327,457	8,835
Towing, fire calls, and fire training	5,400	6,469	10,488	4,019
	<u>624,022</u>	<u>625,091</u>	<u>637,945</u>	<u>12,854</u>

CITY OF OPELIKA, ALABAMA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended September 30, 2025

DESCRIPTION	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Public works:				
Clearing and grading	\$ 40,000	\$ 40,000	\$ 25,566	\$ (14,434)
Other	90,000	90,000	46,771	(43,229)
	<u>130,000</u>	<u>130,000</u>	<u>72,337</u>	<u>(57,663)</u>
Health:				
Graves and monuments	170,000	170,000	183,615	13,615
Evergreen cemetery	40,000	40,000	28,800	(11,200)
	<u>210,000</u>	<u>210,000</u>	<u>212,415</u>	<u>2,415</u>
Culture and recreation:				
Entry fees and concessions	1,980,000	1,980,000	2,096,934	116,934
Total charges for services	<u>2,969,522</u>	<u>2,970,591</u>	<u>3,045,859</u>	<u>75,268</u>
Fines and forfeitures:				
Public safety:				
Fines and costs	432,500	432,500	375,325	(57,175)
Culture and recreation:				
Fines	33,000	33,000	50,891	17,891
Total fines and forfeitures	<u>465,500</u>	<u>465,500</u>	<u>426,216</u>	<u>(39,284)</u>
Miscellaneous revenues:				
Interest earnings	3,000,000	3,000,000	3,147,768	147,768
Other:				
Rental income	83,000	83,000	75,465	(7,535)
Contributions	-	78,874	57,020	(21,854)
Cemetery lots	150,000	150,000	232,640	82,640
Miscellaneous	-	70,822	(70,339)	(141,161)
Total other	<u>233,000</u>	<u>382,696</u>	<u>294,786</u>	<u>(87,910)</u>
Total miscellaneous revenues	<u>3,233,000</u>	<u>3,382,696</u>	<u>3,442,554</u>	<u>59,858</u>
Total revenues	<u>\$ 94,400,260</u>	<u>\$ 94,634,270</u>	<u>\$ 92,771,469</u>	<u>\$ (1,862,801)</u>

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Expenditures:				
Current:				
General government:				
Mayor:				
Personnel services	\$ 244,326	\$ 244,326	\$ 243,592	\$ (734)
Other	438,750	289,890	73,383	(216,507)
Total mayor	<u>683,076</u>	<u>534,216</u>	<u>316,975</u>	<u>(217,241)</u>
Administration:				
Personnel services	256,487	256,487	244,060	(12,427)
Other	803,500	820,972	612,568	(208,404)
Total administration	<u>1,059,987</u>	<u>1,077,459</u>	<u>856,628</u>	<u>(220,831)</u>
Legislative - City Clerk:				
Personnel services	190,323	190,323	191,002	679
Other	274,000	233,449	237,630	4,181
Total legislative	<u>464,323</u>	<u>423,772</u>	<u>428,632</u>	<u>4,860</u>
Legal - City Attorney:				
Personnel services	220,167	220,167	259,504	39,337
Other	131,200	255,174	153,194	(101,980)
Total legal	<u>351,367</u>	<u>475,341</u>	<u>412,698</u>	<u>(62,643)</u>
Other:				
Revenue:				
Personnel services	411,535	411,535	273,531	(138,004)
Other	253,321	271,028	145,740	(125,288)
Total revenue	<u>664,856</u>	<u>682,563</u>	<u>419,271</u>	<u>(263,292)</u>
Accounting:				
Personnel services	886,801	894,801	865,619	(29,182)
Services provided other funds	(134,339)	(134,339)	(132,866)	1,473
Other	129,600	121,600	112,254	(9,346)
Total accounting	<u>882,062</u>	<u>882,062</u>	<u>845,007</u>	<u>(37,055)</u>
Community relations:				
Personnel services	218,000	218,000	219,647	1,647
Other	214,051	333,067	310,254	(22,813)
Total community relations	<u>432,051</u>	<u>551,067</u>	<u>529,901</u>	<u>(21,166)</u>

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Information technology:				
Personnel services	\$ 1,475,225	\$ 1,475,225	\$ 1,345,511	\$ (129,714)
Services provided other funds	(283,762)	(283,762)	(283,763)	(1)
Other	3,535,525	4,644,142	3,739,912	(904,230)
	<u>4,726,988</u>	<u>5,835,605</u>	<u>4,801,660</u>	<u>(1,033,945)</u>
Judicial:				
Personnel services	386,233	386,233	545,251	159,018
Other	35,200	46,412	37,505	(8,907)
	<u>421,433</u>	<u>432,645</u>	<u>582,756</u>	<u>150,111</u>
Human resources administration:				
Personnel services	522,042	529,802	435,455	(94,347)
Other	471,945	501,945	198,759	(303,186)
	<u>993,987</u>	<u>1,031,747</u>	<u>634,214</u>	<u>(397,533)</u>
Planning:				
Personnel services	652,848	652,848	513,485	(139,363)
Other	1,065,376	1,422,546	651,454	(771,092)
	<u>1,718,224</u>	<u>2,075,394</u>	<u>1,164,939</u>	<u>(910,455)</u>
Purchasing:				
Personnel services	431,606	431,606	503,930	72,324
Services provided other funds	(55,618)	(55,618)	(50,399)	5,219
Other	21,900	24,363	11,831	(12,532)
	<u>397,888</u>	<u>400,351</u>	<u>465,362</u>	<u>65,011</u>
Nondepartmental:				
Auburn-Opelika Airport	192,480	192,480	142,711	(49,769)
Lee-Russell Council of Governments	167,516	167,516	167,516	-
Opelika Chamber of Commerce	-	150,000	150,000	-
Opelika Industrial Development Authority	125,000	125,000	236,000	111,000
Lee County Extension Service	15,000	15,000	15,000	-
Envision Opelika	25,000	25,000	25,000	-
Downtown Development Authority	6,000	6,000	6,000	-
Main Street, Inc.	60,000	60,000	60,000	-
J W Darden Foundation	5,000	5,000	5,000	-
Circles	22,000	22,000	22,000	-
Other	-	27,125	27,125	-
	<u>617,996</u>	<u>795,121</u>	<u>856,352</u>	<u>61,231</u>
Total other	10,855,485	12,686,555	10,299,462	(2,387,093)
Total general government	<u>13,414,238</u>	<u>15,197,343</u>	<u>12,314,395</u>	<u>(2,882,948)</u>

UNAUDITED

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Public safety:				
Police:				
Personnel services	\$ 13,584,122	\$ 13,630,535	\$ 13,720,540	\$ 90,005
Other	3,536,254	3,641,117	2,830,302	(810,815)
Total police	<u>17,120,376</u>	<u>17,271,652</u>	<u>16,550,842</u>	<u>(720,810)</u>
Fire:				
Personnel services	8,588,394	8,622,320	8,349,382	(272,938)
Other	1,320,872	1,434,505	1,154,014	(280,491)
Total fire	<u>9,909,266</u>	<u>10,056,825</u>	<u>9,503,396</u>	<u>(553,429)</u>
Other:				
Nondepartmental:				
Juvenile Court	8,500	8,500	8,500	-
Lee County Emergency Management	40,000	40,000	40,000	-
Emergency Medical Service	447,782	447,782	447,782	-
Total other	<u>496,282</u>	<u>496,282</u>	<u>496,282</u>	<u>-</u>
Total public safety	<u>27,525,924</u>	<u>27,824,759</u>	<u>26,550,520</u>	<u>(1,274,239)</u>
Public works:				
Highways and streets				
Code enforcement	246,282	246,282	202,759	(43,523)
Traffic lights	426,443	428,390	251,088	(177,302)
Other	1,496,499	1,582,918	1,562,605	(20,313)
Total highways and streets	<u>2,169,224</u>	<u>2,257,590</u>	<u>2,016,452</u>	<u>(241,138)</u>
Engineering:				
Personnel services	730,009	730,009	679,750	(50,259)
Other	342,933	604,607	367,384	(237,223)
Total engineering	<u>1,072,942</u>	<u>1,334,616</u>	<u>1,047,134</u>	<u>(287,482)</u>

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Other:				
Administration				
Other	\$ 705,538	\$ 734,597	\$ 691,443	\$ (43,154)
	<u>705,538</u>	<u>734,597</u>	<u>691,443</u>	<u>(43,154)</u>
Cemetery:				
Other	285,772	302,285	294,026	(8,259)
	<u>285,772</u>	<u>302,285</u>	<u>294,026</u>	<u>(8,259)</u>
Automotive shop:				
Other	960,452	1,068,509	925,361	(143,148)
	<u>960,452</u>	<u>1,068,509</u>	<u>925,361</u>	<u>(143,148)</u>
Building maintenance:				
Other	669,047	709,369	712,110	2,741
	<u>669,047</u>	<u>709,369</u>	<u>712,110</u>	<u>2,741</u>
Inspection:				
Personnel services	810,461	810,461	799,975	(10,486)
Other	234,535	234,535	271,544	37,009
	<u>1,044,996</u>	<u>1,044,996</u>	<u>1,071,519</u>	<u>26,523</u>
Ground maintenance:				
Other	1,270,527	1,362,288	1,341,473	(20,815)
	<u>1,270,527</u>	<u>1,362,288</u>	<u>1,341,473</u>	<u>(20,815)</u>
Total other	<u>4,936,332</u>	<u>5,222,044</u>	<u>5,035,932</u>	<u>(186,112)</u>
Total public works	<u>8,178,498</u>	<u>8,814,250</u>	<u>8,099,518</u>	<u>(714,732)</u>

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Health:				
Animal control:				
Personnel services	\$ 87,929	\$ 87,929	\$ 90,135	\$ 2,206
Other	58,400	58,400	34,162	(24,238)
	<u>146,329</u>	<u>146,329</u>	<u>124,297</u>	<u>(22,032)</u>
Other:				
Nondepartmental:				
Lee County Health Department	45,000	45,000	45,000	-
East Alabama Mental Health	40,000	40,000	40,000	-
Valley Haven School	2,000	2,000	2,000	-
Lee County Humane Society	141,875	141,875	141,875	-
Substance Abuse	20,000	20,000	20,000	-
Child Care Alliance	20,000	20,000	20,000	-
Red Cross	8,500	8,500	8,500	-
Child Advocacy Center	7,500	7,500	7,500	-
Domestic Violence Intervention Center	5,000	5,000	5,000	-
Other	-	209,000	109,000	(100,000)
Total other	<u>289,875</u>	<u>498,875</u>	<u>398,875</u>	<u>(100,000)</u>
Total health	<u>436,204</u>	<u>645,204</u>	<u>523,172</u>	<u>(122,032)</u>
Welfare:				
Other:				
Nondepartmental:				
East Alabama Services for the Elderly	9,000	9,000	9,000	-
Habitat for Humanity	250,000	250,000	250,000	-
Fuller Center Project, Inc.	250,000	250,000	-	(250,000)
PRF Teaching Ministry	78,000	78,000	78,000	-
Lee County Youth Development Center	40,000	40,000	40,000	-
One Voice Shelter Coalition	10,000	10,000	10,000	-
Boys and Girls Clubs	42,500	42,500	42,500	-
Council on Human Relations	22,500	22,500	22,500	-
Esperanza House	7,500	7,500	7,500	-
Christian Care Ministries	3,500	3,500	3,500	-
Christian Women's Job Corps	2,500	2,500	2,500	-
East Alabama Food Bank	25,000	25,000	25,000	-
Other	-	33,750	33,750	-
Total welfare	<u>740,500</u>	<u>774,250</u>	<u>524,250</u>	<u>(250,000)</u>

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Culture and recreation:				
Parks and recreation:				
Personnel services	\$ 3,291,082	\$ 3,581,453	\$ 3,500,387	\$ (81,066)
Other	4,807,952	4,614,902	4,383,615	(231,287)
Total parks and recreation	<u>8,099,034</u>	<u>8,196,355</u>	<u>7,884,002</u>	<u>(312,353)</u>
Library:				
Personnel services	1,209,285	1,228,809	1,189,218	(39,591)
Other	661,712	1,335,736	704,779	(630,957)
Total library	<u>1,870,997</u>	<u>2,564,545</u>	<u>1,893,997</u>	<u>(670,548)</u>
Other:				
Nondepartmental:				
Keep Opelika Beautiful	38,000	38,000	38,000	-
Museum of East Alabama	30,500	30,500	30,500	-
Opelika Arts Association	25,000	25,000	25,000	-
Krher Reserve & Nature Center	25,000	25,000	25,000	-
Art Haus	7,500	7,500	7,500	-
Other	237,700	478,900	248,700	(230,200)
Total other	<u>363,700</u>	<u>604,900</u>	<u>374,700</u>	<u>(230,200)</u>
Total culture and recreation	<u>10,333,731</u>	<u>11,365,800</u>	<u>10,152,699</u>	<u>(1,213,101)</u>
Economic development:				
Personnel services	414,741	414,741	419,639	4,898
Other	276,075	281,075	186,709	(94,366)
Total	<u>690,816</u>	<u>695,816</u>	<u>606,348</u>	<u>(89,468)</u>
Nondepartmental:				
Industrial incentives	820,790	820,790	197,811	(622,979)
Commercial incentives	851,176	851,176	687,073	(164,103)
Total	<u>1,671,966</u>	<u>1,671,966</u>	<u>884,884</u>	<u>(787,082)</u>
Total economic development	<u>2,362,782</u>	<u>2,367,782</u>	<u>1,491,232</u>	<u>(876,550)</u>
Education	<u>3,392,000</u>	<u>7,243,250</u>	<u>7,243,250</u>	<u>-</u>
Capital outlay	<u>22,640,699</u>	<u>55,100,467</u>	<u>34,778,697</u>	<u>(20,321,770)</u>

CITY OF OPELIKA, ALABAMA
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

FUNCTION/DEPARTMENT/OBJECT	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Debt service:				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>89,024,576</u>	<u>129,333,105</u>	<u>101,677,733</u>	<u>(27,655,372)</u>
Excess of revenues over (under) expenditures	<u>5,375,684</u>	<u>(34,698,835)</u>	<u>(8,906,264)</u>	<u>25,792,571</u>
Other financing sources (uses):				
Sale of capital assets	-	13,582	120,333	106,751
Transfers from Electric Utility Fund	4,000,000	4,000,000	4,000,000	-
Transfers from Nonmajor Special Revenue Funds	-	888,735	13,067,473	12,178,738
Transfers from Garden Hills Cemetery Trust Fund	35,000	35,000	34,351	(649)
Transfers to General Obligation Debt Service Fund	(3,850,685)	(3,850,685)	(3,718,842)	131,843
Transfers to Garden Hills Cemetery Perpetual Care Trust Fund	(60,000)	(60,000)	(58,160)	1,840
Transfers to Nonmajor Special Revenue Funds	(5,517,254)	(5,500,000)	(10,571,002)	(5,071,002)
Transfers to Nonmajor Capital Projects Funds	-	(1,984,223)	(2,012,424)	(28,201)
Transfers to Electric Utilities	-	-	(47,971)	(47,971)
Total other financing sources (uses)	<u>(5,392,939)</u>	<u>(6,457,591)</u>	<u>813,758</u>	<u>7,271,349</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(17,255)</u>	<u>(41,156,426)</u>	<u>(8,092,506)</u>	<u>33,063,920</u>
Fund balance, beginning of year	<u>84,192,820</u>	<u>84,192,820</u>	<u>81,780,341</u>	<u>(2,412,479)</u>
Fund balance, end of year	<u>\$ 84,175,565</u>	<u>\$ 43,036,394</u>	<u>\$ 73,687,835</u>	<u>\$ 30,651,441</u>

CITY OF OPELIKA, ALABAMA
 School Tax Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For The Year Ended September 30, 2025

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:				
Taxes:				
Property	\$ 13,700,000	\$ 13,700,000	\$ 13,335,443	\$ (364,557)
Investment income	100,000	100,000	70,843	(29,157)
Total revenues	<u>13,800,000</u>	<u>13,800,000</u>	<u>13,406,286</u>	<u>(393,714)</u>
Expenditures:				
Current:				
Education	12,418,108	12,418,108	12,022,784	(395,324)
Total expenditures	<u>12,418,108</u>	<u>12,418,108</u>	<u>12,022,784</u>	<u>(395,324)</u>
Excess of revenues over (under) expenditures	<u>1,381,892</u>	<u>1,381,892</u>	<u>1,383,502</u>	<u>1,610</u>
Other financing sources (uses):				
Transfers to other funds	(1,381,892)	(1,381,892)	(1,381,867)	25
Total other financing sources (uses)	<u>(1,381,892)</u>	<u>(1,381,892)</u>	<u>(1,381,867)</u>	<u>25</u>
Net change in fund balances	-	-	1,635	1,635
Fund balances, beginning of year	-	-	2,718	2,718
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,353</u>	<u>\$ 4,353</u>

CITY OF OPELIKA, ALABAMA
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years Ended September 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,422,668	\$ 2,214,357	\$ 2,089,273	\$ 1,780,796	\$ 1,488,062	\$ 1,559,187	\$ 1,490,565	\$ 1,497,607	\$ 1,442,512	\$ 1,412,607
Interest	7,588,762	7,438,096	7,240,441	6,839,745	6,650,133	6,542,771	6,502,549	6,281,661	6,055,938	5,829,028
Changes of benefit terms	-	-	47,061	-	1,111,605	-	-	-	-	-
Differences between expected and actual experience	3,147,691	316,049	(156,067)	1,826,927	(276,844)	332,101	(546,247)	1,203,336	467,869	1,293,867
Changes of assumptions	-	-	-	3,721,958	-	-	436,905	-	3,431,801	-
Benefit payments, including refunds of employee contributions	(7,257,483)	(6,832,921)	(6,680,415)	(6,719,857)	(6,371,855)	(6,490,330)	(6,304,031)	(6,019,196)	(5,721,480)	(5,676,784)
Transfers among employers	(389,204)	(900,943)	189,045	889,985	35,400	(608,658)	(419,392)	29,171	(173,315)	-
Net change in total pension liability	5,512,434	2,234,638	2,729,338	8,339,554	2,636,501	1,335,071	1,160,349	2,992,579	5,503,325	2,858,718
Total pension liability - beginning	105,491,317	103,256,679	100,527,341	92,187,790	89,551,289	88,216,218	87,055,869	84,063,290	78,559,965	75,701,247
Total pension liability - ending (a)	\$ 111,003,751	\$ 105,491,317	\$ 103,256,679	\$ 100,527,344	\$ 92,187,790	\$ 89,551,289	\$ 88,216,218	\$ 87,055,869	\$ 84,063,290	\$ 78,559,965
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,964,506	\$ 3,730,416	\$ 3,622,862	\$ 3,030,234	\$ 2,869,685	\$ 2,608,922	\$ 2,556,321	\$ 2,288,116	\$ 2,243,275	\$ 2,317,790
Contributions - member	2,057,837	1,860,532	1,684,601	1,568,777	1,461,430	1,440,575	1,352,780	1,285,637	1,345,519	1,355,450
Net investment income	11,090,896	6,251,273	(7,305,075)	10,598,910	2,667,393	1,231,904	4,312,206	5,585,674	4,250,351	515,062
Benefit payments, including refunds of employee contributions	(7,257,483)	(6,832,921)	(6,680,415)	(6,719,857)	(6,371,855)	(6,490,330)	(6,304,031)	(6,019,196)	(5,721,480)	(5,676,784)
Transfers among employees	(389,204)	(900,943)	189,045	889,985	35,400	(608,658)	(419,392)	29,171	(173,315)	(79,807)
Net change in plan fiduciary net position	9,466,552	4,108,357	(8,488,982)	9,368,049	662,053	(1,817,587)	1,497,884	3,169,402	1,944,350	(1,568,289)
Plan net position - beginning	53,331,609	49,223,252	57,712,234	48,344,185	47,682,132	49,499,719	48,001,835	44,832,433	42,888,083	44,456,372
Plan net position - ending (b)	\$ 62,798,161	\$ 53,331,609	\$ 49,223,252	\$ 57,712,234	\$ 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)	\$ 48,205,590	\$ 52,159,708	\$ 54,033,427	\$ 42,815,110	\$ 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	56.57%	50.56%	47.67%	57.41%	52.44%	53.25%	56.11%	55.14%	53.33%	54.59%
Covered employee payroll	\$ 24,418,132	\$ 22,673,417	\$ 20,949,276	\$ 19,392,942	\$ 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	197.42%	230.05%	257.93%	220.78%	229.47%	237.51%	220.87%	236.02%	232.96%	219.37%

UNAUDITED

CITY OF OPELIKA, ALABAMA
Schedule of Employer Contributions – Pension
Last Ten Fiscal Years Ended September 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 6,045,777	\$ 5,624,446	\$ 5,256,072	\$ 4,630,231	\$ 4,387,097	\$ 3,998,592	\$ 2,710,697	\$ 2,317,489	\$ 2,759,158	\$ 2,374,149
Contributions in relation to the actuarially determined contribution	6,045,777	5,624,446	5,256,072	4,630,231	4,387,097	3,998,592	2,710,697	2,317,489	2,759,158	2,374,149
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 24,418,132	\$ 22,673,417	\$ 20,949,276	\$ 19,392,942	\$ 19,106,781	\$ 17,628,631	\$ 17,528,945	\$ 16,547,083	\$ 16,840,471	\$ 16,260,839
Contributions as a percentage of covered employee payroll	24.76%	24.81%	25.09%	23.88%	22.96%	22.68%	15.46%	14.01%	16.38%	14.60%

UNAUDITED

CITY OF OPELIKA, ALABAMA
Notes to the Required Supplementary Information - Pension
September 30, 2025

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 2025 were based on the September 30, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2024 to September 30, 2025:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	25.4 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	3.25 - 6.00%, including inflation
Investment rate of return	7.45%, net of pension plan investment expense, including inflation

CITY OF OPELIKA, ALABAMA
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Last Eight Years Ended September 30,

	2025	2024	2023	2022	2021	2020	2019	2018
OPEB Expenses								
Service cost	\$ 224,375	\$ 218,242	\$ 201,507	\$ 293,140	\$ 580,543	\$ 158,783	\$ 67,768	\$ 72,153
Interest	466,340	425,048	453,118	272,721	159,970	178,809	131,209	120,339
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(196,993)	501,464	(252,949)	1,151,709	4,365,508	328,282	2,551,136	50,947
Changes in assumptions	(1,353,803)	365,327	(84,026)	(2,643,120)	879,377	230,271	1,061,816	(199,968)
Benefit payments	(407,858)	(444,720)	(421,536)	(553,601)	(524,740)	(234,883)	(222,638)	(216,600)
Net change in total OPEB liability	(1,267,939)	1,065,361	(103,886)	(1,479,151)	5,460,658	661,262	3,589,291	(173,129)
Total OPEB Liability - beginning	12,443,830	11,378,469	11,482,355	12,961,506	7,500,848	6,839,586	3,250,295	3,423,424
Total OPEB Liability - ending	\$ 11,175,891	\$ 12,443,830	\$ 11,378,469	\$ 11,482,355	\$ 12,961,506	\$ 7,500,848	\$ 6,839,586	\$ 3,250,295
Covered-employee payroll	\$ 25,419,547	\$ 20,793,807	\$ 19,994,045	\$ 19,127,141	\$ 18,391,482	\$ 18,625,604	\$ 17,909,235	\$ 15,582,216
Net OPEB liability as a percentage of covered-employee payroll	43.97%	59.84%	56.91%	60.03%	70.48%	40.27%	38.19%	20.86%
Notes to Schedule:								
Benefit changes	None	None	None	None	None	None	None	None
Changes of Assumptions:								
Discount Rate:	4.90%	3.81%	4.09%	4.02%	2.15%	2.21%	2.66%	4.18%
Mortality:	Pub-2010/2021	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000
Trend:	4.50% to 5.50%	4.50% to 5.50%	4.50% to 5.50%	4.50% to 5.50%	4.50% to 5.50%	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, Alabama will only present information for those years for which information is available.

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, ALABAMA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	GARDEN HILLS CEMETERY PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 8,561,712	\$ 1,534	\$ 1,022,426	\$ -	\$ 9,585,672
Investments	10,482,446	756,750	-	2,157,693	13,396,889
Accrued interest	-	-	-	2,401	2,401
Receivables	210,334	-	37	-	210,371
Due from other funds	-	-	-	7,313	7,313
Due from other governments	873,199	-	730,909	-	1,604,108
Total current assets	<u>20,127,691</u>	<u>758,284</u>	<u>1,753,372</u>	<u>2,167,407</u>	<u>24,806,754</u>
Other assets:					
Deposits	69,045	-	-	-	69,045
Total other assets	<u>69,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,045</u>
Total assets	<u>\$ 20,196,736</u>	<u>\$ 758,284</u>	<u>\$ 1,753,372</u>	<u>\$ 2,167,407</u>	<u>\$ 24,875,799</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 817,745	\$ -	\$ 126,649	\$ 968	\$ 945,362
Retainage payable	17,140	-	-	-	17,140
Accrued payroll and benefits	740	-	1,286	-	2,026
Due to other funds	9,780	-	1,258,300	-	1,268,080
Matured bonds and interest payable	-	708,375	-	-	708,375
Total liabilities	<u>845,405</u>	<u>708,375</u>	<u>1,386,235</u>	<u>968</u>	<u>2,940,983</u>
Deferred inflows of resources:					
Unearned revenues	952,531	-	-	-	952,531
Total deferred inflows of resources	<u>952,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>952,531</u>
Fund balances:					
Nonspendable	69,045	-	-	2,166,439	2,235,484
Restricted	4,550,966	539,909	414,836	-	5,505,711
Assigned	13,778,789	-	-	-	13,778,789
Unassigned	-	-	(47,699)	-	(47,699)
Total fund balance	<u>18,398,800</u>	<u>539,909</u>	<u>367,137</u>	<u>2,166,439</u>	<u>21,472,285</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,196,736</u>	<u>\$ 1,248,284</u>	<u>\$ 1,753,372</u>	<u>\$ 2,167,407</u>	<u>\$ 25,365,799</u>

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

CITY OF OPELIKA, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2025

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>GARDEN HILLS CEMETERY PERMANENT FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Revenues:					
Intergovernmental	\$ 694,595	\$ -	\$ 100,715	\$ -	\$ 795,310
Investment income	711,842	14,984	18,081	224,161	969,068
Grant income	231,354	-	1,750,353	-	1,981,707
Contributions	100,000	-	-	-	100,000
Business licenses and permits	659,209	-	-	-	659,209
Total revenues	<u>2,397,000</u>	<u>14,984</u>	<u>1,869,149</u>	<u>224,161</u>	<u>4,505,294</u>
Expenditures:					
Current:					
General government	452,567	-	447,830	11,324	911,721
Public safety	378,077	-	-	-	378,077
Public works	540	-	-	-	540
Economic development and urban rehabilitation	842,907	-	-	-	842,907
Capital outlay	2,353,245	-	112,276	-	2,465,521
Debt service:					
Principal retirement	-	410,000	-	-	410,000
Interest and fiscal charges	-	481,867	-	-	481,867
Total expenditures	<u>4,027,336</u>	<u>891,867</u>	<u>560,106</u>	<u>11,324</u>	<u>5,490,633</u>
Excess of revenues over (under) expenditures	(1,630,336)	(876,883)	1,309,043	212,837	(985,339)
Other financing sources (uses):					
Transfers from governmental funds	12,595,412	1,381,867	17,254	58,160	14,052,693
Transfers to governmental funds	(23,167,137)	-	-	(34,351)	(23,201,488)
Total other financing sources	<u>(10,571,725)</u>	<u>1,381,867</u>	<u>17,254</u>	<u>23,809</u>	<u>(9,148,795)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(12,202,061)	504,984	1,326,297	236,646	(10,134,134)
Fund balances, beginning of year	<u>30,600,861</u>	<u>34,925</u>	<u>(959,160)</u>	<u>1,929,793</u>	<u>31,606,419</u>
Fund balances, end of year	<u>\$ 18,398,800</u>	<u>\$ 539,909</u>	<u>\$ 367,137</u>	<u>\$ 2,166,439</u>	<u>\$ 21,472,285</u>

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.

Sportsplex Fund – This fund is used to account for the portion of the sales tax that the government intends to use to fund the construction and ongoing operations of the recreation center.

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, ALABAMA
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2025

	\$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	SPORTSPLEX FUND	ROSEMERE CEMETERY FUND	LODGING TAX FUND	COOPER LIBRARY EXPENDABLE TRUST FUND	COMBINED TOTALS
ASSETS										
Cash and cash equivalents	\$ 572,338	\$ 270,025	\$ 65,348	\$ 3,665,168	\$ 222,044	\$ 971,641	\$ 5,879	\$ 2,789,269	\$ -	\$ 8,561,712
Investments	-	-	-	-	-	10,442,423	-	-	40,023	10,482,446
Other receivables	-	-	-	-	-	150,000	-	60,334	-	210,334
Due from other governments	12,580	9,932	48,156	802,531	-	-	-	-	-	873,199
Total current assets	584,918	279,957	113,504	4,467,699	222,044	11,564,064	5,879	2,849,603	40,023	20,127,691
Other assets:										
Deposits	-	-	-	-	-	-	-	69,045	-	69,045
Total other assets	-	-	-	-	-	-	-	69,045	-	69,045
Total assets	\$ 584,918	\$ 279,957	\$ 113,504	\$ 4,467,699	\$ 222,044	\$ 11,564,064	\$ 5,879	\$ 2,918,648	\$ 40,023	\$ 20,196,736
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ 327,119	\$ 5,748	\$ -	\$ -	\$ 484,878	\$ -	\$ 817,745
Retainage payable	-	-	-	17,140	-	-	-	-	-	17,140
Accrued payroll and benefits	-	-	-	-	740	-	-	-	-	740
Due to other funds	-	-	-	-	9,780	-	-	-	-	9,780
Total liabilities	-	-	-	344,259	16,268	-	-	484,878	-	845,405
Deferred inflows of resources:										
Unearned revenues	-	-	-	802,531	-	150,000	-	-	-	952,531
Total unearned revenues	-	-	-	802,531	-	150,000	-	-	-	952,531
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	69,045	-	69,045
Restricted	584,918	279,957	113,504	3,320,909	205,776	-	5,879	-	40,023	4,550,966
Assigned	-	-	-	-	-	11,414,064	-	2,364,725	-	13,778,789
Total fund balance	584,918	279,957	113,504	3,320,909	205,776	11,414,064	5,879	2,433,770	40,023	18,398,800
Total liabilities, deferred inflows of resources and fund balances	\$ 584,918	\$ 279,957	\$ 113,504	\$ 4,467,699	\$ 222,044	\$ 11,564,064	\$ 5,879	\$ 2,918,648	\$ 40,023	\$ 20,196,736

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

CITY OF OPELIKA, ALABAMA
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For The Year Ended September 30, 2025

	\$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	SPORTSPLEX FUND	ROSEMERE CEMETERY FUND	LODGING TAX FUND	COOPER LIBRARY EXPENDABLE TRUST FUND	COMBINED TOTALS
Revenues:										
Intergovernmental:										
Shared state gasoline tax	\$ 76,421	\$ 60,427	\$ 270,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,087
Alabama trust fund	-	-	-	287,508	-	-	-	-	-	287,508
State grants	-	-	-	-	1,360	-	-	-	-	1,360
Federal grants	-	-	-	-	229,994	-	-	-	-	229,994
Total intergovernmental	76,421	60,427	270,239	287,508	231,354	-	-	-	-	925,949
Business licenses and permits	-	-	-	-	-	-	-	659,209	-	659,209
Miscellaneous:										
Investment income	7,738	5,599	4,076	-	-	687,723	-	-	6,706	711,842
Contributions	-	-	-	-	-	100,000	-	-	-	100,000
Total miscellaneous	7,738	5,599	4,076	-	-	787,723	-	-	6,706	811,842
Total revenues	84,159	66,026	274,315	287,508	231,354	787,723	-	659,209	6,706	2,397,000
Expenditures:										
Current:										
General government	-	-	-	-	452,567	-	-	-	-	452,567
Public safety	-	-	-	-	19,560	358,517	-	-	-	378,077
Public works	-	-	-	-	-	-	540	-	-	540
Economic development and urban rehabilitation	-	-	-	-	-	-	-	842,907	-	842,907
Total current expenditures	-	-	-	-	472,127	358,517	540	842,907	-	1,674,091
Capital outlay	84,000	66,800	450,065	1,169,085	28,392	554,903	-	-	-	2,353,245
Total expenditures	84,000	66,800	450,065	1,169,085	500,519	913,420	540	842,907	-	4,027,336
Excess revenues over (under) expenditures	159	(774)	(175,750)	(881,577)	(269,165)	(125,697)	(540)	(183,698)	6,706	(1,630,336)
Other financing resources (uses):										
Transfers from governmental funds	-	-	-	1,974,373	38,587	10,582,452	-	-	-	12,595,412
Transfers to governmental funds	-	-	-	(536)	-	(22,563,143)	-	(603,458)	-	(23,167,137)
Total other financing sources (uses)	-	-	-	1,973,837	38,587	(11,980,691)	-	(603,458)	-	(10,571,725)
Excess of revenues and other sources over (under) expenditures and other uses	159	(774)	(175,750)	1,092,260	(230,578)	(12,106,388)	(540)	(787,156)	6,706	(12,202,061)
Fund balances, beginning of year	584,759	280,731	289,254	2,228,649	436,354	23,520,452	6,419	3,220,926	33,317	30,600,861
Fund balances, end of year	\$ 584,918	\$ 279,957	\$ 113,504	\$ 3,320,909	\$ 205,776	\$ 11,414,064	\$ 5,879	\$ 2,433,770	\$ 40,023	\$ 18,398,800

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.

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, ALABAMA
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2025

	MUNICIPAL COMPLEXES FUND	INDUSTRIAL ACCESS ROAD GRANT CAPITAL PROJECTS	TOTALS
ASSETS			
Cash and cash equivalents	\$ 542,734	\$ 479,692	\$ 1,022,426
Receivables, net	37	-	37
Due from other governments	-	730,909	730,909
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 542,771</u>	<u>\$ 1,210,601</u>	<u>\$ 1,753,372</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 126,649	\$ -	\$ 126,649
Accrued payroll and benefits	1,286		1,286
Due to other funds	-	1,258,300	1,258,300
Total liabilities	<hr/> 127,935	<hr/> 1,258,300	<hr/> 1,386,235
Fund balances:			
Restricted	414,836	-	414,836
Unassigned	-	(47,699)	(47,699)
Total fund balances	<hr/> 414,836	<hr/> (47,699)	<hr/> 367,137
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 542,771</u>	<u>\$ 1,210,601</u>	<u>\$ 1,753,372</u>

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

CITY OF OPELIKA, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For The Year Ended September 30, 2025

	MUNICIPAL COMPLEXES FUND	INDUSTRIAL ACCESS ROAD GRANT CAPITAL PROJECTS	TOTALS
Revenues:			
Intergovernmental	\$ 100,715	\$ -	\$ 100,715
Investment income	18,081	-	18,081
Grant income	-	1,750,353	1,750,353
Total revenues	<u>118,796</u>	<u>1,750,353</u>	<u>1,869,149</u>
Expenditures:			
General government	447,830	-	447,830
Capital outlay	112,276	-	112,276
Total expenditures	<u>560,106</u>	<u>-</u>	<u>560,106</u>
Excess of revenue over (under) expenditures	(441,310)	1,750,353	1,309,043
Other financing sources (uses):			
Transfers from governmental funds	17,254	-	17,254
Total other financing sources (uses)	<u>17,254</u>	<u>-</u>	<u>17,254</u>
Excess of revenues and other sources over (under) expenditures and other uses	(424,056)	1,750,353	1,326,297
Fund balances, beginning of year	<u>838,892</u>	<u>(1,798,052)</u>	<u>(959,160)</u>
Fund balances, end of year	<u>\$ 414,836</u>	<u>\$ (47,699)</u>	<u>\$ 367,137</u>

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, ALABAMA
Combining Statement of Net Position
Internal Service Funds
September 30, 2025

	WORKMEN'S COMPENSATION INSURANCE	WORKER'S HEALTH INSURANCE	COMBINED TOTALS
ASSETS			
Current assets:			
Cash	\$ 4,383,622	\$ 2,006,501	\$ 6,390,123
Claim reimbursements receivable	-	236,786	236,786
Total current assets	4,383,622	2,243,287	6,626,909
Other assets:			
Deposits	19,229	-	19,229
Total assets	\$ 4,402,851	\$ 2,243,287	\$ 6,646,138
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 80,732	\$ 238,989	\$ 319,721
Liability for unpaid claims	13,050	131,838	144,888
Unearned revenues	-	453,719	453,719
Total current liabilities	93,782	824,546	918,328
Long-term liabilities:			
Liability for unpaid claims	27,393	-	27,393
Total liabilities	121,175	824,546	945,721
NET POSITION			
Restricted	40,443	-	40,443
Unrestricted	4,241,233	1,418,741	5,659,974
Total net position	\$ 4,281,676	\$ 1,418,741	\$ 5,700,417

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

CITY OF OPELIKA, ALABAMA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For The Year Ended September 30, 2025

	WORKMEN'S COMPENSATION INSURANCE	WORKER'S HEALTH INSURANCE	COMBINED TOTALS
Operating revenues:			
Charges for insurance	\$ 346,782	\$ 5,231,666	\$ 5,578,448
Operating expenses:			
Insurance claims and expenses	326,581	6,051,457	6,378,038
Total operating expenses	326,581	6,051,457	6,378,038
Operating income/(loss)	20,201	(819,791)	(799,590)
Nonoperating revenues/(expenses):			
Interest revenue	82,131	7,004	89,135
Total nonoperating revenue/(expenses)	82,131	7,004	89,135
Change in net position	102,332	(812,787)	(710,455)
Net position, beginning of year	4,179,344	2,231,528	6,410,872
Net position, end of year	\$ 4,281,676	\$ 1,418,741	\$ 5,700,417

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

CITY OF OPELIKA, ALABAMA
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended September 30, 2025

	WORKMEN'S COMPENSATION INSURANCE	WORKER'S HEALTH INSURANCE	COMBINED TOTALS
Cash flows from operating activities:			
Receipts from other funds for premiums	\$ 346,782	\$ 5,281,662	\$ 5,628,444
Payments to suppliers and others	(247,717)	(6,032,515)	(6,280,232)
Claims paid	(27,914)	1,158,197	1,130,283
Net cash provided by operating activities	71,151	407,344	478,495
Cash flows from investing activities:			
Interest on investments	82,131	7,004	89,135
Net cash provided by investing activities	82,131	7,004	89,135
Net increase in cash and cash equivalents	153,282	414,348	567,630
Cash and cash equivalents - beginning of year	4,230,340	1,592,153	5,822,493
Cash and cash equivalents - end of year	\$ 4,383,622	\$ 2,006,501	\$ 6,390,123
Reconciliation of operating income to net cash provided by operating activities:			
Operating income/(loss)	\$ 20,201	\$ (819,791)	\$ (799,590)
Change in assets and liabilities:			
Claim reimbursements receivable	-	1,434,459	1,434,459
Accounts payable	78,864	18,942	97,806
Liability for unpaid claims	(27,914)	(276,262)	(304,176)
Unearned revenue	-	49,996	49,996
Net cash provided by operating activities	\$ 71,151	\$ 407,344	\$ 478,495

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

SUPPLEMENTAL SCHEDULES

CITY OF OPELIKA, ALABAMA

Schedule of Debt
Governmental Funds
September 30, 2025

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)	66,505,887

Other long-term debt:

Amount available in debt service funds	-
Amount to be provided (for principal)	-
Total available and to be provided	<u>\$ 66,505,887</u>

Long-term debt outstanding:

General obligation debt:

Serial bonds and warrants:

Warrants issued 2012, due in installments to March 1, 2029	1,715,000
Warrants issued 2016, due in installments to January 1, 2036	3,180,000
Warrants issued 2019, due in installments to October 1, 2026	490,000
Warrants issued 2019, due in installments to November 1, 2037	37,895,000
Warrants issued 2022, due in installments to October 1, 2038	<u>9,975,000</u>
Total general obligation serial bonds and warrants	53,255,000

Other:

Vacation, sick leave, workmen's compensation claims and OPEB liabilities	<u>13,250,887</u>
Total general obligation other	<u>13,250,887</u>
Total long-term debt	<u>\$ 66,505,887</u>

CITY OF OPELIKA, ALABAMA

Schedule of Debt Service

Governmental Funds

September 30, 2025

	General Obligation Bonds and Warrants		Other Long-term Debt		Total General Long-term Debt		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2026	\$ 3,745,000	\$ 1,607,699	\$ -	\$ -	\$ 3,745,000	\$ 1,607,699	\$ 5,352,699
2027	3,655,000	1,510,993	-	-	3,655,000	1,510,993	5,165,993
2028	3,765,000	1,410,235	-	-	3,765,000	1,410,235	5,175,235
2029	3,870,000	1,306,789	-	-	3,870,000	1,306,789	5,176,789
2030	5,065,000	1,178,938	-	-	5,065,000	1,178,938	6,243,938
2031	4,080,000	1,044,555	-	-	4,080,000	1,044,555	5,124,555
2032	4,200,000	924,201	-	-	4,200,000	924,201	5,124,201
2033	4,025,000	793,665	-	-	4,025,000	793,665	4,818,665
2034	4,170,000	654,121	-	-	4,170,000	654,121	4,824,121
2035	5,700,000	479,681	-	-	5,700,000	479,681	6,179,681
2036	5,025,000	292,740	-	-	5,025,000	292,740	5,317,740
2037	4,700,000	130,183	-	-	4,700,000	130,183	4,830,183
2038	1,255,000	25,884	-	-	1,255,000	25,884	1,280,884
Vacation, sick, other:	-	-	13,250,887	-	13,250,887	-	13,250,887
	<u>\$ 53,255,000</u>	<u>\$ 11,359,684</u>	<u>\$ 13,250,887</u>	<u>\$ -</u>	<u>\$ 66,505,887</u>	<u>\$ 11,359,684</u>	<u>\$ 77,865,571</u>

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

CITY OF OPELIKA, ALABAMA
Schedule of General Obligation Debt
September 30, 2025

GENERAL OBLIGATION SCHOOL WARRANTS, SERIES 2012-B

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 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
			<u>\$ 1,715,000</u>	<u>\$ 78,758</u>	<u>\$ 1,793,758</u>

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

CITY OF OPELIKA, ALABAMA
Schedule of General Obligation Debt
September 30, 2025

GENERAL OBLIGATION WARRANTS, SERIES 2016

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 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
			\$ 3,180,000	\$ 986,300	\$ 4,166,300

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

CITY OF OPELIKA, ALBAMA
 Schedule of General Obligation Debt
 September 30, 2025

General Obligation Warrants Series 2019-A

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 490,000	2026	4.31%	\$ 490,000	\$ 9,800	\$ 499,800
			<u>\$ 490,000</u>	<u>\$ 9,800</u>	<u>\$ 499,800</u>

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, ALABAMA
Schedule of General Obligation Debt
September 30, 2025

General Obligation Taxable Warrants Series 2019-B

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 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
			\$ 37,895,000	\$ 6,810,032	\$ 44,705,032

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

CITY OF OPELIKA, ALABAMA
Schedule of General Obligation Debt
September 30, 2025

GENERAL OBLIGATION SCHOOL WARRANTS, SERIES 2022

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 9,975,000	2026	0.000%	\$ -	\$ 417,150	\$ 417,150
9,975,000	2027	5.000%	320,000	409,150	729,150
9,655,000	2028	5.000%	340,000	392,650	732,650
9,315,000	2029	3.000%	360,000	378,750	738,750
8,955,000	2030	3.000%	820,000	361,050	1,181,050
8,135,000	2031	3.500%	845,000	333,963	1,178,963
7,290,000	2032	3.500%	880,000	303,775	1,183,775
6,410,000	2033	5.000%	915,000	265,500	1,180,500
5,495,000	2034	5.000%	965,000	218,500	1,183,500
4,530,000	2035	5.000%	1,010,000	169,125	1,179,125
3,520,000	2036	4.000%	1,060,000	122,675	1,182,675
2,460,000	2037	4.125%	1,205,000	76,622	1,281,622
1,255,000	2038	4.125%	1,255,000	25,884	1,280,884
			\$ 9,975,000	\$ 3,474,794	\$ 13,449,794

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

STATISTICAL TABLES

CITY OF OPELIKA, ALABAMA
 General Governmental Revenues by Source (1)
 Last Ten Fiscal Years

FISCAL YEAR	TAXES	LICENSES AND PERMITS	INTERGOVERNMENTAL	CHARGES FOR SERVICES	FINES AND FORFEITS	MISCELLANEOUS	TOTAL
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
2022	64,942,615	23,464,434	1,994,444	2,468,506	416,103	4,632,456	97,918,558
2023	68,408,341	24,978,586	2,094,404	2,527,730	467,006	5,502,644	103,978,711
2024	72,973,873	27,117,130	2,020,890	3,125,675	431,545	7,504,554	113,173,667
2025	73,776,678	24,734,177	1,970,256	3,045,859	426,216	6,821,861	110,775,047

Notes:

Unaudited

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

CITY OF OPELIKA, ALABAMA
 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
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
2022	10,908,904	21,115,076	5,973,172	325,685	145,750	7,553,559	12,443,345	1,790,887	6,485,760	66,742,138
2023	15,921,931	18,401,058	6,071,923	1,542,710	852,750	8,777,285	23,502,854	1,670,916	7,022,327	83,763,754
2024	11,658,306	24,861,980	6,789,151	743,033	345,250	8,710,403	17,735,685	1,577,009	6,894,412	79,315,229
2025	13,226,117	26,928,597	8,100,058	523,172	524,250	10,152,699	19,266,034	2,334,139	19,720,852	100,775,918

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, ALABAMA
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
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
2022	4,310,000	2,175,760	6,485,760	66,742,138	9.7
2023	4,440,000	2,582,327	7,022,327	83,763,754	8.4
2024	4,540,000	2,354,412	6,894,412	79,315,229	8.7
2025	17,550,000	2,170,852	19,720,852	100,775,918	19.6

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, ALABAMA
Property Tax Levies in Lee County, Alabama
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>
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)
2022	143,225,190 (1)
2023	160,236,431 (1)
2024	165,283,340 (1)
2025	175,454,768 (1)

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

CITY OF OPELIKA, ALABAMA
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY (1)		TOTAL		RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
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	4,025,909,267	16.0
2022	532,400,180	3,651,223,900	179,789,840	883,767,433	712,190,020	4,534,991,333	15.7
2023	615,784,900	4,257,624,800	197,055,160	969,919,633	812,840,060	5,227,544,433	15.5
2024	678,682,840	4,735,319,100	169,107,513	829,784,743	847,790,353	5,565,103,843	15.2
2025	726,520,760	5,069,734,900	185,764,433	912,940,210	912,285,193	5,982,675,110	15.2

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, ALABAMA
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, ALABAMA
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						
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
2022	2020	30,995	712,190,020	69,810,000 (1)	-	69,810,000	9.80	2,252
2023	2020	30,995	812,840,060	75,345,000 (1)	-	75,345,000	9.27	2,431
2024	2020	30,995	847,790,353	70,805,000 (1)	-	70,805,000	8.35	2,284
2025	2020	30,995	912,285,193	53,255,000 (1)	-	53,255,000	5.84	1,718

Notes:

Unaudited

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

CITY OF OPELIKA, ALABAMA
 Computation of Legal Debt Margin
 September 30, 2025

Assessed value of real and personal taxable property as of September 30, 2025 (including motor vehicles and excluding exempt property) (2)		\$ 812,472,469
Debt limit, twenty percent of assessed value (constitutional limitation) (1)		\$ 162,494,494
Outstanding General Obligation Debt:		
Debt in governmental activities	\$ 53,255,000	
Other long-term liabilities	<u>13,250,887</u>	
Total general obligation debt for computation		\$ 66,505,887
Less: Bonds exempted from legal debt limit (1):		
Bonds issued for schools:		
2012-B General Obligation School Warrants	\$ 1,715,000	
2019-A General Obligation Refunding School Warrants	490,000	
2019-B General Obligation Refunding School Warrants	23,833,000	
2022 General Obligation School Warrants	<u>9,975,000</u>	
Total		\$ 36,013,000
Total exempt bonds		<u>36,013,000</u>
NET BONDED INDEBTEDNESS		<u>30,492,887</u>
LEGAL DEBT MARGIN		<u>\$ 132,001,607</u>

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, ALABAMA
 Computation of Overlapping Debt
 September 30, 2025

	<u>GROSS DEBT LESS DEBT SERVICE ASSETS</u>	<u>PERCENTAGE OF DEBT APPLICABLE TO CITY OF OPELIKA</u>	<u>CITY OF OPELIKA DEBT BURDEN</u>
City of Opelika			
Gross bonded debt (1)	\$ 53,255,000		
Other long-term debt	13,250,887		
Total long-term debt	<u>66,505,887</u>		
Less: amounts available for debt service	<u>-</u>		
Direct net debt	<u>\$ 66,505,887</u>	100%	\$ 66,505,887
Overlapping Debt			
Lee County, Alabama (fiscal year ending September 30, 2025)			
Net overlapping debt	<u>\$ - (2)</u>	0.0%	<u>-</u>
Total direct and overlapping debt			<u>\$ 66,505,887</u>

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, ALABAMA
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
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)
2022	30,995 (2)	27,948 (1)	37.1 (3)	88.4 (3)	7,541 (4), (6)	2.3% (5)
2023	30,995 (2)	31,462 (1)	33.5 (3)	91.7 (3)	7,830 (4)	2.2% (5)
2024	30,995 (2)	33,595 (1)	37.7 (3)	89.0 (3)	8,688 (4)	2.8% (5)
2025	30,995 (2)	33,595 (1)	37.7 (3)	89.3 (3)	8,691 (4)	2.7% (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, ALABAMA

Construction
Last Ten Fiscal Years

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)	
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE
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
2022	18	63,516,474	605	137,223,271
2023	15	37,980,706	526	134,078,252
2024	30	29,666,863	478	127,671,599
2025	24	22,476,472	543	136,746,431

Notes:

Unaudited

(1) Amounts shown are new construction only.

CITY OF OPELIKA, ALABAMA

Principal Taxpayers

September 30, 2025

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	TAX COLLECTED	PERCENT OF TOTAL ASSESSED VALUATION
H.L. Mando America, Corporation	Industry/Manufacturer	\$ 20,408,160	\$ 891,447	2.24%
Hanwha Advanced Metals / Lanwha L&C Alabama	Industry/Manufacturer	21,878,580	741,547	2.40%
THF/TKG Tiger Town, LLC	Retail	13,003,560	702,192	1.43%
Wal-Mart	Retail/Distribution	12,295,560	663,919	1.34%
Pharmavite, LLC	Industry/Manufacturer	14,753,340	643,131	1.62%
West Fraser, Inc.	Industry/Lumber Mill	20,610,300	622,499	2.26%
Baxter Healthcare / Gambro Renal Products, Inc.	Health Industry/Manufacturer	13,061,720	536,783	1.43%
Crafty (AL) / Jo-Ann Stores Supply Chain Management	Distribution Center	9,586,500	534,495	1.05%
Car Tech, LLC	Industry/Manufacturer	18,296,980	517,591	2.01%
1800 Crawford Road	Real Estate Development	9,063,260	489,416	0.99%
Total assessed value and tax collected for ten largest taxpayers		152,957,960	6,343,020	16.77%
Total assessed value of other taxpayers		759,327,233		83.23%
Total assessed value of all taxpayers		\$ 912,285,193		100.00%

Notes:

Unaudited

Source: Lee County Revenue Commissioner

Amounts shown are assessed at October 1, 2024 and collected during fiscal year ended September 30, 2025.

CITY OF OPELIKA, ALABAMA
Miscellaneous Statistics (1)
September 30, 2025

Date of Incorporation	1854
Form of Government	Mayor-Council
Area	57 square miles
Miles of Streets:	
Paved	239
Unpaved	4
Fire Protection:	
Number of stations	5
Number of firefighters, paramedics and other personnel	87
Police Protection:	
Number of stations	1
Number of police officers and other personnel	132
Education:	
Attendance centers:	
Primary, intermediate and middle schools	8
Secondary schools	1
State colleges	1
Number of students	8,691
Auburn University, in adjoining Auburn, Alabama	35,172
Sewers:	
Sanitary sewers	337
Building Permits:	
Number of permits	1,051
Estimated value of new construction and improvements	\$ 196,020,901
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	25
Number of libraries	1
Number of volumes	99,893
City Employees	408

Note:
(1) Unaudited