

**CITY OF OPELIKA, ALABAMA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

LIST OF PRINCIPAL OFFICIALS OF THE CITY OF OPELIKA

ELECTED AND APPOINTED OFFICIALS

*Gary Fuller, Mayor
Charles E. Smith, Council President, Ward 4
Patricia A. Jones, Council Member, Ward 1
Larry D. Gray, Council Member, Ward 2
Dozier Smith T, Council Member, Ward 3
David W. Canon, Council Member, Ward 5
Robert G. Shuman, City Clerk/Treasurer
Joel D. Motley, City Administrator
Guy F. Gunter, III, City Attorney*

DEPARTMENT HEADS

*R. Mitchell Price, Controller
Steven Dawe, Information Technology Director
Samuel S. Bailey, Parks and Recreation Director
Lisa G. McLeod, Human Resources Director
Gerald E. Kelley, Planning Director
Lillie Finley, Purchasing/Revenue Manager
Scott Parker, Engineering
Lori B. Huguley, Economic Development Director
David Horton, Opelika Power Services Director
Megan Walters, Interim Library Director
Anita Comer, Municipal Clerk
Byron J. Prather, Jr., Fire Chief
John McEachern, Police Chief
Michael J. Hilyer, Public Works
Terry M. White, Solid Waste*

CITY OF OPELIKA, ALABAMA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
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FINANCIAL SECTION



Independent Auditor's Report

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

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Opinion on the Reporting Entity

As discussed in Note 1, the financial statements referred to above include only the primary government of the City of Opelika, Alabama, which consists of all funds, organizations, institutions, agencies,

departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Opelika, Alabama, as of September 30, 2015, the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on the Reporting Entity

In our opinion, because of the significance of the matter discussed in the "Basis for Opinion on the Reporting Entity" paragraph, the financial statements referred to above do not purport to, and do not present fairly the financial position of the reporting entity of the City of Opelika, Alabama, as of September 30, 2015, the changes in financial position or, where applicable, its cash flows for the year then ended. In accordance with accounting principles generally accepted in the United States of America, the City of Opelika, Alabama has issued separate reporting entity financial statements for which we have issued our report dated March 25, 2016.

Basis for Qualified Opinion

As described in Note 3 to the financial statements, the financial statements referred to above include accumulated costs of utility systems that have been retired from service. These costs should be determined and appropriately reported in order to conform with accounting principles generally accepted in the United States of America. The amount by which this departure would affect the assets, fund balance, and revenues of the utility systems has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, 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 for the primary government of the City of Opelika, Alabama, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in the net pension liability, the schedule of employer contributions, and note to the required supplementary information on pages VI–XVI and 47–60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory 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.

As discussed in Note 1 and Note 12 to the financial statements, in 2015 the City adopted new accounting guidance, *GASB Statement No. 67, Financial Reporting for Pension Plans* and *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2016, on our consideration of the City of Opelika, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Opelika, Alabama's internal control over financial reporting and compliance.



Opelika, Alabama
March 25, 2016

City of Opelika, Alabama

Management's Discussion and Analysis
For the Year Ended September 30, 2015
(Unaudited)

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, 2015.

FINANCIAL HIGHLIGHTS

- During fiscal year ending September 30, 2012, the City of Opelika issued \$62,560,000 General Obligation Warrants, Series 2011, dated December 1, 2011. On August 1, 2011 the City increased the sales tax rate by 1% and pledged so much as may be necessary of the proceeds of the tax increase to the payment of the Warrants. The Warrants were issued for three purposes: (1) construction of school improvements for Opelika High School, (2) construction of various road construction projects and (3) refunding and redemption of the Series 2002 Warrants. The principal amount of the Warrants allocated to the School Improvements is \$38,925,000, to roads is \$19,450,000, and to refunding the 2002 Warrants is \$4,185,000. The school improvements have been completed and all warrant funds for the renovation of Opelika High School have been expended. The road construction portion of the 2011 bond issue on the other hand has \$9,291,146 remaining at year end. The remaining principal balance of the Warrants allocated to the School Improvements is \$35,890,000, to roads is \$17,935,000, and to refunding the 2002 Warrants is \$3,730,000.
- The City of Opelika issued a Telecommunications line of credit during fiscal year 2011. This line of credit matures on February 1, 2016 and the amount owed at September 30, 2015 is \$13,500,000. Opelika Power Services is using the proceeds from the Line of Credit to deliver video, voice, and data services to the residents of Opelika. The system offers next generation TV service with Internet Protocol TV (IPTV), internet connectivity through high speed connections which the fiber will allow, and voice services. Video services were approved to be offered by a referendum of the voters of the City of Opelika. This system will offer the citizens of Opelika a choice for their telecommunication needs. Video, voice, and data services were available beginning in October 2013.
- The General Fund is the main fund of the City of Opelika. It provides funding for Police, Fire, Public Works, Parks and Recreation, Economic Development, the Library, Administrative departments, and debt payments. The funding for these activities are provided by Taxes, Licenses and Permits, Shared State and County revenues, Charges for Services, and other miscellaneous revenues
- City-wide revenues for the fiscal year ending September 30, 2015 were \$110,305,566. This amount includes the Governmental Funds, Sewer, Solid Waste, Telecommunications and Electric Utility Services. City-wide expenditures for the year were \$98,200,979.
- Overall General Fund revenues for the fiscal year ending September 30, 2015 of \$50,113,054 were 7% more than last year. Sales Tax collections of \$27,505,938 were 8%

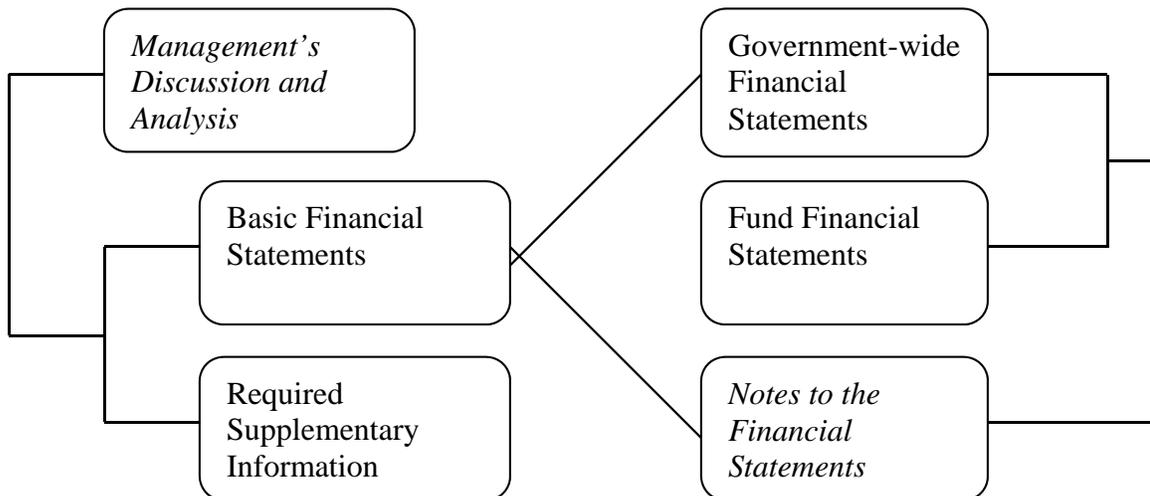
more than last year. Property Tax collections of \$3,150,286 were 3% more than last year. Occupational License Fees of \$9,547,138 were 7% more than last year. Business licenses and permits of \$4,762,981 were 10% more than last year.

The General Fund revenues of \$50,113,054 were 7% over the budgeted revenues of \$46,741,062 for the year. General Fund expenditures of \$35,650,584 were 4% less than last year.

- The City provides significant funding for capital assets. This includes funding for equipment replacement in order 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 \$989,542 which is a 4% decrease compared to last year.
- Even though the construction schedules have been delayed because of the economic climate, progress continues on the Celebrate Alabama Project. Opelika Investment Properties has elected to delay completion of its site commitments under the Development Agreement. The site commitments include master grading of the project site and construction of a four-lane spine road. The City's obligation to cause the construction of the Exposition Center is conditioned upon the completion of Opelika Investment Properties' site commitments. Accordingly, the City's obligation to construct the Exposition Center is delayed until Opelika Investment Properties completes its site commitments.

USING THIS ANNUAL REPORT

Basic Annual Financial Report



Reporting the City as a Whole

Our analysis of the City as a whole begins on page VIII. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statements 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/deferred outflows of resources and liabilities/deferred inflows of resources 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 position – the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. It is necessary to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

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

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

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page XIII. The fund financial statements begin on page four 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 position 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 \$110,165,643 as of September 30, 2015. This is a 12% increase from last year and is due primarily to higher revenues, including sales taxes, occupational licenses and business licenses. The City's expenses also decreased compared to the previous year in multiple departments, including public safety and public works.

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

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

CITY OF OPELIKA NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
	Current and other assets	\$ 77,361,206	\$ 69,461,881	\$ 32,434,609	\$ 32,002,766	\$ 109,795,815
Capital assets	113,140,551	112,732,712	91,708,023	90,412,696	204,848,574	203,145,408
Total Assets	190,501,757	182,194,593	124,142,632	122,415,462	314,644,389	304,610,055
Def chgs/debt issue costs	1,495,787	475,587	189,773	215,076	1,685,560	690,663
Employer retirement contributions	1,828,578	1,675,558	545,571	499,916	2,374,149	2,175,474
Total deferred outflow s of resources	3,324,365	2,151,145	735,344	714,992	4,059,709	2,866,137
Total assets & deferred outflow s of resources	193,826,122	184,345,738	124,877,976	123,130,454	318,704,098	307,476,192
Long term Debt	102,606,594	105,873,274	50,028,516	50,610,949	152,635,110	156,484,223
Other liabilities	2,941,781	2,512,971	11,496,220	9,287,837	14,438,001	11,800,808
Total Liabilities	105,548,375	108,386,245	61,524,736	59,898,786	167,073,111	168,285,031
Net difference between projected and actual earnings on plan investments	991,527	-	295,831	-	1,287,358	-
Net pension liability	24,064,908	25,019,761	7,179,968	7,464,857	31,244,876	32,484,618
Unearned revenues	8,933,110	8,645,489	-	-	8,933,110	8,645,489
Total deferred inflow s of resources	33,989,545	33,665,250	7,475,799	7,464,857	41,465,344	41,130,107
Total liabilities & deferred inflow s of resources	139,537,920	142,051,495	69,000,535	67,363,643	208,538,455	209,415,138
Net Position:						
Net investment in capital assets	78,327,661	78,262,024	41,869,280	39,803,058	120,196,941	118,065,082
Net position - restricted	7,881,653	8,072,266	2,685,587	2,690,586	10,567,240	10,762,852
Net position - unrestricted	(31,921,112)	(44,040,047)	11,322,574	13,273,167	(20,598,538)	(30,766,880)
Total Net Position	\$ 54,288,202	\$ 42,294,243	\$ 55,877,441	\$ 55,766,811	\$ 110,165,643	\$ 98,061,054

Total net position in the governmental activities is \$54.3 million. The total net position consists of net investment in capital assets of \$78.3 million, Net position – restricted of \$7.9 million with the difference shown as net position – unrestricted.

Net investment in capital assets consists of the following components: Capital assets of \$113,140,551 are reduced by \$34,812,890 of related debt that was issued to finance acquisition of infrastructure assets. This amount consists of 2010B Warrants \$1,194,824, Parks and Recreation Sportsplex Warrants \$16,000,741, 2011 Warrants \$9,212,390 (unspent proceeds excluded), 2014 Warrants \$9,900,722 and less deferred charges and debt issue costs of \$1,495,787.

During the current year, the City adopted GASB Statements No. 67 and 68, which required a prior period restatement totaling a decrease in net position of \$23,344,203 for governmental activities and a decrease of \$6,964,941 in net position for business-type activities. Additional information related to the implementation of the GASB Statements and the required restatements of net position can be found in Note 12 in the Notes to the Financial Statements.

Governmental current and other assets increased because cash increased due to revenues exceeding expenditures during the year. Deferred charges and debt issue costs increased as a result of issuing the 2014 Warrants. Long term liabilities decreased as a result of principal payments being made on outstanding debt. Total deferred inflows of resources increased as a result of the implementation of GASB Statements No. 67 and 68.

Business capital assets increased due to system additions in the Electric and Telecommunications funds. Current liabilities increased due to an increase in accounts payable and unearned revenue in the Telecommunications Fund, and increase in current bonds payable in the Sewer Fund. Total deferred inflows of resources increased as a result of the implementation of GASB Statements No. 67 and 68.

The City's long-term liabilities include general obligation warrants, capital leases, compensated absences and revenue warrants. Additional information can be found in Note 8 in the Notes to the Financial Statements.

CITY OF OPELIKA CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 3,034,642	\$ 2,752,639	\$ 50,873,765	\$ 46,005,738	\$ 53,908,407	\$ 48,758,377
Operating grants and contributions	247,554	356,217	-	-	247,554	356,217
Capital grants and contributions	81,378	3,049,655	279,708	546,442	361,086	3,596,097
General revenues:						
Taxes:						
Property	9,330,449	8,947,897	-	-	9,330,449	8,947,897
Sales	27,505,938	25,531,042	-	-	27,505,938	25,531,042
Other	2,271,045	2,275,510	-	-	2,271,045	2,275,510
Licenses and permits	14,690,102	13,561,949	-	-	14,690,102	13,561,949
Grants and contributions not restricted to specific programs	76,946	26,709	-	-	76,946	26,709
Unrestricted investment earnings	150,761	237,977	77,344	75,265	228,105	313,242
Gain/(loss) on sale of capital assets	65,577	(9,837)	19,483	(47,414)	85,060	(57,251)
Miscellaneous	293,383	413,182	1,307,491	1,270,730	1,600,874	1,683,912
Total revenues	<u>57,747,775</u>	<u>57,142,940</u>	<u>52,557,791</u>	<u>47,850,761</u>	<u>110,305,566</u>	<u>104,993,701</u>
Expenses:						
General government	5,902,349	5,764,065	-	-	5,902,349	5,764,065
Public safety	14,764,313	15,364,910	-	-	14,764,313	15,364,910
Public works	6,333,066	6,540,629	-	-	6,333,066	6,540,629
Health	288,231	293,483	-	-	288,231	293,483
Welfare	135,000	113,000	-	-	135,000	113,000
Culture and recreation	6,975,162	6,972,425	-	-	6,975,162	6,972,425
Education	8,237,247	15,644,634	-	-	8,237,247	15,644,634
Economic development and urban rehabilitation	2,103,338	1,820,691	-	-	2,103,338	1,820,691
Interest on long-term debt	3,903,698	4,022,146	-	-	3,903,698	4,022,146
Electric	-	-	38,242,194	37,525,310	38,242,194	37,525,310
Sewer	-	-	3,505,221	3,354,565	3,505,221	3,354,565
Solid Waste	-	-	2,378,951	2,444,397	2,378,951	2,444,397
Telecommunications	-	-	5,432,209	4,150,243	5,432,209	4,150,243
Total Expenses	<u>48,642,404</u>	<u>56,535,983</u>	<u>49,558,575</u>	<u>47,474,515</u>	<u>98,200,979</u>	<u>104,010,498</u>
Change in net position before transfers	9,105,371	606,957	2,999,216	376,246	12,104,587	983,203
Transfers	2,888,588	922,140	(2,888,588)	(922,140)	-	-
Change in net position	<u>\$ 11,993,959</u>	<u>\$ 1,529,097</u>	<u>\$ 110,628</u>	<u>\$ (545,894)</u>	<u>\$ 12,104,587</u>	<u>\$ 983,203</u>

Government-wide revenues increased 5%, while Government-wide expenses decreased by 6%. The 5% increase in revenues is attributable to an increase of approximately \$2.3 million in additional Electric revenues and \$2.3 million in additional Telecommunications revenues. The 6% decrease in expenses is attributable to a decrease of approximately \$7.7 million in the amount appropriated for education from the 2011 warrant proceeds for renovations to Opelika High School since the warrant proceeds for the renovation were fully expended last year. That decrease in school appropriations was partially offset by an increase of approximately \$700,000 in additional Electric expenses and \$1.3 million in additional Telecommunications expenses.

The City of Opelika Sales Tax collections increased 8% from last year. Property Tax collections increased 4% from last year. Occupational Tax Collections increased 7% from last year. Licenses and Permits increased 8% from last year.

Business Type revenues increased by 10% from the previous year while expenses increased by 4%. The Electric sales this year increased by approximately \$2.3 million and Telecommunications sales also increased by approximately \$2.3 million. Solid Waste charges for services increased by \$1 per customer. This increase was necessary to cover increasing capital and operational costs. Telecommunications' operating expenses increased by \$1.3 million primarily due to costs of goods

sold increases such as programming costs as well as reimbursing Electric for allocable costs and fiber and pole rent.

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. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The differences between the governmental activities in the government-wide financial statements on pages one and two, and the balance sheet for governmental funds on pages four and five are explained on page six. The differences in the Statement of Activities on page three and the Statement of Revenues, Expenditures, and Changes in Fund Balances on pages seven and eight are explained on page nine.

As the City completed the year, its governmental funds (as presented in the balance sheet on pages four and five) reported a combined fund balance of \$61,232,276. The increase in the combined fund balance from the prior year balance of \$54,302,283 is a result of increases in the General Fund revenues along with decreases in General Fund expenses in the current year. The General Fund's total fund balance increased to \$41,964,116 from \$32,240,820 in the prior year. The General Fund's Unassigned Fund Balance increased to \$26,496,819 from \$21,297,935 in the prior year.

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 one and two, and the Statement of Net Position, proprietary funds on pages 10 and 11 is the reclassification of the internal service funds to governmental 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 Position, proprietary funds at the bottom of page twelve.

The net position of the proprietary funds increased to \$56,314,772. While the Electric Utility, Sewer System and Solid Waste Collection Funds increased net position, the Telecommunications Fund decreased net position as anticipated by the City while the service is in the process of adding customers and achieving expected revenue levels. Telecommunications began customer service in October of 2013 and the service continues to experience significant customer growth in accordance with City expectations.

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, 2015. The most significant adjustments are itemized below:

- | | |
|---------------|---|
| 1) \$ 417,600 | Motorola System Upgrade Agreement |
| 2) \$ 60,000 | Market + Main Canvas Carter-Jeter Master Plan |
| 3) \$ 58,625 | Tyler Technology Amendment Change Order |
| 4) \$ 35,000 | Replacement equipment for traffic control signals |

5) \$	35,000	Debris management plan
6) \$	30,000	Carryover advance
7) \$	27,952	Opelika Sportsplex Soccer Concession Stand
8) \$	25,000	Additional Appropriation Boys & Girls Clubs
9) \$	25,000	Professional geotechnical engineering & testing services
10) \$	25,000	Legal expenses demolitions, leachate & historical matters
11) \$	22,232	Two Chevy Tahoes
12) \$	20,000	Develop & administer exam for promotion to police lieutenant

In addition to these adjustments, the Library Board contract authorizes budget carry-forwards. The Library carry-forward as of September 30, 2015 was \$166,677.

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, 2015, amounted to \$204,848,574 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, systems, improvements other than buildings, equipment, infrastructure and construction in progress. See Note 6 in the Notes to the Financial Statements for additional capital asset information.

This year's major additions to capital assets included:

1) Road construction and maintenance.	\$8,044,019
2) Replace Oakbowery Bridge	1,208,360
3) General Fixed Asset vehicles and equipment	796,343
4) Evergreen Cemetery	133,982
5) Traffic signals	363,399
6) Nature Park improvements	76,829
7) Opelika Power system additions (including Fiber Project)	1,144,341
8) Opelika Power vehicles and equipment	353,939
9) Telecommunication System Additions	347,533
10) Telecommunication equipment	205,797
11) Sewer system additions	35,000
12) Solid Waste Equipment additions	397,864

Capital Assets at Year-end Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 9,876,694	\$ 9,777,124	\$ 2,470,556	\$ 2,423,071	\$ 12,347,250	\$ 12,200,195
Buildings and improvements	31,798,294	32,625,300	12,606,781	12,873,450	44,405,075	45,498,750
System	-	-	64,924,554	67,443,666	64,924,554	67,443,666
Improvements other than buildings	2,693,442	2,723,200	-	-	2,693,442	2,723,200
Equipment	6,966,011	7,042,628	4,055,965	3,919,666	11,021,976	10,962,294
Infrastructure	60,689,570	53,642,376	-	-	60,689,570	53,642,376
Construction in process	1,116,540	6,922,085	7,650,167	3,752,843	8,766,707	10,674,928
Total	\$ 113,140,551	\$ 112,732,713	\$ 91,708,023	\$ 90,412,696	\$ 204,848,574	\$ 203,145,409

Debt Administration

As of September 30, 2015, the City of Opelika had total city wide long term liabilities of \$152,635,110.

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, 2015, the City had approximately \$27,306,181 of available debt margin. See Note 8 in the Notes to the Financial Statements 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	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 81,042,906	\$ 74,839,890	\$ 7,795,000	\$ 8,370,000	\$ 88,837,906	\$ 83,209,890
Other long-term debt	-	-	41,795,000	41,786,561	41,795,000	41,786,561
Capital leases	15,980,000	25,470,000	-	-	15,980,000	25,470,000
Unamortized premiums/discounts	2,921,052	2,289,360	(100,125)	(97,793)	2,820,927	2,191,567
Compensated absences	2,511,857	2,914,013	538,641	552,181	3,050,498	3,466,194
Claims and judgements	150,779	360,011	-	-	150,779	360,011
Total	\$ 102,606,594	\$ 105,873,274	\$ 50,028,516	\$ 50,610,949	\$ 152,635,110	\$ 156,484,223

ECONOMIC FACTORS

2015 was another great year for the City of Opelika. We announced 368 new jobs and \$83 million in capital investment. This includes 334 new jobs for new companies, including Golden State Foods, Cumberland Plastics and Ironstrike. These new companies will invest \$61.8 million in our community. We also announced the expansion of existing industries, including Jo-Ann Stores, Daewon America, Pharmavite and KO-AM. These companies will add 34 additional jobs and add \$21.2 million in capital to their existing facilities.

Since 2005, the City of Opelika has announced 2,868 industrial jobs and \$1.384 billion in capital investment.

Downtown Opelika continued to grow with the opening of John Emerald Distillery, Red Clay Brewing Company and Zazu's. The Event Center Downtown changed its name to the Bottling Plant

to be more reflective of its history and continued to bring events that drew large crowds to downtown.

A new commercial development near Tiger Town, Tiger Square, began construction and is scheduled to open in the spring of 2016. The new development Crossroads Opelika opened and was drawing customers off the Interstate to Einstein Bagels, Chipotle, Tazikis and BurgerFi.

Tiger Town Corporate Park added the new location for J. Smith Lanier and has two additional doctor's offices under construction slated to open summer 2016.

FINANCIAL CONTACT

This financial report is designed to provide our citizens, taxpayers, customers, and 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 204 South Seventh Street, P.O. Box 390, Opelika, Alabama 36803-0390.

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BASIC FINANCIAL STATEMENTS

CITY OF OPELIKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and cash equivalents	\$ 27,321,089	\$ 12,567,886	\$ 39,888,975
Certificates of deposit	21,987,000	8,437,179	30,424,179
Receivables:			
Accounts and unbilled service receivable, net	-	5,046,320	5,046,320
Sales and use taxes	2,660,612	-	2,660,612
Occupational license taxes	2,428,504	-	2,428,504
Property taxes	2,953,742	-	2,953,742
Fines and forfeitures	310,751	-	310,751
Other	2,277,316	14,408	2,291,724
Due from other governments	58,340	940,416	998,756
Inventory of supplies, at cost	102,779	2,730,382	2,833,161
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	9,291,146	-	9,291,146
Cash with fiscal agent	1,099,711	2,685,587	3,785,298
Receivable for property taxes, restricted for school purposes	5,873,906	-	5,873,906
Investments	10,429	-	10,429
Permanently restricted:			
Investments	897,607	-	897,607
Other	88,274	12,431	100,705
Capital assets:			
Land	9,876,694	2,470,556	12,347,250
Building	42,650,072	13,755,479	56,405,551
System improvements other than buildings	5,378,662	115,738,575	121,117,237
Equipment	19,116,224	9,523,707	28,639,931
Infrastructure	82,119,415	-	82,119,415
Construction work in progress	1,116,540	7,650,167	8,766,707
Total original cost	160,257,607	149,138,484	309,396,091
Less: accumulated depreciation	(47,117,056)	(57,430,461)	(104,547,517)
Capital assets, net	113,140,551	91,708,023	204,848,574
Total assets	190,501,757	124,142,632	314,644,389
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges and debt issue costs	1,495,787	189,773	1,685,560
Employer retirement contributions	1,828,578	545,571	2,374,149
Total deferred outflows of resources	3,324,365	735,344	4,059,709
 Total assets and deferred outflows of resources	 \$ 193,826,122	 \$ 124,877,976	 \$ 318,704,098

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

CITY OF OPELIKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Accounts payable	\$ 3,112,270	\$ 5,056,189	\$ 8,168,459
Accrued payroll and benefits	710,772	133,090	843,862
Accrued interest payable	1,795,797	217,934	2,013,731
Due to other funds	(2,949,280)	2,949,280	-
Due to other governments	272,222	-	272,222
Long-term liabilities:			
Due within one year	3,443,944	759,631	4,203,575
Due in more than one year	99,162,650	49,268,885	148,431,535
Unearned revenues	-	528,163	528,163
Customer deposits	-	2,611,564	2,611,564
Total liabilities	<u>105,548,375</u>	<u>61,524,736</u>	<u>167,073,111</u>
DEFERRED INFLOWS OF RESOURCES			
Net difference between projected and actual earnings			
on plan investments	991,527	295,831	1,287,358
Net pension liability	24,064,908	7,179,968	31,244,876
Unearned revenues	8,933,110	-	8,933,110
Total deferred inflows of resources	<u>33,989,545</u>	<u>7,475,799</u>	<u>41,465,344</u>
Total liabilities and deferred inflows of resources	139,537,920	69,000,535	208,538,455
NET POSITION			
Net investment in capital assets	78,327,661	41,869,280	120,196,941
Net position - restricted	7,881,653	2,685,587	10,567,240
Net position - unrestricted	(31,921,112)	11,322,574	(20,598,538)
Total net position	<u>\$ 54,288,202</u>	<u>\$ 55,877,441</u>	<u>\$ 110,165,643</u>

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

CITY OF OPELIKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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	\$ 5,902,349	\$ 13,083	\$ 39,264	\$ -	\$ (5,850,002)	\$ -	\$ (5,850,002)
Public safety	14,764,313	1,196,044	17,229	-	(13,551,040)	-	(13,551,040)
Public works	6,333,066	326,461	-	-	(6,006,605)	-	(6,006,605)
Health	288,231	-	-	-	(288,231)	-	(288,231)
Welfare	135,000	-	-	-	(135,000)	-	(135,000)
Culture and recreation	6,975,162	1,499,054	6,093	81,378	(5,388,637)	-	(5,388,637)
Education	8,237,247	-	-	-	(8,237,247)	-	(8,237,247)
Economic development and urban rehabilitation	2,103,338	-	184,968	-	(1,918,370)	-	(1,918,370)
Interest on long-term debt	3,903,698	-	-	-	(3,903,698)	-	(3,903,698)
Total government activities	<u>48,642,404</u>	<u>3,034,642</u>	<u>247,554</u>	<u>81,378</u>	<u>(45,278,830)</u>	<u>-</u>	<u>(45,278,830)</u>
Business-type activities:							
Electric	38,242,194	40,477,434	-	246,083	-	2,481,323	2,481,323
Sewer	3,505,221	4,142,140	-	-	-	636,919	636,919
Solid waste	2,378,951	2,527,479	-	33,625	-	182,153	182,153
Telecommunications	5,432,209	3,726,712	-	-	-	(1,705,497)	(1,705,497)
Total business-type activities	<u>49,558,575</u>	<u>50,873,765</u>	<u>-</u>	<u>279,708</u>	<u>-</u>	<u>1,594,898</u>	<u>1,594,898</u>
Total primary government	<u>\$ 98,200,979</u>	<u>\$ 53,908,407</u>	<u>\$ 247,554</u>	<u>\$ 361,086</u>	<u>(45,278,830)</u>	<u>1,594,898</u>	<u>(43,683,932)</u>
General revenues:							
Taxes:							
Property					9,330,449	-	9,330,449
Sales					27,505,938	-	27,505,938
Other					2,271,045	-	2,271,045
Licenses and permits					14,690,102	-	14,690,102
Grants and contributions not restricted to specific programs					76,946	-	76,946
Investment earnings					150,761	77,344	228,105
Gain on sale of capital assets					65,577	19,483	85,060
Miscellaneous income					293,383	1,307,491	1,600,874
Transfers					2,888,588	(2,888,588)	-
Total general revenues and transfers					<u>57,272,789</u>	<u>(1,484,270)</u>	<u>55,788,519</u>
Change in net position					11,993,959	110,628	12,104,587
Net position - beginning of year (restated)					42,294,243	55,766,813	98,061,056
Net position - end of year					<u>\$ 54,288,202</u>	<u>\$ 55,877,441</u>	<u>\$ 110,165,643</u>

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

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CITY OF OPELIKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<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	\$ 19,499,440	\$ 199,141	\$ 41,076	13,898,114	\$ 33,637,771
Certificates of deposit	16,987,000	-	-	5,000,000	21,987,000
Receivables:					
Occupational license taxes	2,428,504	-	-	-	2,428,504
Sales and use taxes	2,635,486	-	-	25,126	2,660,612
Property taxes	2,953,742	5,873,906	-	-	8,827,648
Fines and forfeitures	264,317	-	-	46,434	310,751
Assessments	198,471	-	-	-	198,471
Accrued interest	4,059	-	-	3,193	7,252
Other	148,970	-	-	1,578,500	1,727,470
Due from other funds	4,414,455	-	-	6,000	4,420,455
Due from other governments	30,482	-	-	27,858	58,340
Inventories of supplies, at cost	102,779	-	-	-	102,779
Prepaid expenses	84,044	-	-	-	84,044
Investments	-	-	648,452	1,359,295	2,007,747
Total current assets	<u>49,751,749</u>	<u>6,073,047</u>	<u>689,528</u>	<u>21,944,520</u>	<u>78,458,844</u>
Other assets:					
Deposits	-	-	-	69,045	69,045
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,045</u>	<u>69,045</u>
Total assets	<u>\$ 49,751,749</u>	<u>\$ 6,073,047</u>	<u>\$ 689,528</u>	<u>\$ 22,013,565</u>	<u>\$ 78,527,889</u>

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

CITY OF OPELIKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<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	\$ 2,011,326	\$ -	\$ -	\$ 739,265	\$ 2,750,591
Retainage payable	18,094	-	-	-	18,094
Accrued payroll and benefits	633,276	-	-	1,447	634,723
Due to other funds	1,497,206	-	-	619,959	2,117,165
Due to other governments	613	271,609	-	-	272,222
Matured bonds and interest payable	-	-	-	451,259	451,259
	<u>4,160,515</u>	<u>271,609</u>	<u>-</u>	<u>1,811,930</u>	<u>6,244,054</u>
Deferred inflows of resources:					
Unearned revenues	3,627,118	5,801,438	-	1,623,003	11,051,559
Total deferred inflows of resources	<u>3,627,118</u>	<u>5,801,438</u>	<u>-</u>	<u>1,623,003</u>	<u>11,051,559</u>
Fund balances:					
Nonspendable:					
Inventories	102,779	-	-	-	102,779
Other noncurrent assets	84,044	-	-	69,045	153,089
Permanent funds - nonexpendable	-	-	-	903,395	903,395
Restricted to:					
Special revenue	-	-	-	2,671,838	2,671,838
Debt service	-	-	689,528	1,491	691,019
Capital projects	79,749	-	-	9,714,927	9,794,676
Public safety	24,609	-	-	-	24,609
Committed:					
Special projects	82,818	-	-	-	82,818
Assigned to:					
Road improvement and maintenance	4,458,844	-	-	-	4,458,844
Sportsplex	-	-	-	3,544,528	3,544,528
Economic development	-	-	-	685,038	685,038
Cooper library	-	-	-	10,429	10,429
Capital projects	10,634,454	-	-	1,590,137	12,224,591
Unassigned	26,496,819	-	-	(612,196)	25,884,623
Total fund balances	<u>41,964,116</u>	<u>-</u>	<u>689,528</u>	<u>18,578,632</u>	<u>61,232,276</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,751,749</u>	<u>\$ 6,073,047</u>	<u>\$ 689,528</u>	<u>\$ 22,013,565</u>	<u>\$ 78,527,889</u>

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

CITY OF OPELIKA
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2015*

Total fund balances - governmental funds		\$ 61,232,276
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.		113,140,551
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.		3,019,829
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.		2,330,418
Deferred inflows and outflows of resources not due and payable in the current period and therefore are not reported in the funds.		(23,227,857)
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	\$ (95,527,119)
	Premiums, debt issuance and refunding costs	(2,921,052)
	Accrued interest payable	(1,344,538)
	Compensated absences	(2,414,306)
		<u>(102,207,015)</u>
Net position of governmental activities		<u>\$ 54,288,202</u>

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

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CITY OF OPELIKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<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>
Revenues:					
Taxes:					
Property	\$ 3,150,286	\$ 6,180,163	\$ -	\$ -	\$ 9,330,449
Sales	27,505,938	-	-	-	27,505,938
Other	1,384,906	-	-	-	1,384,906
Occupational license fees	9,547,138	-	-	-	9,547,138
Business licenses and permits	4,762,981	-	-	379,983	5,142,964
Intergovernmental	582,947	-	-	691,450	1,274,397
Charges for services	1,806,639	-	-	-	1,806,639
Fines and forfeitures	885,458	-	-	-	885,458
Investment income	72,370	4,798	110	49,062	126,340
Grant income	23,379	-	-	-	23,379
Contributions	97,600	-	-	164,330	261,930
Miscellaneous	293,412	-	-	-	293,412
Total revenues	<u>50,113,054</u>	<u>6,184,961</u>	<u>110</u>	<u>1,284,825</u>	<u>57,582,950</u>
Expenditures:					
Current:					
General government	5,284,476	-	-	191,190	5,475,666
Public safety	13,409,442	-	-	381,869	13,791,311
Public works	3,731,647	-	-	22,358	3,754,005
Health	288,231	-	-	-	288,231
Welfare	135,000	-	-	-	135,000
Culture and recreation	6,024,589	-	-	62,252	6,086,841
Education	3,010,500	5,200,036	-	-	8,210,536
Economic development and urban rehabilitation	1,678,083	-	-	407,340	2,085,423
Capital outlay	1,343,199	-	-	3,480,384	4,823,583
Debt service:					
Principal retirement	561,984	-	2,305,000	695,000	3,561,984
Interest and fiscal charges	183,433	-	3,496,085	289,925	3,969,443
Bond issue costs	-	-	147,352	-	147,352
Total expenditures	<u>35,650,584</u>	<u>5,200,036</u>	<u>5,948,437</u>	<u>5,530,318</u>	<u>52,329,375</u>
Excess of revenues over (under) expenditures	\$ 14,462,470	\$ 984,925	\$ (5,948,327)	\$ (4,245,493)	\$ 5,253,575

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

CITY OF OPELIKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<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):					
Proceeds from debt issuance	\$ -	\$ -	\$ 9,944,000	\$ -	\$ 9,944,000
Proceeds used to refund bonds	-	-	(9,791,294)	-	(9,791,294)
Sale of capital assets	92,380	-	-	-	92,380
Transfers from governmental funds	481,340	-	5,696,581	3,783,250	9,961,171
Transfers from proprietary funds	2,888,588	-	-	-	2,888,588
Transfer to internal service fund	(1,457,256)	-	-	-	(1,457,256)
Transfers to governmental funds	(6,744,226)	(984,925)	(255,663)	(1,976,357)	(9,961,171)
Total other financing sources (uses)	<u>(4,739,174)</u>	<u>(984,925)</u>	<u>5,593,624</u>	<u>1,806,893</u>	<u>1,676,418</u>
Net change in fund balances	9,723,296	-	(354,703)	(2,438,600)	6,929,993
Fund balances, beginning of year	<u>32,240,820</u>	<u>-</u>	<u>1,044,231</u>	<u>21,017,232</u>	<u>54,302,283</u>
Fund balances, end of year	<u>\$ 41,964,116</u>	<u>\$ -</u>	<u>\$ 689,528</u>	<u>\$ 18,578,632</u>	<u>\$ 61,232,276</u>

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

CITY OF OPELIKA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - all governmental funds		\$ 6,929,993
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	\$ 4,823,583	
Less: current year depreciation	<u>(4,442,509)</u>	381,074
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/transfers	53,567	
Disposals at net book value	<u>(26,803)</u>	26,764
Revenues previously recorded in the Statement of Activities that provide current financial resources are reported as revenues in the funds.		
		45,710
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 amount of new debt	(9,944,000)	
Repayment of principal portion of refunded bonds	9,165,000	
Debt issuance and refunding costs	842,194	
Principal payments on outstanding debt	<u>3,561,984</u>	3,625,178
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.		
		516,912
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>468,328</u>
Change in net assets of governmental activities		<u><u>\$ 11,993,959</u></u>

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

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CITY OF OPELIKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

ASSETS	<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>
Current assets:						
Cash	\$ 6,767,156	\$ 4,759,632	\$ 502,480	\$ 538,618	\$ 12,567,886	\$ 2,974,464
Certificates of deposit	8,437,179	-	-	-	8,437,179	-
Accounts and unbilled service receivable, net	4,435,657	252,032	232,611	126,020	5,046,320	226,070
Accrued interest	11,008	-	-	-	11,008	-
Due from other funds	1,166,156	24,138	-	-	1,190,294	1,733,790
Due from other governments	-	890,954	-	49,462	940,416	-
Prepaid insurance and other assets	309	-	3,091	-	3,400	-
Inventory of supplies, at cost	2,730,382	-	-	-	2,730,382	-
Total current assets	<u>23,547,847</u>	<u>5,926,756</u>	<u>738,182</u>	<u>714,100</u>	<u>30,926,885</u>	<u>4,934,324</u>
Restricted assets:						
Cash and investments with fiscal agent	2,633,110	52,477	-	-	2,685,587	-
Total restricted assets	<u>2,633,110</u>	<u>52,477</u>	<u>-</u>	<u>-</u>	<u>2,685,587</u>	<u>-</u>
Capital assets:						
Land	2,091,639	149,370	-	229,547	2,470,556	-
Building	13,689,850	21,823	-	43,806	13,755,479	-
System	59,764,955	44,792,624	11,163,456	17,540	115,738,575	-
Equipment	4,981,050	1,738,546	263,622	2,540,489	9,523,707	-
Construction work in progress	6,010,747	-	1,639,420	-	7,650,167	-
Total original cost	86,538,241	46,702,363	13,066,498	2,831,382	149,138,484	-
Less: accumulated depreciation	(35,077,281)	(18,267,992)	(2,183,592)	(1,901,596)	(57,430,461)	-
Capital assets, net	<u>51,460,960</u>	<u>28,434,371</u>	<u>10,882,906</u>	<u>929,786</u>	<u>91,708,023</u>	<u>-</u>
Other assets:						
Deposits	-	2,431	10,000	-	12,431	19,229
Total other assets	<u>-</u>	<u>2,431</u>	<u>10,000</u>	<u>-</u>	<u>12,431</u>	<u>19,229</u>
Total assets	<u>77,641,917</u>	<u>34,416,035</u>	<u>11,631,088</u>	<u>1,643,886</u>	<u>125,332,926</u>	<u>4,953,553</u>
DEFERRED OUTFLOWS OF RESOURCES						
Employer retirement contributions	339,315	-	91,920	114,336	545,571	-
Bond refunding costs, net	-	189,773	-	-	189,773	-
Total deferred outflows of resources	<u>339,315</u>	<u>189,773</u>	<u>91,920</u>	<u>114,336</u>	<u>735,344</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 77,981,232</u>	<u>\$ 34,605,808</u>	<u>\$ 11,723,008</u>	<u>\$ 1,758,222</u>	<u>\$ 126,068,270</u>	<u>\$ 4,953,553</u>

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

CITY OF OPELIKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

LIABILITIES	ELECTRIC UTILITY	SEWER SYSTEM	TELE- COMMUNICATIONS	SOLID WASTE COLLECTION	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
Current liabilities:						
Accounts payable	\$ 3,831,557	\$ 49,566	\$ 1,139,943	\$ 35,123	\$ 5,056,189	\$ 343,585
Current portion of bonds payable	-	585,000	-	-	585,000	-
Accrued payroll and benefits	197,479	-	44,169	66,073	307,721	-
Due to other funds	1,982,271	-	1,668,786	51,186	3,702,243	1,525,130
Interest payable	118,778	99,006	150	-	217,934	-
Liability for unpaid claims	-	-	-	-	-	216,665
Unearned revenue	23,256	-	352,552	152,355	528,163	177,960
Total current liabilities	<u>6,153,341</u>	<u>733,572</u>	<u>3,205,600</u>	<u>304,737</u>	<u>10,397,250</u>	<u>2,263,340</u>
Noncurrent liabilities:						
Bonds payable, net of current portion and discount	28,144,744	7,260,131	13,500,000	-	48,904,875	-
Accrued employee benefits	261,869	-	27,271	74,870	364,010	-
Liability for unpaid claims	-	-	-	-	-	107,714
Customer deposits	2,415,247	-	24,550	171,767	2,611,564	-
Total noncurrent liabilities	<u>30,821,860</u>	<u>7,260,131</u>	<u>13,551,821</u>	<u>246,637</u>	<u>51,880,449</u>	<u>107,714</u>
Total liabilities	36,975,201	7,993,703	16,757,421	551,374	62,277,699	2,371,054
DEFERRED INFLOWS OF RESOURCES						
Net difference between projected and actual earnings on plan investments	183,990	-	49,843	61,998	295,831	-
Net pension liability	4,465,535	-	1,209,716	1,504,717	7,179,968	-
Total deferred inflows of resources	<u>4,649,525</u>	<u>-</u>	<u>1,259,559</u>	<u>1,566,715</u>	<u>7,475,799</u>	<u>-</u>
NET POSITION						
Invested in capital assets, net of related debt	23,316,216	20,589,240	(2,617,094)	929,786	42,218,148	-
Restricted	2,633,110	52,477	-	-	2,685,587	150,779
Unrestricted	10,407,180	5,970,388	(3,676,878)	(1,289,653)	11,411,037	2,431,720
Total net position	<u>\$ 36,356,506</u>	<u>\$ 26,612,105</u>	<u>\$ (6,293,972)</u>	<u>\$ (359,867)</u>	<u>\$ 56,314,772</u>	<u>\$ 2,582,499</u>

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

CITY OF OPELIKA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<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	\$ 40,477,434	\$ 4,142,140	\$ 3,726,712	\$ 2,527,479	\$ 50,873,765	\$ 2,592,792
Operating expenses:						
Power purchased	28,665,653	-	-	-	28,665,653	-
Personnel services	2,975,501	3,744	516,614	1,148,525	4,644,384	-
Insurance claims and expenses	77,511	5,246	5,652	38,893	127,302	3,825,466
Other	2,075,175	2,227,608	3,407,263	925,306	8,635,352	39,196
Depreciation	2,828,934	1,027,091	1,097,994	202,497	5,156,516	-
Total operating expenses	<u>36,622,774</u>	<u>3,263,689</u>	<u>5,027,523</u>	<u>2,315,221</u>	<u>47,229,207</u>	<u>3,864,662</u>
Operating income (loss)	3,854,660	878,451	(1,300,811)	212,258	3,644,558	(1,271,870)
Nonoperating revenues (expenses):						
Fiber optic line leases	620,715	-	-	-	620,715	-
Investment revenue	69,048	5,859	1,030	1,407	77,344	5,800
Grant income	-	-	-	33,625	33,625	-
Miscellaneous revenue	569,022	-	59,285	58,471	686,778	-
Interest expense and fiscal charges	(1,435,652)	(237,031)	(373,743)	-	(2,046,426)	-
Gain on sale of capital assets	3,179	1,304	-	15,000	19,483	-
Total nonoperating revenues (expenses)	<u>(173,688)</u>	<u>(229,868)</u>	<u>(313,428)</u>	<u>108,503</u>	<u>(608,481)</u>	<u>5,800</u>
Income (loss) before other revenues and transfers	3,680,972	648,583	(1,614,239)	320,761	3,036,077	(1,266,070)
Other revenues and transfers in (out):						
Capital contributions from developers and others	246,083	-	-	-	246,083	-
Capital contributions from grantors	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	1,721,256
Operating transfers (out)	(2,888,588)	-	-	-	(2,888,588)	(264,000)
Total other revenues and transfers	<u>(2,642,505)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,642,505)</u>	<u>1,457,256</u>
Changes in net position	1,038,467	648,583	(1,614,239)	320,761	393,572	191,186
Net position, beginning of year (restated)	<u>35,318,039</u>	<u>25,963,522</u>	<u>(4,679,733)</u>	<u>(680,628)</u>	<u>35,921,200</u>	<u>2,391,313</u>
Net position, end of year	<u>\$ 36,356,506</u>	<u>\$ 26,612,105</u>	<u>\$ (6,293,972)</u>	<u>\$ (359,867)</u>	<u>\$ 35,921,200</u>	<u>\$ 2,582,499</u>
					(282,942)	
					<u>\$ 110,630</u>	

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

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CITY OF OPELIKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<i>ELECTRIC UTILITY</i>	<i>SEWER SYSTEM</i>	<i>TELE- COMMUNICATIONS</i>	<i>SOLID WASTE COLLECTION</i>	<i>TOTALS</i>	<i>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</i>
Cash flows from operating activities:						
Receipts from customers	\$ 39,981,026	\$ 4,306,999	\$ 3,761,872	\$ 2,528,941	\$ 50,578,838	\$ -
Receipts from other funds for premiums	-	-	-	-	-	2,440,263
Customer deposits	109,622	-	8,150	6,577	124,349	-
Payments to suppliers for goods and services	(30,245,804)	(2,215,017)	(2,499,066)	(951,306)	(35,911,193)	(755,156)
Payments to employees for services	(3,024,338)	(3,744)	(500,633)	(1,146,802)	(4,675,517)	-
Claims paid	(77,511)	(5,246)	(5,652)	(38,893)	(127,302)	(3,354,838)
Internal activity - payments (to)/from other funds	(1,996,682)	998,972	1,418,820	(75,075)	346,035	-
Net cash provided by/(used in) operating activities	4,746,313	3,081,964	2,183,491	323,442	10,335,210	(1,669,731)
Cash flows from noncapital financing activities:						
Other receipts	1,189,737	-	59,285	92,096	1,341,118	-
Operating transfers (to)/from other funds	(2,888,588)	-	-	-	(2,888,588)	1,457,256
Net cash provided by/(used in) noncapital financing activities	(1,698,851)	-	59,285	92,096	(1,547,470)	1,457,256
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(3,553,673)	(52,901)	(2,192,750)	(397,864)	(6,197,188)	-
Principal paid on debt maturities	-	(575,000)	-	-	(575,000)	-
Interest and fiscal fees paid on debt maturities	(1,435,652)	(227,278)	(373,743)	-	(2,036,673)	-
Proceeds received from issuance of debt	-	-	8,439	-	8,439	-
Proceeds from sale of assets	3,978	-	-	15,000	18,978	-
Net cash used in capital and related financing activities	(4,985,347)	(855,179)	(2,558,054)	(382,864)	(8,781,444)	-
Cash flows from investing activities:						
Proceeds invested in certificates of deposit	4,995,253	-	-	-	4,995,253	-
Restricted cash used/(deposited)	(150)	5,149	-	-	4,999	-
Interest on investments	67,193	5,859	1,030	1,407	75,489	5,800
Net cash provided by investing activities	5,062,296	11,008	1,030	1,407	5,075,741	5,800
Net increase/(decrease) in cash and cash equivalents	3,124,411	2,237,793	(314,248)	34,081	5,082,037	(206,675)
Cash and cash equivalents at beginning of year	3,642,745	2,521,839	816,728	504,537	7,485,849	3,181,139
Cash and cash equivalents at end of year	<u>\$ 6,767,156</u>	<u>\$ 4,759,632</u>	<u>\$ 502,480</u>	<u>\$ 538,618</u>	<u>\$ 12,567,886</u>	<u>\$ 2,974,464</u>

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

CITY OF OPELIKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<i>ELECTRIC UTILITY</i>	<i>SEWER SYSTEM</i>	<i>TELE-COMMUNICATIONS</i>	<i>SOLID WASTE COLLECTION</i>	<i>TOTALS</i>	<i>GOVERNMENTAL ACTIVITIES-INTERNAL SERVICE FUNDS</i>
Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities:						
Operating income (loss)	\$ 3,854,660	\$ 878,451	\$ (1,300,811)	\$ 212,258	\$ 3,644,558	\$ (1,271,870)
Adjustment to reconcile operating income (loss) to net cash provided by/(used in) operating activities:						
Depreciation	2,828,934	1,027,091	1,097,994	202,497	5,156,516	-
Change in assets and liabilities:						
(Increase) decrease in accounts receivable and unbilled service receivable	(496,408)	13,997	(62,588)	(11,606)	(556,605)	(226,070)
(Increase) decrease in due from other funds	(1,052,218)	998,972	-	-	(53,246)	(1,678,507)
(Increase) decrease in prepaid insurance	(92)	-	1,777	-	1,685	-
(Increase) decrease in due from other governments	-	150,862	-	(15,837)	135,025	-
(Increase) decrease in inventories	71,692	-	-	-	71,692	-
Increase (decrease) in accounts payable	423,424	12,591	906,420	(26,000)	1,316,435	201,200
Increase (decrease) in accrued payroll and benefits	(48,837)	-	15,981	1,723	(31,133)	-
Increase (decrease) in liability for unpaid claims	-	-	-	-	-	(220,462)
Increase (decrease) in due to other funds	(944,464)	-	1,418,820	(75,075)	399,281	1,525,130
Increase (decrease) in unearned revenue	-	-	97,748	28,905	126,653	848
Increase (decrease) in customer deposits	109,622	-	8,150	6,577	124,349	-
Net cash provided by/(used in) operating activities	<u>\$ 4,746,313</u>	<u>\$ 3,081,964</u>	<u>\$ 2,183,491</u>	<u>\$ 323,442</u>	<u>\$ 10,335,210</u>	<u>\$ (1,669,731)</u>
Non cash investing, capital and financing activities:						
Capital assets contributed by developers and others	<u>\$ 246,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,083</u>	<u>\$ -</u>
Reconciliation of cash and cash equivalents to the combining balance sheet:						
Total cash and certificates of deposit	\$ 15,204,335	\$ 4,759,632	\$ 502,480	\$ 538,618	\$ 21,005,065	\$ 2,974,464
Less: deposits not meeting the definition of cash equivalents	8,437,179	-	-	-	8,437,179	-
Cash and cash equivalents at end of year	<u>\$ 6,767,156</u>	<u>\$ 4,759,632</u>	<u>\$ 502,480</u>	<u>\$ 538,618</u>	<u>\$ 12,567,886</u>	<u>\$ 2,974,464</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

Component Units. The excluded component units are as follows:

The Opelika City Board of Education (the “Board of Ed.”) is substantially reliant upon the City because the City Council appoints the members of the Board of Ed., levies taxes on behalf of the Board of Ed. and issues debt on behalf of the Board of Ed. The legal liability for the general obligation debt issued for school purposes of \$45,730,000 at September 30, 2015 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 2015, the City collected \$6,180,163 of ad valorem taxes of which \$984,925 was used for debt service and \$5,195,238 was remitted to the Board of Ed. At September 30, 2015, the City had not yet remitted \$271,609 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, 2015, the Board of Ed. did not make any contributions to the City. The City made an appropriation from its General Fund to the Board of Ed. totaling \$3,000,000 for the year ended September 30, 2015. The Board of Ed. issues separate financial statements which may be obtained from the administrative offices at 300 Simmons Street, Opelika, Alabama 36801.

The City of Opelika Industrial Development Authority (the “Authority”) recruits industry and promotes economic development for the City of Opelika. The City Council appoints the members to the Authority’s Board. The City and the Authority have a funding agreement that obligates the City to make payments satisfying the Opelika Industrial Development Authority’s General Obligation Bonds, Series 2010. These bonds constitute a general obligation of the City. These bonds were used to fully pay the Authority’s 1998 Series A and B bonds. During the year ended September 30, 2015, the City paid \$745,417 in debt service payments for the Authority and appropriated an additional \$125,000 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’s 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 \$1,545,846 during the year ended September 30, 2015. The

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

City has recorded the bond obligation as a capital lease. During the year ended September 30, 2009, the City completed construction of the Sportsplex recreational facilities. The City recorded these assets as capital assets. The total costs related to this project approximated \$32,000,000.

Related Organizations. The City's officials are also responsible for appointing board members of other organizations. However, the City's accountability for the organizations does not extend beyond making the appointments. These organizations are the Utilities Board of the City of Opelika, Medical Clinic Board of the City of Opelika, Housing Authority of the City of Opelika and the Opelika Downtown Redevelopment Authority of the City of Opelika. For the year ended September 30, 2015, the City did not receive any payments in lieu of property taxes from the Housing Authority of the City of Opelika.

Joint Ventures. The City is a participant in one joint venture in which it retains an ongoing financial responsibility, the Indian Pines Golf Course Joint Venture (the "Venture"). The City is a party to an agreement with the City of Auburn, Alabama to own and operate the Indian Pines Golf Course. The joint venture agreement dated October 1, 1976 required capital contributions from each party. Each party has a 50% share in the Venture's profits and losses and responsibility for 50% of any debt incurred. The City's initial contribution of \$589,200 was used to purchase the land and building which are included in capital assets. The cities lease the Indian Pines Golf Course to the Indian Pines Recreation Authority, Inc., (the "Authority"), a jointly governed organization. The Authority operates the golf course on a month-to-month basis with the lease terms continuing in force from the original lease which expired in 1979. The Venture had no debts outstanding at September 30, 2015 and no net income or loss for the fiscal year then ended. Because the joint venture has no operations, no financial statements are prepared. Complete financial statements of the Authority can be obtained from the Authority 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 \$144,210 to the Lee-Russell Council of Governments during the year ended September 30, 2015.

The Indian Pines Recreation Authority (the "Authority") 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 Authority 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 Authority and the two cities authorizes the Authority to operate and maintain the golf course. The City appropriated \$50,000 to the Authority during the year ended September 30, 2015.

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 \$45,000 to the Corporation during the year ended September 30, 2015.

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 \$32,000 to the Center during the year ended September 30, 2015.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$289,476 to EAMC for emergency medical services during the year ended September 30, 2015.

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 comprises 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.

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 Telecommunications Fund are major funds. All of the City's enterprise funds are as follows:

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. Construction of the system began during the fiscal year ended September 30, 2011 and telecommunications services became available to customers during the fiscal year ended September 30, 2014. Activities include administration, construction, operations and maintenance of the system, and system improvements. All costs are financed through charges to customers.

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

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

absences, are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

All ad valorem taxes levied by the state, county and any municipality in Lee County are assessed and collected by the Revenue Commissioner of Lee County. Taxes are levied in June, due on October 1, and delinquent after January 1. Taxes collected by the Revenue Commissioner within the fiscal year but remitted to the City after the fiscal year-end are accrued. Ad valorem taxes not due until October 1 of the following fiscal year are recorded as a receivable and unearned revenue as of the fiscal year end in which the taxes are levied. For the fiscal year ended September 30, 2015, 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 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 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. In the Telecommunications and Solid Waste Collection Funds, monthly billings are made before services are rendered. Therefore, such billings are reported as unearned revenues. 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 \$915,352 in the Electric Utility Fund, \$251,215 in the Sewer System Fund, \$59,462 in the Telecommunications Fund and \$120,416 in the Solid Waste Collection Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. INVENTORIES

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

G. RESTRICTED ASSETS

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

H. ADVANCES TO OTHER GOVERNMENTS

Noncurrent portions of other governments' loans receivable (reported in "Advance to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of other governments' loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources." The City did not have any advances to other governments during the year ended September 30, 2015.

I. COMPENSATED ABSENCES

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

J. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value at the date of donation. Renewals and betterments are capitalized if they significantly extend the useful life of the asset. 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, 2015, the City did not capitalize any interest related to capital projects.

During the year ended September 30, 2015, the City determined that certain capital assets were incorrectly depreciated in the City's former financial system software. The City's total restatement impact for accumulated depreciation in prior years is disclosed in Note 12 to the financial statements.

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.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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
Telecommunications system	\$ 10,000	5 - 20 years
Infrastructure	\$ 50,000	10 - 50 years
Machinery and equipment	\$ 5,000	3 - 20 years

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

K. LONG-TERM LIABILITIES

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

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

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position also reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. At September 30, 2015, the City reported \$1,685,560 of bond refunding costs as deferred outflows of resources in the Statement of Net Position. During the current year, the City recorded \$2,374,149 of employer retirement contributions as deferred outflows of resources in accordance with Statements No. 67 and 68.

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.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At September 30, 2015, the City recognized \$8,933,110 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 pension plan investments totaling \$1,287,358 and a net pension liability totaling \$31,244,876 at September 30, 2015 in the Statement of Net Position.

During 2015, the City implemented GASB Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which require certain pension and retirement obligations and payments to be reported on the financial statements that were not previously reported. The City's total restatement impact for Statements No. 67 and 68 is disclosed in Note 12 to the financial statements.

M. PENSION

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

The Employee's Retirement System of Alabama (the "Plan") 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 requirements of the Governmental Accounting Standards Board (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.

In the fiscal year ended September 30, 2011, the City implemented GASB 54, *Fund Balance, Reporting and Governmental Fund Type Definitions*, for its governmental funds. Under GASB 54, 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 March 25, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the Statement of Net Position date through March 25, 2016 that would require adjustment or additional disclosure in the financial statements other than the items disclosed in Note 8 and Note 11.

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 – ACCOUNTING FOR SYSTEM ADDITIONS AND RETIREMENTS:
ENTERPRISE FUNDS**

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. However, some of the original cost of property that has been retired remains in the system accounts. The amount of these items has not been determined.

NOTE 4 – POWER SALES CONTRACT

The City is a member of the Alabama Municipal Electric Authority (the "Authority"). 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 Authority except for the City's allocation of electricity from the Southeastern Power Administration. The Electric Utility Fund purchased \$26,087,221 under this contract during the year ended September 30, 2015. 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

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 5 – DEPOSITS AND INVESTMENTS (CONTINUED)

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 6 – CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<i>Beginning Balance (Restated)</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,777,124	\$ 99,570	\$ -	\$ 9,876,694
Construction in process	6,922,085	866,286	6,671,831	1,116,540
Total capital assets not being depreciated	<u>16,699,209</u>	<u>965,856</u>	<u>6,671,831</u>	<u>10,993,234</u>
Capital assets being depreciated:				
Buildings and improvements	42,592,099	57,973	-	42,650,072
Improvements other than buildings	5,244,679	133,983	-	5,378,662
Equipment	18,707,358	1,149,055	740,189	19,116,224
Infrastructure	72,867,037	9,252,378	-	82,119,415
Total capital assets being depreciated	<u>139,411,173</u>	<u>10,593,389</u>	<u>740,189</u>	<u>149,264,373</u>
Less accumulated depreciation for:				
Buildings and improvements	9,966,799	884,979	-	10,851,778
Improvements other than buildings	2,521,479	163,741	-	2,685,220
Equipment	11,664,730	1,198,869	713,386	12,150,213
Infrastructure	19,224,661	2,205,184	-	21,429,845
Total accumulated depreciation	<u>43,377,669</u>	<u>4,452,773</u>	<u>713,386</u>	<u>47,117,056</u>
Total capital assets being depreciated, net	<u>96,033,504</u>	<u>6,140,616</u>	<u>26,803</u>	<u>102,147,317</u>
Governmental activities capital assets, net	<u>\$ 112,732,713</u>	<u>\$ 7,106,472</u>	<u>\$ 6,698,634</u>	<u>\$ 113,140,551</u>

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<i>Beginning Balance (Restated)</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,423,071	\$ 47,485	\$ -	\$ 2,470,556
Construction in process	3,752,843	4,385,229	487,905	7,650,167
Total capital assets not being depreciated	<u>6,175,914</u>	<u>4,432,714</u>	<u>487,905</u>	<u>10,120,723</u>
Capital assets being depreciated:				
Buildings and improvements	13,749,184	6,295	-	13,755,479
Systems	114,314,054	1,526,874	102,353	115,738,575
Equipment	8,605,206	986,188	67,687	9,523,707
Total capital assets being depreciated	<u>136,668,444</u>	<u>2,519,357</u>	<u>170,040</u>	<u>139,017,761</u>
Less accumulated depreciation for:				
Buildings and improvements	875,734	272,964	-	1,148,698
Systems	46,870,388	4,045,986	102,353	50,814,021
Equipment	4,685,540	859,396	77,194	5,467,742
Total accumulated depreciation	<u>52,431,662</u>	<u>5,178,346</u>	<u>179,547</u>	<u>57,430,461</u>
Total capital assets being depreciated, net	<u>84,236,782</u>	<u>2,658,989</u>	<u>9,507</u>	<u>81,587,300</u>
Business-type activities capital assets, net	<u>\$ 90,412,696</u>	<u>\$ 1,773,725</u>	<u>\$ 478,398</u>	<u>\$ 91,708,023</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 329,640
Public safety	722,933
Public works, including infrastructure	2,539,296
Culture and recreation	850,640
Total depreciation	<u>\$ 4,442,509</u>
Business-type activities:	
Electric utility fund	\$ 2,828,934
Telecommunications fund	1,097,994
Sewer system fund	1,027,091
Solid waste collection fund	202,497
Total depreciation	<u>\$ 5,156,516</u>

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2015 consisted of the following:

<i>DUE TO</i>	<i>DUE FROM</i>							<i>Total</i>
	<i>General</i>	<i>Non-major Governmental</i>	<i>Electric Utility</i>	<i>Tele- communications</i>	<i>Solid Waste Collection</i>	<i>Internal Service</i>		
General	\$ -	\$ 619,959	\$ 1,981,097	\$ 502,480	\$ 49,787	\$ 1,261,130	\$ 4,414,453	
Non-major Governmental	6,000	-	-	-	-	-	6,000	
Internal Service	1,467,067	-	1,174	150	1,399	264,000	1,733,790	
Electric Utility	-	-	-	1,166,156	-	-	1,166,156	
Sewer System	24,138	-	-	-	-	-	24,138	
Total	\$ 1,497,205	\$ 619,959	\$ 1,982,271	\$ 1,668,786	\$ 51,186	\$ 1,525,130	\$ 7,344,537	

All balances resulted 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.

<i>TRANSFER TO</i>	<i>TRANSFER FROM</i>							<i>Total</i>
	<i>General</i>	<i>School Tax Special Revenue</i>	<i>General Obligation Warrants</i>	<i>Non-major Governmental</i>	<i>Electric Utility</i>	<i>Internal Service</i>		
General	\$ -	\$ -	\$ 255,663	\$ 225,677	\$ 2,888,588	\$ -	\$ 3,369,928	
General Obligation Warrants	4,076,783	-	-	1,619,798	-	-	5,696,581	
Non-major Governmental	2,667,443	984,925	-	130,882	-	-	3,783,250	
Internal Service	1,457,256	-	-	-	-	264,000	1,721,256	
Total	\$ 8,201,482	\$ 984,925	\$ 255,663	\$ 1,976,357	\$ 2,888,588	\$ 264,000	\$ 14,571,015	

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.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 – LONG-TERM LIABILITIES

Long-term liabilities at September 30, 2015 consisted of the following items:

	<u>Governmental</u>	<u>Business-type</u>
Bonds:		
Capital lease obligation related to the Public Park and Recreational Board's Revenue Bonds, Series 2007, due in annual installments of \$480,000 to \$1,725,000 through January 1, 2038, bearing interest rates of 3.25% to 5.00%	\$ 16,000,741	\$ -
Opelika Industrial Development Authority's General Obligation Revenue Bonds, Series 2010, principal and interest are due in monthly installments of \$62,118 through September 22, 2020, bearing interest rates of 2.75% to 4.93%	3,282,906	-
General Obligation School Warrants, Series 2010-A due in annual installments of \$350,000 to \$515,000 through October 1, 2026, bearing interest rates of 2.00% to 4.00%	4,480,940	-
General Obligation Recovery Zone Economic Development Warrants, Series 2010-B due in annual installments of \$225,000 to \$255,000 through July 1, 2028, bearing interest rates of 4.35% to 5.50%	1,194,824	3,195,578
Electric System Revenue Warrants, Series 2011 due in annual installments of \$1,105,000 to \$2,445,000 through March 1, 2036, bearing interest rates of 3.85% to 5.50%	-	28,144,744
General Obligation Warrants, Series 2011 due in annual installments of \$1,635,000 to \$3,635,000 through November 1, 2036, bearing interest rates of 2.00% to 5.00%	59,688,825	-
General Obligation Warrants, Series 2012 due in annual installments of \$100,000 to \$615,000 through April 1, 2023, bearing interest rates of 0.60% to 4.00%	-	4,649,553
Taxable Telecommunications System Revenue Warrant, Series 2011 allows the City to borrow up to \$13,500,000. Interest payments are due monthly. The Warrants mature on February 1, 2016 and bear interest at a rate of 2.73%	-	13,500,000
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%	5,395,000	-
General Obligation Warrants, Series 2014 due in annual installments of \$50,000 to \$1,315,000 through January 1, 2033, bearing interest rates of 2.00% to 4.00%	9,900,722	-
Other Liabilities:		
Compensated absences	2,511,857	538,641
Claims and judgments	150,779	-
Total long-term liabilities	<u>\$ 102,606,594</u>	<u>\$ 50,028,516</u>

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year was as follows:

	<i><u>Beginning Balance</u></i>	<i><u>Additions</u></i>	<i><u>Reductions</u></i>	<i><u>Ending Balance</u></i>	<i><u>Due Within One Year</u></i>
<i>Governmental Activities</i>					
Debt:					
General obligation bonds	\$ 74,839,890	\$ 9,165,000	\$ 2,961,984	\$ 81,042,906	\$ 2,721,393
Capital leases	25,470,000	-	9,490,000	15,980,000	625,000
	<u>100,309,890</u>	<u>9,165,000</u>	<u>12,451,984</u>	<u>97,022,906</u>	<u>3,346,393</u>
Unamortized premiums	2,289,360	779,000	147,308	2,921,052	-
Total debt	<u>102,599,250</u>			<u>99,943,958</u>	<u>3,346,393</u>
Other liabilities:					
Compensated absences	2,914,013			2,511,857	97,551
Claims and judgments	360,011			150,779	-
Total other liabilities	<u>3,274,024</u>			<u>2,662,636</u>	<u>97,551</u>
Total governmental activities	<u>\$ 105,873,274</u>			<u>\$ 102,606,594</u>	<u>\$ 3,443,944</u>
	<i><u>Beginning Balance</u></i>	<i><u>Additions</u></i>	<i><u>Reductions</u></i>	<i><u>Ending Balance</u></i>	<i><u>Due Within One Year</u></i>
<i>Business-type Activities</i>					
Debt:					
General obligation bonds	\$ 8,370,000	\$ -	\$ 575,000	\$ 7,795,000	\$ 585,000
Other long-term debt	41,786,561	8,439	-	41,795,000	-
Unamortized premiums and discounts	(97,793)	-	2,332	(100,125)	-
	<u>50,058,768</u>			<u>49,489,875</u>	<u>585,000</u>
Compensated absences	552,181			538,641	174,631
Total business-type activities	<u>\$ 50,610,949</u>			<u>\$ 50,028,516</u>	<u>\$ 759,631</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 \$9,165,000 of General Obligation Warrants, Series 2014 dated December 18, 2014. The bonds were issued to defease a portion of the Revenues 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, from 2015 through 2033. Interest is payable each January 1 and July 1, beginning July 1, 2015. Additional costs to retire the defeased portion of the 2007 bonds totaled \$1,117,194. These costs have been recorded as deferred charges and are being amortized over the life of the 2014 bonds. The net deferred costs totaled \$1,055,128 at September 30, 2015.

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 from 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

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

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 \$216,169 at September 30, 2015.

The City issued \$6,245,000 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 have been recorded as deferred charges and debt issue costs and will be amortized over the life of the new bonds. The net deferred costs totaled \$138,688 at September 30, 2015.

The City issued \$4,490,000 General Obligation Recovery Zone Economic Development Warrants, Series 2010-B dated July 1, 2010. The City issued \$1,200,000 of the Warrants to construct a new fire station. This portion of the warrants is considered a general obligation of the City and is chargeable against the constitutional debt limit of the City. The City issued \$3,290,000 of the warrants to fund sewer improvement projects. This portion of the warrants has been recorded in the Sewer System Fund. Under Section 6431 of the Internal Revenue Code, an issuer of a Recovery Zone Warrant may apply to receive interest subsidy payments directly from the United States Treasury. The City applied for the interest subsidy payments and expects to receive the interest subsidy payments totaling 45% of the interest due on the warrants. The City expects to receive the interest subsidy payments annually around the same time the interest payments on the warrants are due. During the year ended September 30, 2015, the City received \$104,403 in interest subsidy rebates.

The City issued \$62,560,000 General Obligation Warrants, Series 2011 dated December 1, 2011. The warrants were issued to fund renovations to the high school, several road construction and expansion projects, and to refund \$4,185,000 of the Series 2002 Warrants. The Series 2002 Warrants were called on February 1, 2012. The warrants mature annually on November 1 from 2012 through 2036. Interest is payable on each May 1 and November 1, beginning May 1, 2012. Additional costs incurred to advance refund the Series 2011 bonds totaled \$106,253. These costs have been recorded as deferred charges and debt issue costs and will be amortized over the life of the old bonds. The net deferred costs totaled \$85,802 at September 30, 2015.

The City issued \$5,690,000 General Obligation Warrants, Series 2012 dated May 1, 2012. The warrants were issued to refund a portion (\$5,475,000) of the General Obligation School Warrants, Series 2003-A. The Warrants mature annually on April 1 from 2013 through 2023. Interest is payable on each April 1 and October 1, beginning October 1, 2012. Additional costs incurred to advance refund the Series 2003-A bonds totaled \$276,225. These costs have been recorded as deferred charges and debt issue costs and will be amortized over the life of the new bonds. The net deferred costs totaled \$189,773 at September 30, 2015.

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2015, the City is in compliance with all significant limitations and restrictions.

Other Long-Term Debt.

The City issued \$5,826,992 of Revenue Bonds – Industrial Park Project, Series 2010 dated September 22, 2010. The bonds were issued to retire the Industrial Development Revenue Bonds, Series 1998-A and 1998-B. The bonds mature monthly beginning October 22, 2010 through September 22, 2020. Interest payments are due on a monthly basis beginning October 22, 2010 through September 22, 2020.

The City authorized and approved the issuance of \$28,650,000 of revenue bonds (The Public Park and Recreational Board of the City of Opelika, Series 2007) by the Public Park and Recreational Board of the City of Opelika (the “Board”) for the purpose of acquiring real estate and construction of the Sportsplex recreational facility. The bonds are secured by the real estate and facilities constructed on the real estate and by the lease agreement between the City and the Board. The lease agreement requires the City to make payments to the Board equal to the Board’s annual debt service payments related to the Series 2007 revenue bonds. The lease agreement renews automatically each year as long as the City occupies the facilities. The City considers this obligation to be

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

a capital lease and has recorded both the obligation and the related assets in the Sportsplex Fund. The obligation is not included in the City's general obligation long-term debt. As described above, the City defeased a portion (\$8,890,000) of this bond series through the issuance of the 2014 bond series during the year ended September 30, 2015.

During the year ended September 30, 2011, the City authorized and approved the issuance of \$28,295,000 of revenue bonds (the Electric System Revenue Warrants, Series 2011) dated March 1, 2011 for the purpose of constructing a new Electric office building and construction of the Electric System's SmartGrid fiber system. The bonds mature annually on March 1, beginning March 1, 2020 through March 1, 2036. Interest on the bonds is due semi-annually on March 1 and September 1, beginning September 1, 2011 through March 1, 2036.

During the year ended September 30, 2011, the City authorized and approved the issuance of \$13,500,000 of Taxable Telecommunications System Revenue Warrants (the "Telecommunications Warrants"). In connection with the Telecommunications Warrants, the City also authorized a funding agreement with Regions Bank. The funding agreement allows the City to draw the bonds as needed. The Telecommunications Warrants bear interest at rates ranging from 2.73% to 4.57% based on the City's Moody's rating. At September 30, 2015, the interest rate on the Telecommunications Warrants totaled 2.73%. Interest is due monthly and the entire balance of the borrowing matures on February 1, 2016. The Telecommunications Warrants were issued to fund the City's telecommunications project. At September 30, 2015, the outstanding balance of the Telecommunications Warrants totaled \$13,500,000. Subsequent to year end, the City entered into a supplemental agreement for the Telecommunications Warrants to extend the maturity date of the Telecommunications Warrants to February 1, 2019, with interest rates ranging from 2.62% to 4.57% based on the City's Moody's rating. Interest is due monthly and the entire balance of the borrowing matures on February 1, 2019.

Subsequent to year end, the City authorized and approved the issuance of \$9,285,000 of General Obligation Warrants, Series 2015 dated December 22, 2015 for the purpose of advance refunding a portion (\$9,270,000) of the outstanding Revenue Bonds, Series 2007 issued by The Public Park and Recreation Board of the City of Opelika. The warrants mature annually on January 1 beginning in 2017 and fully maturing on January 1, 2038. Interest is payable each January 1 and July 1, beginning July 1, 2016. Additional costs incurred to advance refund the portion of the 2007 bonds and to issue the 2015 Series totaled approximately \$728,642 and \$157,332, respectively. The advance refunding costs will be recorded as deferred charges and amortized over the life of the new bonds.

Subsequent to year end, the City authorized and approved the issuance of \$5,990,000 of General Obligation Warrants, Series 2016 dated March 3, 2016 for the purpose of advance refunding the outstanding portion (\$6,085,000) of the Revenue Bonds, Series 2007 issued by The Public Park and Recreation Board of the City of Opelika. The warrants mature annually on January 1 beginning in 2017 and fully maturing on January 1, 2036. Interest is payable each January 1 and July 1, beginning July 1, 2016. Additional costs incurred to advance refund the portion of the 2007 bonds and to issue the 2016 Series totaled approximately \$346,706 and \$107,701, respectively. The advance refunding costs will be recorded as deferred charges and amortized over the life of the new bonds.

The Electric System Revenue Warrants, Series 2011 trust indenture requires debt coverage of 1.20 of annual net income for the maximum outstanding annual debt service related to the Electric System Revenue Warrants, Series 2011 and the Telecommunications Warrants. For the year ended September 30, 2015, the City was in compliance with this debt service requirement. The City is in compliance with all other debt covenants at September 30, 2015. The debt coverage calculation is as follows:

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Net operating revenues	\$ 40,477,434
Net investment income	
Interest income earned in the Construction Fund	-
	40,477,434
Operating expenses	(36,622,774)
Depreciation	2,828,934
	2,828,934
Net operating income available for debt service	\$ 6,683,594
	6,683,594
Maximum annual net debt service requirement	\$ 2,513,888
	2,513,888
Debt service ratio coverage	2.66
	2.66
Debt service ratio required	1.20
	1.20

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

<i>Year</i>	<i>Governmental Activities</i>			
	<i>General Obligations</i>		<i>Other Long-term Debt</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2016	\$ 2,721,393	\$ 3,054,004	\$ 625,000	\$ 706,194
2017	3,197,321	2,959,272	650,000	680,694
2018	3,289,877	2,860,825	680,000	650,694
2019	3,394,128	2,758,530	715,000	619,394
2020	3,525,187	2,627,511	740,000	590,294
2021-2025	20,465,000	10,807,029	-	2,877,470
2026-2030	17,505,000	7,130,524	4,695,000	2,434,106
2031-2035	19,820,000	3,373,515	2,935,000	1,686,854
2036-2038	7,125,000	296,896	4,940,000	349,878
Total	\$ 81,042,906	\$ 35,868,106	\$ 15,980,000	\$ 10,595,578

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

<i>Year</i>	<i>Business-type Activities</i>	
	<i>General Obligations</i>	
	<i>Principal</i>	<i>Interest</i>
2016	\$ 585,000	\$ 2,477,544
2017	600,000	2,594,298
2018	610,000	2,590,772
2019	14,140,000	2,353,378
2020	1,760,000	2,206,816
2021-2025	8,485,000	8,963,512
2026-2030	8,465,000	5,237,448
2031-2035	10,950,000	2,688,875
2036-2037	3,995,000	243,581
Total	\$ 49,590,000	\$ 29,356,224

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 2-1-14 to 1-31-15 is \$570,201, 2-1-13 to 1-31-14 is \$639,660, 2-1-12 to 1-31-13 is \$690,740, 2-1-11 to 1-31-12 is \$614,197, and 2-1-10 to 1-31-11 is \$623,835.

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 \$150,779 at September 30, 2015. The balance is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability is calculated actuarially using an interest rate of 1.9% 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 were as follows:

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 – RISK MANAGEMENT (CONTINUED)

	<i>Current Year Claims</i>				
	<i>Beginning</i>	<i>and Changes in</i>	<i>Claim</i>		
	<u>Balance</u>	<u>Estimates</u>	<u>Payments</u>	<u>Ending</u>	<u>Balance</u>
2012-2013	\$ 414,945	\$ 64,416	\$ 97,735	\$	381,626
2013-2014	\$ 381,626	\$ 168,471	\$ 190,056	\$	360,041
2014-2015	\$ 360,041	\$ (106,561)	\$ 102,701	\$	150,779

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, 2014, the Worker’s Health Insurance Fund has received total transfers of \$1,841,237 from the Workman’s Compensation Insurance Fund. During the year ended September 30, 2015, a transfer of \$264,000 from the Workmen’s Compensation Insurance Fund to the Worker’s Health Insurance Fund was made to fund the operations of the Worker’s Health Insurance Fund. The Worker’s Health Insurance Fund also received a transfer of \$1,309,344 from the General Fund during the year ended September 30, 2014 and a transfer of \$1,457,256 during the year ended September 30, 2015. The Fund provides coverage for up to \$110,000 per individual covered under the plan. Individual Excess Loss coverage has been purchased to insure claims in excess of \$110,000 in any one year. Settled claims exceeded premium payments received during the year. Assets equaled liabilities as of September 30, 2015, resulting in a fund balance of \$0.

The claims liability of \$173,600 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:

	<i>Current Year Claims</i>				
	<i>Beginning</i>	<i>and Changes in</i>	<i>Claim</i>		
	<u>Balance</u>	<u>Estimates</u>	<u>Payments</u>	<u>Ending</u>	<u>Balance</u>
2012-2013	\$ 133,400	\$ 2,538,466	\$ 2,501,066	\$	170,800
2013-2014	\$ 170,800	\$ 2,879,249	\$ 2,865,249	\$	184,800
2014-2015	\$ 184,800	\$ 3,014,867	\$ 3,026,067	\$	173,600

NOTE 10 – PENSION PLAN

General Information about the Pension Plan

Plan Description. The Employees’ Retirement System of Alabama (“ERS”), an agency multiple-employer plan, was established October 1, 1945 under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama 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.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

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

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

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

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

Members are eligible for disability retirement if they have 10 years of credible 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 are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

The ERS serves approximately 846 local participating employers. These participating employers include 287 cities, 65 counties, and 494 other public entities. The ERS membership included approximately 83,874 participants. As of September 30, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	21,691
Terminated employees entitled to but not yet receiving benefits	1,252
Terminated employees not entitled to a benefit	5,048
Active Members	55,883
Total	83,874

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% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% 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% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions 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, 2015, the City's active employee contribution rate was 14.76% and 14.62% of covered employee payroll for Tier 1 and Tier 2 employees, respectively, and the City's average contribution rate to fund the normal and accrued liability costs was 13.87% percent of covered employee payroll.

The City's contractually required contribution rate for the year ended September 30, 2015 was 14.76% of pensionable pay for Tier 1 employees, and 14.62% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2013, 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 \$2,374,149 for the year ended September 30, 2015.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

Net Pension Liability

The City's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2013 rolled forward to September 30, 2014 using standard roll-forward techniques as shown in the following table:

Total Pension Liability		
as of September 30, 2013	\$	73,646,608
 Entry Age Normal Cost for		
October 1, 2013 - September 30, 2014		1,408,575
 Estimated Interest		5,689,972
 Actual Benefit Payments and Refunds for		
October 1, 2013 - September 30, 2014		(5,043,908)
 Total Pension Liability		
as of September 30, 2014	\$	75,701,247

Actuarial Assumptions. The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods including in the measurements:

Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return*	8.00%

*Net of pension plan investment expense

Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and two years for females. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2013 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

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:

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	25.00%	5.00%
U.S. Large Stocks	34.00%	9.00%
U.S. Mid Stocks	8.00%	12.00%
U.S. Small Stocks	3.00%	15.00%
International Developed Market Stocks	15.00%	11.00%
International Emerging Market Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	2.00%	1.50%
Total	100.0%	

*Included assumed rate of inflation of 2.50%.

Discount Rate. The discount rate used to measure the total pension liability was the long term rate of return, 8%. 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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2013	\$ 73,646,608	\$ 41,161,992	\$ 32,484,616
Changes for the year:			
Service cost	1,408,575	-	1,408,575
Interest	5,689,972	-	5,689,972
Differences between expected and actual experience	-	-	-
Contributions -- employer	-	2,175,474	(2,175,474)
Contributions--employee	-	1,253,952	(1,253,952)
Net investment income	-	4,840,319	(4,840,319)
Benefit payments, including refunds of employee contributions	(5,043,908)	(5,043,908)	-
Administrative expenses	-	-	-
Transfers among employers	-	68,542	(68,542)
Net changes	2,054,639	3,294,379	(1,239,740)
Balances at 9/30/2014	\$ 75,701,247	\$ 44,456,371	\$ 31,244,876

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

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 8%, 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 (7%) or 1-percentage point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's net pension liability	\$ 39,318,981	\$ 31,244,876	\$ 24,409,639

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, 2014. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2014. The auditor's report dated June 3, 2015 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 www.rsa-al.gov.

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

For the year ended September 30, 2015, the City recognized pension expense of \$2,226,751. At September 30, 2015, 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
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	1,287,358
Employer contributions subsequent to the Measurement Date	2,374,149	-
Total	\$ 2,374,149	\$ 1,287,358

Amounts reported as deferred outflows of resources will be recognized as pension expense during the year ended September 30, 2016 and the amounts reported as deferred inflows of resources to pensions will be recognized in pension expense as follows:

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

Year Ended September 30

2016	\$	321,839
2017		321,839
2018		321,839
2019		321,841
2020		-
Thereafter		-

Post-employment Benefits

Plan Description – The City of Opelika’s medical benefits are provided to employees upon actual retirement.

The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service (called "Tier I members). Employees hired on and after January 1, 2013 (called "Tier II" members) are eligible to retire only after attainment of age 62 or later completion of 10 years of service. Coverage is for retirees only (no dependents) and coverage ceases at age 65 except for a select number of "grandfathered" retirees.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, the City of Opelika recognized the cost of providing post-employment medical benefits (the City of Opelika’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2015 and 2014, the City of Opelika’s portion of health care funding cost for retired employees totaled \$265,140 and \$282,269, respectively.

Effective October 1, 2008, the City of Opelika implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The City of Opelika’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2015</u>	<u>2014</u>
Normal Cost	\$ 131,871	\$ 152,317
30-year UAL amortization amount	209,322	245,272
Annual required contribution (ARC)	<u>\$ 341,193</u>	<u>\$ 397,589</u>

Net Post-employment Benefit Obligation (Asset) – The table below shows the City of Opelika’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending September 30:

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

	<u>2015</u>	<u>2014</u>
Beginning net OPEB Obligation	\$ 682,228	\$ 577,200
Annual required contribution	341,193	397,589
Interest on Net OPEB Obligation	27,289	23,088
ARC adjustment	(39,453)	(33,380)
OPEB cost	329,029	387,297
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(265,140)	(282,269)
Change in Net OPEB Obligation	63,889	105,028
Ending Net OPEB Obligation	<u>\$ 746,117</u>	<u>\$ 682,228</u>

The following table shows the City of Opelika's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability/ (Asset)</u>
September 30, 2015	\$ 329,029	80.58%	\$ 746,117
September 30, 2014	\$ 387,297	72.88%	\$ 682,228

Funded Status and Funding Progress – In 2015 and 2014, the City of Opelika made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the October 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year September 30, 2015 was \$3,764,258 which is defined as that portion, as determined by a particular actuarial cost method (the City of Opelika uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2015</u>	<u>2014</u>
Actuarial Accrued Liability (AAL)	\$ 3,764,258	\$ 4,241,333
Actuarial value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 3,764,258	\$ 4,241,333
Funded Ratio	0.00%	0.00%
Covered Payroll (active plan members)	\$ 16,106,738	\$ 15,867,048
UAAL as a percentage of covered payroll	23.37%	26.73%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Opelika and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Opelika and its plan members to that point. The projection of benefits

NOTE 10 – PENSION PLAN (CONTINUED)

for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Opelika and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 12%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence six years after retirement eligibility (three years for those first eligible at or above age 60), as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The actual retiree unblended monthly premium as of January 1, 2016 has been adjusted for one year of trend and used as the total unblended premium. The employer cost used in this valuation has been assumed to be that unblended amount (as required by GASB Codification Section P50) less the monthly contribution of the retiree. Certain different premium schedules are in effect for some "grandfathered" retirees as noted above.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 – PENSION PLAN (CONTINUED)

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	<i>OPEB Costs and Contributions</i>		
	<i>2013</i>	<i>2014</i>	<i>2015</i>
OPEB Cost	\$ 374,014	\$ 387,297	\$ 329,029
Contribution	-	-	-
Retiree premium	261,360	282,269	265,140
Total contribution and premium	261,360	282,269	265,140
 Change in net OPEB obligation	 \$ 112,654	 \$ 105,028	 \$ 63,889
 % of contribution to cost	 0.00%	 0.00%	 0.00%
% of contribution plus premium to cost	69.88%	72.88%	80.58%

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

The City is a party to other 80/20 cost sharing agreements with the State in which the City will pay 100% of the costs over a fixed amount. The liability, if any, is not determinable as of September 30, 2015.

The City entered 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, 2015 totals \$5,278,044. Included in the base fee is the repair and maintenance budget. The agreement states that if the budget is exceeded, then the City is obligated to reimburse ESG and if the budget is not exceeded, then the City is reimbursed the difference between the actual repair and maintenance expenditures and the budgeted amount. At the end of the contract year, ESG and the City entered into an agreement for the \$84,043 that remained in the repair and maintenance budget to be used by ESG for a City project during the year ended September 30, 2016. At September 30, 2015, the City has recorded the entire amount held by ESG for the project in prepaid expenses. The initial term of the agreement was ten years commencing on November 1, 2005 and has since been extended by both parties through September 30, 2019. 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.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

In prior years, the City has utilized a commercial and economic development incentive program pursuant to the laws of the State of Alabama. This program allows the City to share a portion of City sales taxes with project developers as an incentive to locate or expand within the City and to provide certain incentive payments to developers for certain infrastructure costs related to the projects. Accordingly, the City has entered into various development agreements for various lengths of time, the longest of which ends in 2033. The development agreements provide for a sharing of City tax revenues and incentive payments upon performance of specific capital investments into the projects for infrastructure and employment requirements. The agreements are performance based and therefore, the City is only required to provide the payments upon completion of the specific requirements by the developers. As of September 30, 2015, the City has entered into development agreements that provide for a maximum rebate of future taxes totaling \$11,677,578. As of September 30, 2015, the City has recorded a payable totaling \$760,226 related to these agreements. The City has made payments totaling \$3,517,436 related to their total potential rebate commitments. Each rebate agreement expires as of a specific date, whether or not the maximum rebate payments have been paid by the City. Therefore, the City is only obligated to the extent that the taxes are generated within the agreements' time period. Future annual rebate amounts are not determinable as they are dependent upon the future taxes paid by each development project.

The City is also party to various project agreements with new industries that have constructed or have committed to construct various manufacturing and distribution facilities. These agreements include, among other things, commitments to make annual payments ranging from \$35,000 to \$323,750 in specified incentive payments through 2029, if agreed-upon benchmarks are met.

Certain other incentives total \$18,035,000 and may be paid at various times as specified by the agreements. These incentives are dependent upon developers achieving particular benchmarks. As of September 30, 2015, the City is not obligated to make any payments related to these incentives, nor has the City made any such payments at year end.

Subsequent to year end, the City has entered into an additional commercial and economic development agreement. The City's obligations related to these agreements will begin upon performance by the developers as specified in the agreements and extend for a maximum period of 12 years from the initial performance year.

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, 2015. 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 terms of the grant. City management believes such disallowance, if any, will be immaterial.

NOTE 12 – RESTATEMENTS

During the year ended September 30, 2015, the City determined that capital asset depreciation recorded in prior years was not appropriately calculated. Based upon the City's review of previously recorded depreciation amount, the City recorded an increase in the governmental activities net position of \$572,296 and an increase in business-type activities net position of \$765,946 as of September 30, 2014 as shown below.

During the year ended September 20, 2015, the City implemented GASB Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which require certain pension and retirement obligations and payments to be reported on the financial statements that were not previously reported. Accordingly, employer contributions totaling \$2,175,474 that were made by the City during the year ended September 30, 2014 were recorded as deferred outflows of resources on the Statement of Net Position as of September 30, 2014. Additionally, a net pension obligation of \$32,484,616 was recorded as of September 30, 2014 and was recorded as a deferred inflow of resources on the Statement of Net Position as of September 30, 2014. The net adjustment to net position for governmental and business-type activities of the City as of September 20, 2014 related to the implementation of GASB Statements No. 67 and 68 is shown below.

CITY OF OPELIKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

NOTE 12 – RESTATEMENTS (CONTINUED)

	Net position, as Previously Reported	Restatement for Accumulated Depreciation	Restatement for GASB No. 67 & 68	Net Position, as Restated
Government Wide Financial Statements				
Governmental Activities	\$ 65,066,150	\$ 572,296	\$ (23,344,203)	\$ 42,294,243
Business-type Activities	61,965,806	765,946	(6,964,941)	55,766,811
Total	<u>\$ 127,031,956</u>	<u>\$ 1,338,242</u>	<u>\$ (30,309,144)</u>	<u>\$ 98,061,054</u>
Fund Level Financial Statements				
Electric Utility Fund	\$ 38,950,966	\$ 698,873	\$ (4,331,800)	\$ 35,318,039
Sewer Fund	25,833,966	129,556	-	25,963,522
Telecommunications Fund	(3,462,049)	(44,197)	(1,173,487)	(4,679,733)
Solid Waste Collection Fund	797,311	(18,286)	(1,459,653)	(680,628)
Total	<u>\$ 62,120,194</u>	<u>\$ 765,946</u>	<u>\$ (6,964,940)</u>	<u>\$ 55,921,200</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>DESCRIPTION</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Revenues:				
Taxes:				
Sales	\$ 25,747,000	\$ 25,747,000	\$ 27,505,938	\$ 1,758,938
Property:				
Property	3,034,000	3,034,000	3,150,286	116,286
Payments in lieu of taxes	9,000	9,000	-	(9,000)
	<u>3,043,000</u>	<u>3,043,000</u>	<u>3,150,286</u>	<u>107,286</u>
Other:				
Gasoline	818,000	818,000	761,489	(56,511)
Cigarette	89,000	89,000	87,454	(1,546)
Rental	439,000	439,000	506,697	67,697
Wine	25,000	25,000	29,266	4,266
	<u>1,371,000</u>	<u>1,371,000</u>	<u>1,384,906</u>	<u>13,906</u>
Total taxes	<u>30,161,000</u>	<u>30,161,000</u>	<u>32,041,130</u>	<u>1,880,130</u>
Special assessments	<u>10,000</u>	<u>10,000</u>	<u>13,686</u>	<u>3,686</u>
Licenses and permits:				
Occupational	<u>9,029,000</u>	<u>9,029,000</u>	<u>9,547,138</u>	<u>518,138</u>
Business:				
General	3,148,000	3,148,000	3,382,078	234,078
Lodging	618,000	618,000	768,135	150,135
Franchise fee	67,000	67,000	82,236	15,236
	<u>3,833,000</u>	<u>3,833,000</u>	<u>4,232,449</u>	<u>399,449</u>
Telecommunications fees	9,000	9,000	18,000	9,000
Permits and inspections	<u>440,000</u>	<u>440,000</u>	<u>512,532</u>	<u>72,532</u>
Total licenses and permits	<u>13,311,000</u>	<u>13,311,000</u>	<u>14,310,119</u>	<u>999,119</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>DESCRIPTION</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Intergovernmental revenue:				
Shared county revenue:				
Motor vehicle license	112,000	112,000	124,989	12,989
Shared state revenue:				
Bank excise tax	119,000	119,000	157,881	38,881
Business privilege tax	71,000	71,000	72,340	1,340
Share of liquor tax profits	118,000	118,000	129,741	11,741
State asset forfeiture	-	16,131	18,732	2,601
	<u>308,000</u>	<u>324,131</u>	<u>378,694</u>	<u>54,563</u>
Shared federal revenue:				
Federal asset forfeiture	-	1,162	-	(1,162)
	<u>-</u>	<u>1,162</u>	<u>-</u>	<u>(1,162)</u>
Other:				
Grants:				
Federal	27,616	27,616	26,764	(852)
State	-	10,690	23,379	12,689
Lee County	50,000	50,000	52,500	2,500
	<u>77,616</u>	<u>88,306</u>	<u>102,643</u>	<u>14,337</u>
Total intergovernmental revenue	<u>497,616</u>	<u>525,599</u>	<u>606,326</u>	<u>80,727</u>
Charges for services:				
Administration:				
Other governments	23,000	23,000	13,083	(9,917)
	<u>23,000</u>	<u>23,000</u>	<u>13,083</u>	<u>(9,917)</u>
Public safety:				
Board of Education	11,000	11,000	12,000	1,000
Housing Authority	-	-	-	-
Water Works Board	-	-	-	-
Federal Agency Investigations	-	-	-	-
Other	60,000	60,000	56,604	(3,396)
Towing, fire calls, and fire training	-	1,687	3,887	2,200
	<u>71,000</u>	<u>72,687</u>	<u>72,491</u>	<u>(196)</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2014

<i>DESCRIPTION</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Public works:				
Clearing and grading	-	-	35,172	35,172
Other	27,000	27,000	37,159	10,159
	<u>27,000</u>	<u>27,000</u>	<u>72,331</u>	<u>45,331</u>
Health:				
Graves and monuments	114,000	114,000	121,480	7,480
Evergreen cemetery	-	-	28,200	28,200
	<u>114,000</u>	<u>114,000</u>	<u>149,680</u>	<u>35,680</u>
Culture and recreation:				
Entry fees and concessions	1,362,000	1,371,500	1,499,054	127,554
Total charges for services	<u>1,597,000</u>	<u>1,608,187</u>	<u>1,806,639</u>	<u>198,452</u>
Fines and forfeitures:				
Public safety:				
Fines and costs	775,000	775,000	845,119	70,119
Culture and recreation:				
Fines	-	-	40,339	40,339
Total fines and forfeits	<u>775,000</u>	<u>775,000</u>	<u>885,458</u>	<u>110,458</u>
Miscellaneous revenues:				
Interest earnings	92,000	92,000	72,370	(19,630)
Other:				
Rental income	51,000	51,000	60,190	9,190
Contributions	-	25,546	97,600	72,054
Cemetery lots	86,000	86,000	116,850	30,850
Miscellaneous	90,000	95,730	102,686	6,956
Total other	<u>227,000</u>	<u>258,276</u>	<u>377,326</u>	<u>119,050</u>
Total miscellaneous revenues	<u>319,000</u>	<u>350,276</u>	<u>449,696</u>	<u>99,420</u>
Total revenues	<u>46,670,616</u>	<u>46,741,062</u>	<u>50,113,054</u>	<u>3,371,992</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>FUNCTION/DEPARTMENT/OBJECT</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Expenditures:				
Current:				
General government:				
Mayor:				
Personal services	137,260	137,260	137,564	304
Other	278,060	117,823	68,905	(48,918)
Total mayor	<u>415,320</u>	<u>255,083</u>	<u>206,469</u>	<u>(48,614)</u>
Administration:				
Personal services	120,030	120,030	124,331	4,301
Other	271,320	321,255	258,181	(63,074)
Total administration	<u>391,350</u>	<u>441,285</u>	<u>382,512</u>	<u>(58,773)</u>
Legislative - City Clerk:				
Personal services	187,766	187,766	187,954	188
Other	238,830	213,830	150,106	(63,724)
Total legislative	<u>426,596</u>	<u>401,596</u>	<u>338,060</u>	<u>(63,536)</u>
Legal - City Attorney:				
Personal services	114,436	114,436	114,909	473
Other	25,940	26,260	12,812	(13,448)
Total legal	<u>140,376</u>	<u>140,696</u>	<u>127,721</u>	<u>(12,975)</u>
Other:				
Revenue:				
Personal services	180,646	180,646	180,869	223
Other	60,103	61,895	49,256	(12,639)
	<u>240,749</u>	<u>242,541</u>	<u>230,125</u>	<u>(12,416)</u>
Accounting:				
Personal services	449,346	449,346	445,910	(3,436)
Services provided other funds	(127,620)	(127,620)	(159,528)	(31,908)
Other	79,430	80,428	71,939	(8,489)
	<u>401,156</u>	<u>402,154</u>	<u>358,321</u>	<u>(43,833)</u>
Community relations:				
Personal services	74,860	74,860	74,881	21
Other	66,250	67,692	54,743	(12,949)
	<u>141,110</u>	<u>142,552</u>	<u>129,624</u>	<u>(12,928)</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>FUNCTION/DEPARTMENT/OBJECT</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Information technology:				
Personal services	658,373	658,373	620,141	(38,232)
Services provided other funds	(173,924)	(173,924)	(173,924)	-
Other	676,088	878,261	794,503	(83,758)
	<u>1,160,537</u>	<u>1,362,710</u>	<u>1,240,720</u>	<u>(121,990)</u>
Judicial:				
Personal services	260,026	260,026	231,818	(28,208)
Other	357,360	360,977	609,815	248,838
	<u>617,386</u>	<u>621,003</u>	<u>841,633</u>	<u>220,630</u>
Human resources administration:				
Personal services	308,763	308,763	238,371	(70,392)
Other	113,230	168,190	134,635	(33,555)
	<u>421,993</u>	<u>476,953</u>	<u>373,006</u>	<u>(103,947)</u>
Planning:				
Personal services	310,034	310,034	306,355	(3,679)
Other	42,990	42,990	24,313	(18,677)
	<u>353,024</u>	<u>353,024</u>	<u>330,668</u>	<u>(22,356)</u>
Purchasing:				
Personal services	258,349	258,946	256,019	(2,927)
Services provided other funds	(75,374)	(75,374)	(75,374)	-
Other	22,270	22,270	27,710	5,440
	<u>205,245</u>	<u>205,842</u>	<u>208,355</u>	<u>2,513</u>
Nondepartmental:				
Auburn-Opelika Airport	151,647	151,647	121,552	(30,095)
Lee-Russell Council of Governments	144,210	144,210	144,210	-
Opelika Chamber of Commerce	70,000	70,000	70,000	-
Opelika Industrial Development Authority	125,000	125,000	125,000	-
Lee County Extension Service	10,000	10,000	10,000	-
Envision Opelika	12,000	12,000	12,000	-
Downtown Development Authority	4,500	4,500	4,500	-
Main Street, Inc.	17,500	17,500	17,500	-
J W Darden Foundation	5,000	5,000	5,000	-
Other	-	7,500	7,500	-
	<u>539,857</u>	<u>547,357</u>	<u>517,262</u>	<u>(30,095)</u>
Total other	<u>4,081,057</u>	<u>4,354,136</u>	<u>4,229,714</u>	<u>(124,422)</u>
Total general government	<u>5,454,699</u>	<u>5,592,796</u>	<u>5,284,476</u>	<u>(308,320)</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>FUNCTION/DEPARTMENT/OBJECT</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Public safety:				
Police:				
Personal services	6,821,748	6,841,724	6,827,263	(14,461)
Other	1,740,930	2,212,752	1,238,728	(974,024)
Total police	<u>8,562,678</u>	<u>9,054,476</u>	<u>8,065,991</u>	<u>(988,485)</u>
Fire:				
Personal services	4,525,751	4,644,621	4,450,798	(193,823)
Other	560,595	639,589	561,177	(78,412)
Total fire	<u>5,086,346</u>	<u>5,284,210</u>	<u>5,011,975</u>	<u>(272,235)</u>
Other:				
Nondepartmental:				
Juvenile Court	10,000	10,000	10,000	-
Lee County Emergency Management	32,000	32,000	32,000	-
Emergency Medical Service	289,476	289,476	289,476	-
Total other	<u>331,476</u>	<u>331,476</u>	<u>331,476</u>	<u>-</u>
Total public safety	<u>13,980,500</u>	<u>14,670,162</u>	<u>13,409,442</u>	<u>(1,260,720)</u>
Public works:				
Highways and streets				
Personal services	9,035	9,035	5,399	(3,636)
Other	1,068,796	1,107,404	1,091,893	(15,511)
Total highways and streets	<u>1,077,831</u>	<u>1,116,439</u>	<u>1,097,292</u>	<u>(19,147)</u>
Engineering:				
Personal services	358,605	358,605	362,415	3,810
Other	95,170	221,919	73,904	(148,015)
Total engineering	<u>453,775</u>	<u>580,524</u>	<u>436,319</u>	<u>(144,205)</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>FUNCTION/DEPARTMENT/OBJECT</i>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Other:				
Administration:				
Other	342,724	373,124	352,420	(20,704)
	<u>342,724</u>	<u>373,124</u>	<u>352,420</u>	<u>(20,704)</u>
Cemetery:				
Other	191,986	194,336	194,451	115
	<u>191,986</u>	<u>194,336</u>	<u>194,451</u>	<u>115</u>
Automotive shop:				
Other	346,102	354,010	340,229	(13,781)
	<u>346,102</u>	<u>354,010</u>	<u>340,229</u>	<u>(13,781)</u>
Building maintenance:				
Personal services	3,744	3,744	3,744	-
Other	317,897	320,752	313,380	(7,372)
	<u>321,641</u>	<u>324,496</u>	<u>317,124</u>	<u>(7,372)</u>
Inspection:				
Personal services	374,170	374,170	362,292	(11,878)
Other	114,090	114,390	70,844	(43,546)
	<u>488,260</u>	<u>488,560</u>	<u>433,136</u>	<u>(55,424)</u>
Ground maintenance:				
Other	543,066	569,758	560,676	(9,082)
	<u>543,066</u>	<u>569,758</u>	<u>560,676</u>	<u>(9,082)</u>
Total other	<u>2,233,779</u>	<u>2,304,284</u>	<u>2,198,036</u>	<u>(106,248)</u>
Total public works	<u>3,765,385</u>	<u>4,001,247</u>	<u>3,731,647</u>	<u>(269,600)</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>FUNCTION/DEPARTMENT/OBJECT</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Health:				
Animal control:				
Personal services	55,179	55,179	55,122	(57)
Other	8,310	8,310	3,920	(4,390)
	<u>63,489</u>	<u>63,489</u>	<u>59,042</u>	<u>(4,447)</u>
Other:				
Nondepartmental:				
Lee County Health Department	46,800	46,800	46,800	-
East Alabama Mental Health	45,000	45,000	45,000	-
Valley Haven School	2,000	2,000	2,000	-
Lee County Humane Society	81,389	81,389	81,389	-
Sickle Cell Association	-	1,500	-	(1,500)
Substance Abuse	35,000	35,000	35,000	-
Child Care Alliance	6,000	6,000	6,000	-
Red Cross	8,000	8,000	8,000	-
Other	-	5,000	5,000	-
Total other	<u>224,189</u>	<u>230,689</u>	<u>229,189</u>	<u>(1,500)</u>
Total health	<u>287,678</u>	<u>294,178</u>	<u>288,231</u>	<u>(5,947)</u>
Welfare:				
Other:				
Nondepartmental:				
East Alabama Services for the Elderly	10,000	10,000	10,000	-
Lee County Youth Development Center	32,000	32,000	32,000	-
Boys and Girls Clubs	32,500	57,500	57,500	-
Council on Human Relations	20,000	20,000	20,000	-
Storybook Farms	-	8,000	-	(8,000)
Christian Care Ministries	1,000	1,000	1,000	-
Child Advocacy Center	2,500	2,500	2,500	-
Greater Peace Child Development	2,500	2,500	2,500	-
Other	-	9,500	9,500	-
Total welfare	<u>100,500</u>	<u>143,000</u>	<u>135,000</u>	<u>(8,000)</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>FUNCTION/DEPARTMENT/OBJECT</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Culture and recreation:				
Parks and recreation:				
Personal services	1,535,317	1,554,677	1,546,525	(8,152)
Other	3,967,666	4,007,008	3,658,008	(349,000)
Total parks and recreation	<u>5,502,983</u>	<u>5,561,685</u>	<u>5,204,533</u>	<u>(357,152)</u>
Library:				
Personal services	552,941	594,131	530,800	(63,331)
Other	142,200	319,876	200,056	(119,820)
Total library	<u>695,141</u>	<u>914,007</u>	<u>730,856</u>	<u>(183,151)</u>
Other:				
Nondepartmental:				
Keep Opelika Beautiful	27,500	27,500	27,500	-
Museum of East Alabama	29,472	29,472	21,500	(7,972)
Opelika Arts Association	25,000	25,000	25,000	-
Museum of Art	-	5,000	-	(5,000)
Other	-	15,200	15,200	-
Total other	<u>81,972</u>	<u>102,172</u>	<u>89,200</u>	<u>(12,972)</u>
Total culture and recreation	<u>6,280,096</u>	<u>6,577,864</u>	<u>6,024,589</u>	<u>(553,275)</u>
Economic development:				
Personal services	284,184	284,184	266,552	(17,632)
Other	249,238	262,613	130,731	(131,882)
Total	<u>533,422</u>	<u>546,797</u>	<u>397,283</u>	<u>(149,514)</u>
Nondepartmental:				
Industrial incentives	328,750	343,750	309,079	(34,671)
Commercial incentives	735,000	735,000	971,721	236,721
Total	<u>1,063,750</u>	<u>1,078,750</u>	<u>1,280,800</u>	<u>202,050</u>
Total economic development	<u>1,597,172</u>	<u>1,625,547</u>	<u>1,678,083</u>	<u>52,536</u>
Education	<u>3,003,000</u>	<u>3,016,500</u>	<u>3,010,500</u>	<u>(6,000)</u>
Capital outlay	<u>2,388,100</u>	<u>3,556,595</u>	<u>1,343,199</u>	<u>(2,213,396)</u>

CITY OF OPELIKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>FUNCTION/DEPARTMENT/OBJECT</i>	<i>ORIGINAL BUDGET</i>	<i>FINAL BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE WITH FINAL BUDGET OVER (UNDER)</i>
Debt service:				
Principal	561,984	561,984	561,984	-
Interest	183,433	183,433	183,433	-
Total debt service	<u>745,417</u>	<u>745,417</u>	<u>745,417</u>	<u>-</u>
Total expenditures	<u>37,602,547</u>	<u>40,223,306</u>	<u>35,650,584</u>	<u>(4,572,722)</u>
Excess of revenues over (under) expenditures	<u>9,068,069</u>	<u>6,517,756</u>	<u>14,462,470</u>	<u>7,944,714</u>
Other financing sources (uses):				
Sale of capital assets	-	57,365	92,380	35,015
Transfers from 2011 Road Construction Fund	-	-	167,010	167,010
Transfers from Electric Utility Fund	2,920,964	2,959,636	2,888,588	(71,048)
Transfers from Nonmajor Special Revenue Funds	-	-	45,589	45,589
Transfers from Garden Hills Cemetery Trust Fund	20,000	20,000	13,078	(6,922)
Transfers from General Obligation Warrants Debt Service Fund	-	255,664	255,663	(1)
Transfers to General Obligation Debt Service Fund	(5,577,935)	(5,577,935)	(4,076,783)	1,501,152
Transfers to Garden Hills Cemetery Perpetual Care Trust Fund	(12,000)	(12,000)	(29,213)	(17,213)
Transfers to Nonmajor Special Revenue Funds	(2,418,375)	(2,418,375)	(2,631,304)	(212,929)
Transfers to Nonmajor Capital Projects Funds	-	(331)	(6,926)	(6,595)
Transfers to internal service funds	(736,000)	(736,000)	(1,457,256)	(721,256)
Transfer to Solid Waste Collection Fund	<u>(97,936)</u>	<u>(105,652)</u>	<u>-</u>	<u>105,652</u>
Total other financing sources (uses)	<u>(5,901,282)</u>	<u>(5,557,628)</u>	<u>(4,739,174)</u>	<u>818,454</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>3,166,787</u>	<u>960,128</u>	<u>9,723,296</u>	<u>8,763,168</u>
Fund balance, beginning of year	<u>32,240,820</u>	<u>32,240,820</u>	<u>32,240,820</u>	<u>-</u>
Fund balance, end of year	<u>\$ 35,407,607</u>	<u>\$ 33,200,948</u>	<u>\$ 41,964,116</u>	<u>\$ 8,763,168</u>

UNAUDITED

CITY OF OPELIKA
SCHOOL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:				
Taxes:				
Property	\$ 5,909,984	\$ 5,909,984	\$ 6,180,163	\$ 270,179
Investment income	8,000	8,000	4,798	(3,202)
Total revenues	<u>5,917,984</u>	<u>5,917,984</u>	<u>6,184,961</u>	<u>266,977</u>
Expenditures:				
Current:				
Education	4,928,527	4,928,527	5,200,036	271,509
Total expenditures	<u>4,928,527</u>	<u>4,928,527</u>	<u>5,200,036</u>	<u>271,509</u>
Excess of revenues over (under) expenditures	<u>989,457</u>	<u>989,457</u>	<u>984,925</u>	<u>(4,532)</u>
Other financing sources (uses):				
Transfers to other funds	<u>(989,457)</u>	<u>(989,457)</u>	<u>(984,925)</u>	<u>4,532</u>
Total other financing sources (uses)	<u>(989,457)</u>	<u>(989,457)</u>	<u>(984,925)</u>	<u>4,532</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNAUDITED

CITY OF OPELIKA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
LAST FISCAL YEAR ENDING SEPTEMBER 30

	2014
Total Pension Liability	
Service cost	\$ 1,408,575
Interest	5,689,972
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(5,043,908)
Net change in total pension liability	2,054,639
Total pension liability - beginning	73,646,608
Total pension liability - ending (a)	\$ 75,701,247
 Plan Fiduciary Net Position	
Contributions - employer	\$ 2,175,474
Contributions - member	1,253,952
Net investment income	4,840,319
Benefit payments, including refunds of employee contributions	(5,043,908)
Transfers among employers	68,542
Net change in plan fiduciary net position	3,294,379
Plan net position - beginning	41,161,992
Plan net position - ending (b)	\$ 44,456,371
 Net pension liability (asset) - ending (a) - (b)	 \$ 31,244,876
Plan fiduciary net position as a percentage of the total pension liability	58.73%
Covered employee payroll	\$ 15,679,726
Net pension liability (asset) as a percentage of covered-employee payroll	199.27%

CITY OF OPELIKA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST FISCAL YEAR ENDING SEPTEMBER 30

	<u>2014</u>
Actuarially determined contribution	\$ 2,175,474
Contributions in relation to the actuarially determined contribution	<u>2,175,474</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Covered employee payroll	\$ 15,679,726
Contributions as a percentage of covered employee payroll	13.87%

CITY OF OPELIKA
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for fiscal year 2015 were based on the September 30, 2012 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increases	3.75 - 7.25%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL NONMAJOR FUNDS STATEMENTS

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

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

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

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

CITY OF OPELIKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<i>SPECIAL REVENUE FUNDS</i>	<i>DEBT SERVICE FUND</i>	<i>CAPITAL PROJECTS FUNDS</i>	<i>GARDEN HILLS CEMETERY PERMANENT FUND</i>	<i>TOTAL NONMAJOR GOVERNMENTAL FUNDS</i>
ASSETS					
Cash and cash equivalents	\$ 3,723,231	\$ 1,491	\$ 10,173,392	\$ -	\$ 13,898,114
Certificates of deposit	5,000,000	-	-	-	5,000,000
Investments	10,429	451,259	-	897,607	1,359,295
Accrued interest	-	-	1,909	1,284	3,193
Receivables	1,603,626	-	46,434	-	1,650,060
Due from other funds	-	-	-	6,000	6,000
Due from other governments	27,858	-	-	-	27,858
Total current assets	<u>10,365,144</u>	<u>452,750</u>	<u>10,221,735</u>	<u>904,891</u>	<u>21,944,520</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>\$ 10,434,189</u>	<u>\$ 452,750</u>	<u>\$ 10,221,735</u>	<u>\$ 904,891</u>	<u>\$ 22,013,565</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 51,990	\$ -	\$ 686,789	\$ 486	\$ 739,265
Accrued payroll and benefits	1,447	-	-	-	1,447
Due to other funds	226,150	-	392,799	1,010	619,959
Matured bonds and interest payable	-	451,259	-	-	451,259
Total liabilities	<u>279,587</u>	<u>451,259</u>	<u>1,079,588</u>	<u>1,496</u>	<u>1,811,930</u>
Deferred inflows of Resources:					
Unearned revenues	1,583,587	-	39,416	-	1,623,003
Total deferred inflows of resources	<u>1,583,587</u>	<u>-</u>	<u>39,416</u>	<u>-</u>	<u>1,623,003</u>
Fund Balances:					
Nonspendable	69,045	-	-	903,395	972,440
Restricted	2,671,838	1,491	9,714,927	-	12,388,256
Assigned	5,830,132	-	-	-	5,830,132
Unassigned	-	-	(612,196)	-	(612,196)
Total fund balance	<u>8,571,015</u>	<u>1,491</u>	<u>9,102,731</u>	<u>903,395</u>	<u>18,578,632</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,434,189</u>	<u>\$ 452,750</u>	<u>\$ 10,221,735</u>	<u>\$ 904,891</u>	<u>\$ 22,013,565</u>

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

CITY OF OPELIKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	<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	\$ 575,134	\$ -	\$ 116,316	\$ -	691,450
Investment income	18,794	2	28,213	2,053	49,062
Contributions	164,330	-	-	-	164,330
Other	379,983	-	-	-	379,983
Total revenues	<u>1,138,241</u>	<u>2</u>	<u>144,529</u>	<u>2,053</u>	<u>1,284,825</u>
Expenditures:					
Current:					
General government	184,489	-	-	6,701	191,190
Public safety	381,869	-	-	-	381,869
Public works	22,358	-	-	-	22,358
Culture and recreation	62,252	-	-	-	62,252
Economic development and urban rehabilitation	407,340	-	-	-	407,340
Capital outlay	858,438	-	2,621,946	-	3,480,384
Debt service:					
Principal retirement	-	695,000	-	-	695,000
Interest and fiscal charges	-	289,925	-	-	289,925
Total expenditures	<u>1,916,746</u>	<u>984,925</u>	<u>2,621,946</u>	<u>6,701</u>	<u>5,530,318</u>
Excess of revenues over (under) expenditures	(778,505)	(984,923)	(2,477,417)	(4,648)	(4,245,493)
Other financing sources (uses):					
Transfers from governmental funds	2,638,230	984,925	130,882	29,213	3,783,250
Transfers to governmental funds	(1,619,798)	-	(343,481)	(13,078)	(1,976,357)
Total other financing sources	<u>1,018,432</u>	<u>984,925</u>	<u>(212,599)</u>	<u>16,135</u>	<u>1,806,893</u>
Excess of revenues and other sources over (under) expenditures and other uses	239,927	2	(2,690,016)	11,487	(2,438,600)
Fund balances, beginning of year	8,331,088	1,489	11,792,747	891,908	21,017,232
Fund balances, end of year	<u>\$ 8,571,015</u>	<u>\$ 1,491</u>	<u>\$ 9,102,731</u>	<u>\$ 903,395</u>	<u>\$ 18,578,632</u>

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

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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.

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

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

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

Sportsplex Fund – This fund is used to account for the portion of the sales tax that the government intends to use to fund for 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
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

	<i>\$0.07 STATE GASOLINE TAX FUND</i>	<i>\$0.04 & \$0.05 STATE GASOLINE TAX FUND</i>	<i>CAPITAL IMPROVEMENT FUND</i>	<i>COMMUNITY DEVELOPMENT FUNDS</i>	<i>ROAD MAINTENANCE FUND</i>	<i>SPORTSPLEX FUND</i>	<i>ROSEMERE CEMENTERY FUND</i>	<i>LODGING TAX FUND</i>	<i>COOPER LIBRARY EXPENDABLE TRUST FUND</i>	<i>COMBINED TOTALS</i>
ASSETS										
Cash and cash equivalents	\$ 163,169	\$ 93,112	\$ 196,534	\$ 14,657	\$ 1,590,137	\$ 937,122	\$ 65,155	\$ 663,345	\$ -	\$ 3,723,231
Certificates of deposit	-	-	-	-	-	5,000,000	-	-	-	5,000,000
Investments	-	-	-	-	-	-	-	-	10,429	10,429
Other receivables	-	-	-	-	-	1,578,500	-	25,126	-	1,603,626
Due from other governments	12,803	9,968	-	5,087	-	-	-	-	-	27,858
Total current assets	175,972	103,080	196,534	19,744	1,590,137	7,515,622	65,155	688,471	10,429	10,365,144
Other assets:										
Deposits	-	-	-	-	-	-	-	69,045	-	69,045
Total other assets	-	-	-	-	-	-	-	69,045	-	69,045
Total assets	\$ 175,972	\$ 103,080	\$ 196,534	\$ 19,744	\$ 1,590,137	\$ 7,515,622	\$ 65,155	\$ 757,516	\$ 10,429	\$ 10,434,189
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ 44,170	\$ -	\$ -	\$ -	\$ -	\$ 4,387	\$ 3,433	\$ -	\$ 51,990
Accrued payroll and benefits	-	-	-	1,447	-	-	-	-	-	1,447
Due to other funds	75,000	56,000	67,349	9,500	-	-	18,301	-	-	226,150
Total liabilities	75,000	100,170	67,349	10,947	-	-	22,688	3,433	-	279,587
Deferred inflows of resources:										
Unearned revenues	-	-	-	5,087	-	1,578,500	-	-	-	1,583,587
Total unearned revenues	-	-	-	5,087	-	1,578,500	-	-	-	1,583,587
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	69,045	-	69,045
Restricted	100,972	2,910	129,185	3,710	-	2,392,594	42,467	-	-	2,671,838
Assigned	-	-	-	-	1,590,137	3,544,528	-	685,038	10,429	5,830,132
Total fund balance	100,972	2,910	129,185	3,710	1,590,137	5,937,122	42,467	754,083	10,429	8,571,015
Total liabilities, deferred inflows of resources and fund balances	\$ 175,972	\$ 103,080	\$ 196,534	\$ 19,744	\$ 1,590,137	\$ 7,515,622	\$ 65,155	\$ 757,516	\$ 10,429	\$ 10,434,189

CITY OF OPELIKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>\$0.07 STATE GASOLINE TAX FUND</u>	<u>\$0.04 & \$0.05 STATE GASOLINE TAX FUND</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>COMMUNITY DEVELOPMENT FUNDS</u>	<u>ROAD MAINTENANCE FUND</u>	<u>SPORTSPLEX FUND</u>	<u>ROSEMERE CEMETERY FUND</u>	<u>LODGING TAX FUND</u>	<u>COOPER LIBRARY EXPENDABLE TRUST FUND</u>	<u>COMBINED TOTALS</u>
Revenues:										
Intergovernmental:										
Shared state gasoline tax	\$ 76,203	\$ 59,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,605
Alabama trust fund	-	-	225,583	-	-	-	-	-	-	225,583
Federal grants	-	-	-	213,946	-	-	-	-	-	213,946
Total intergovernmental	<u>76,203</u>	<u>59,402</u>	<u>225,583</u>	<u>213,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,134</u>
Business licenses and permits	-	-	-	-	-	-	-	379,983	-	379,983
Miscellaneous:										
Investment income	69	6	596	-	7,929	10,135	59	-	-	18,794
Contributions	-	-	-	-	-	117,500	46,830	-	-	164,330
Total miscellaneous	<u>69</u>	<u>6</u>	<u>596</u>	<u>-</u>	<u>7,929</u>	<u>127,635</u>	<u>46,889</u>	<u>-</u>	<u>-</u>	<u>183,124</u>
Total revenues	<u>76,272</u>	<u>59,408</u>	<u>226,179</u>	<u>213,946</u>	<u>7,929</u>	<u>127,635</u>	<u>46,889</u>	<u>379,983</u>	<u>-</u>	<u>1,138,241</u>
Expenditures:										
Current:										
General government	-	-	-	184,489	-	-	-	-	-	184,489
Public safety	-	-	-	22,830	-	359,039	-	-	-	381,869
Public works	-	-	-	-	-	-	22,358	-	-	22,358
Culture and recreation	-	-	-	-	-	61,724	-	-	528	62,252
Economic development and urban rehabilitation	-	-	-	-	-	-	-	407,340	-	407,340
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,319</u>	<u>-</u>	<u>420,763</u>	<u>22,358</u>	<u>407,340</u>	<u>528</u>	<u>1,058,308</u>
Capital outlay	90,170	100,170	660,118	-	-	-	7,980	-	-	858,438
Total expenditures	<u>90,170</u>	<u>100,170</u>	<u>660,118</u>	<u>207,319</u>	<u>-</u>	<u>420,763</u>	<u>30,338</u>	<u>407,340</u>	<u>528</u>	<u>1,916,746</u>
Excess revenues over (under) expenditures	(13,898)	(40,762)	(433,939)	6,627	7,929	(293,128)	16,551	(27,357)	(528)	(778,505)
Other financing resources (uses):										
Transfers from governmental funds	-	-	-	6,926	-	2,631,304	-	-	-	2,638,230
Transfers to governmental funds	-	-	-	-	-	(1,619,798)	-	-	-	(1,619,798)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,926</u>	<u>-</u>	<u>1,011,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018,432</u>
Excess of revenues and other sources over (under) expenditures and other uses	(13,898)	(40,762)	(433,939)	13,553	7,929	718,378	16,551	(27,357)	(528)	239,927
Fund balances, beginning of year	114,870	43,672	563,124	(9,843)	1,582,208	5,218,744	25,916	781,440	10,957	8,331,088
Fund balances, end of year	<u>\$ 100,972</u>	<u>\$ 2,910</u>	<u>\$ 129,185</u>	<u>\$ 3,710</u>	<u>\$ 1,590,137</u>	<u>\$ 5,937,122</u>	<u>\$ 42,467</u>	<u>\$ 754,083</u>	<u>\$ 10,429</u>	<u>\$ 8,571,015</u>

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NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

CITY OF OPELIKA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2015

	<i>MUNICIPAL COMPLEXES FUND</i>	<i>2011 ROAD CONSTRUCTION FUND</i>	<i>INDUSTRIAL ACCESS ROAD GRANT CAPITAL PROJECTS</i>	<i>TOTALS</i>
ASSETS				
Cash and cash equivalents	\$ 882,246	\$ 9,291,146	\$ -	\$ 10,173,392
Accrued interest	-	1,909	-	1,909
Receivables	46,434	-	-	46,434
Total assets	<u>\$ 928,680</u>	<u>\$ 9,293,055</u>	<u>\$ -</u>	<u>\$ 10,221,735</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 75,113	\$ 611,676	\$ 686,789
Due to other funds	-	392,279	520	392,799
Total liabilities	-	467,392	612,196	1,079,588
Deferred inflows of resources:				
Unearned revenues	39,416	-	-	39,416
Total deferred inflows of resources	39,416	-	-	39,416
Fund balances:				
Restricted	889,264	8,825,663	-	9,714,927
Unassigned	-	-	(612,196)	(612,196)
Total fund balances	<u>889,264</u>	<u>8,825,663</u>	<u>(612,196)</u>	<u>9,102,731</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 928,680</u>	<u>\$ 9,293,055</u>	<u>\$ -</u>	<u>\$ 10,221,735</u>

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

CITY OF OPELIKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	MUNICIPAL COMPLEXES FUND	2011 ROAD CONSTRUCTION FUND	INDUSTRIAL ACCESS ROAD GRANT CAPITAL PROJECTS	TOTALS
Revenues:				
Intergovernmental	\$ 116,316	\$ -	\$ -	\$ 116,316
Investment income	-	28,213	-	28,213
Total revenues	<u>116,316</u>	<u>28,213</u>	<u>-</u>	<u>144,529</u>
Expenditures:				
Current:				
Public works	-	-	-	-
Total current expenditures	-	-	-	-
Capital outlay	-	1,878,867	743,079	2,621,946
Total capital outlay	-	<u>1,878,867</u>	<u>743,079</u>	<u>2,621,946</u>
Excess of revenue over (under) expenditures	116,316	(1,850,654)	(743,079)	(2,477,417)
Other financing sources:				
Transfers from governmental funds	-	-	130,882	130,882
Transfers to governmental funds	-	(297,892)	(45,589)	(343,481)
Total other financing sources	-	<u>(297,892)</u>	<u>85,293</u>	<u>(212,599)</u>
Excess of revenues and other sources over (under) expenditures and other uses	116,316	(2,148,546)	(657,786)	(2,690,016)
Fund balances, beginning of year	<u>772,948</u>	<u>10,974,209</u>	<u>45,590</u>	<u>11,792,747</u>
Fund balances, end of year	<u>\$ 889,264</u>	<u>\$ 8,825,663</u>	<u>\$ (612,196)</u>	<u>\$ 9,102,731</u>

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

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INTERNAL SERVICE FUNDS

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

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

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

CITY OF OPELIKA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2015

	WORKMEN'S COMPENSATION INSURANCE FUND	WORKER'S HEALTH INSURANCE FUND	COMBINED TOTALS
ASSETS			
Current assets:			
Cash	\$ 2,974,464	\$ -	\$ 2,974,464
Claim reimbursements receivable	-	226,070	226,070
Due from other funds	12,534	1,721,256	1,733,790
Total current assets	<u>2,986,998</u>	<u>1,947,326</u>	<u>4,934,324</u>
Other assets:			
Deposits	19,229	-	19,229
Total assets	<u>\$ 3,006,227</u>	<u>\$ 1,947,326</u>	<u>\$ 4,953,553</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 8,949	\$ 334,636	\$ 343,585
Liability for unpaid claims	43,065	173,600	216,665
Due to other funds	264,000	1,261,130	1,525,130
Unearned revenues	-	177,960	177,960
Total current liabilities	<u>316,014</u>	<u>1,947,326</u>	<u>2,263,340</u>
Long-term liabilities:			
Liability for unpaid claims	107,714	-	107,714
Total liabilities	<u>423,728</u>	<u>1,947,326</u>	<u>2,371,054</u>
NET POSITION			
Restricted	150,779	-	150,779
Unrestricted	2,431,720	-	2,431,720
Total net position	<u>\$ 2,582,499</u>	<u>\$ -</u>	<u>\$ 2,582,499</u>

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

CITY OF OPELIKA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	WORKMEN'S COMPENSATION INSURANCE FUND	WORKER'S HEALTH INSURANCE FUND	COMBINED TOTALS
Operating revenues:			
Charges for insurance	\$ 461,142	\$ 2,131,650	\$ 2,592,792
Operating expenses:			
Insurance claims and expenses	11,663	3,813,803	3,825,466
Other	-	39,196	39,196
Total operating expenses	<u>11,663</u>	<u>3,852,999</u>	<u>3,864,662</u>
Operating income/(loss)	449,479	(1,721,349)	(1,271,870)
Nonoperating revenues:			
Interest revenue	5,707	93	5,800
Operating transfer in/(out)	<u>(264,000)</u>	<u>1,721,256</u>	<u>1,457,256</u>
Change in net position	191,186	-	191,186
Net position, beginning of year	<u>2,391,313</u>	<u>-</u>	<u>2,391,313</u>
Net position, end of year	<u>\$ 2,582,499</u>	<u>\$ -</u>	<u>\$ 2,582,499</u>

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

CITY OF OPELIKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	WORKMEN'S COMPENSATION INSURANCE FUND	WORKER'S HEALTH INSURANCE FUND	COMBINED TOTALS
Cash flows from operating activities:			
Receipts from other funds for premiums	\$ 726,695	\$ 1,713,568	\$ 2,440,263
Payments to suppliers and others	(157,011)	(598,145)	(755,156)
Claims paid	(102,701)	(3,252,137)	(3,354,838)
Net cash provided by/(used in) operating activities	466,983	(2,136,714)	(1,669,731)
Cash flows from noncapital financing activities:			
Operating transfers (to)/from other funds	(264,000)	1,721,256	1,457,256
Net cash (used in)/provided by noncapital investing activities	(264,000)	1,721,256	1,457,256
Cash flows from investing activities:			
Interest on investments	5,707	93	5,800
Net cash provided by investing activities	5,707	93	5,800
Net increase/(decrease) in cash and cash equivalents	208,690	(415,365)	(206,675)
Cash and cash equivalents - beginning of year	2,765,774	415,365	3,181,139
Cash and cash equivalents - end of year	<u>\$ 2,974,464</u>	<u>\$ -</u>	<u>\$ 2,974,464</u>
Reconciliation of operating income/(loss) to net cash provided by/(used in) operating activities:			
Operating income (loss)	\$ 449,479	\$ (1,721,349)	\$ (1,271,870)
Change in assets and liabilities:			
Claim reimbursements receivable	-	(226,070)	(226,070)
Due from other funds	1,553	(1,680,060)	(1,678,507)
Accounts payable	(38,787)	239,987	201,200
Liability for unpaid claims	(209,262)	(11,200)	(220,462)
Due to other funds	264,000	1,261,130	1,525,130
Unearned revenue	-	848	848
Net cash provided by/(used in) operating activities	<u>\$ 466,983</u>	<u>\$ (2,136,714)</u>	<u>\$ (1,669,731)</u>

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

SUPPLEMENTAL SCHEDULES

CITY OF OPELIKA
SCHEDULE OF DEBT
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

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)	83,607,991
Other long-term debt:	
Amount available in debt service funds	105
Amount to be provided (for principal)	15,979,895
Total available and to be provided	<u><u>\$ 99,587,991</u></u>

Long-term debt outstanding:

General obligation debt:

Serial bonds and warrants:

Warrants issued 2010, due in installments to September 22, 2020	\$ 3,282,906
Warrants issued 2010, due in installments to September 25, 2026	4,445,000
Warrants issued 2010, due in installments to July 1, 2028	1,200,000
Warrants issued 2011, due in installments to November 1, 2036	57,555,000
Warrants issued 2012, due in installments to March 1, 2029	5,395,000
Warrants issued 2014, due in installments to January 1, 2033	9,165,000
Total general obligation serial bonds and warrants	<u>81,042,906</u>

Other:

Vacation, sick leave, workmen's compensation claims and other	2,565,085
Total general obligation other	<u>2,565,085</u>
Total general obligation debt	83,607,991

Other long-term debt

Capital lease obligation related to the Public Park and Recreational Board's Revenue Bonds, Series 2007	15,980,000
Total other long-term debt	<u>15,980,000</u>
Total long-term debt	<u><u>\$ 99,587,991</u></u>

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

CITY OF OPELIKA
SCHEDULE OF DEBT SERVICE
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<i>General Obligation Bonds and Warrants</i>		<i>Other Long-term Debt</i>		<i>Total General Long-term Debt</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$ 2,721,393	\$ 3,054,004	\$ 625,000	\$ 706,194	\$ 3,346,393	\$ 3,760,198	\$ 7,106,591
2017	3,197,321	2,959,272	650,000	680,694	3,847,321	3,639,966	7,487,287
2018	3,289,877	2,860,825	680,000	650,694	3,969,877	3,511,519	7,481,396
2019	3,394,128	2,758,530	715,000	619,394	4,109,128	3,377,924	7,487,052
2020	3,525,187	2,627,511	740,000	590,294	4,265,187	3,217,805	7,482,992
2021	3,680,000	2,477,056	-	575,494	3,680,000	3,052,550	6,732,550
2022	3,845,000	2,324,201	-	575,494	3,845,000	2,899,695	6,744,695
2023	4,005,000	2,166,593	-	575,494	4,005,000	2,742,087	6,747,087
2024	4,385,000	2,001,585	-	575,494	4,385,000	2,577,079	6,962,079
2025	4,550,000	1,837,594	-	575,494	4,550,000	2,413,088	6,963,088
2026	4,410,000	1,691,427	285,000	569,081	4,695,000	2,260,508	6,955,508
2027	3,325,000	1,544,953	1,030,000	539,494	4,355,000	2,084,447	6,439,447
2028	3,465,000	1,414,626	1,075,000	492,131	4,540,000	1,906,757	6,446,757
2029	3,315,000	1,299,780	1,125,000	442,631	4,440,000	1,742,411	6,182,411
2030	2,990,000	1,179,738	1,180,000	390,769	4,170,000	1,570,507	5,740,507
2031	4,335,000	1,023,262	-	364,219	4,335,000	1,387,481	5,722,481
2032	4,520,000	836,138	-	364,219	4,520,000	1,200,357	5,720,357
2033	4,400,000	652,712	-	364,219	4,400,000	1,016,931	5,416,931
2034	3,215,000	498,403	1,435,000	331,034	4,650,000	829,437	5,479,437
2035	3,350,000	363,000	1,500,000	263,163	4,850,000	626,163	5,476,163
2036	3,490,000	221,925	1,570,000	192,169	5,060,000	414,094	5,474,094
2037	3,635,000	74,971	1,645,000	117,822	5,280,000	192,793	5,472,793
2038	-	-	1,725,000	39,887	1,725,000	39,887	1,764,887
Vacation, sick, other:	-	-	2,565,085	-	2,565,085	-	2,565,085
	<u>\$ 81,042,906</u>	<u>\$ 35,868,106</u>	<u>\$ 18,545,085</u>	<u>\$ 10,595,578</u>	<u>\$ 99,587,991</u>	<u>\$ 46,463,684</u>	<u>\$ 146,051,675</u>

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

CITY OF OPELIKA
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2015

**CAPITAL LEASE OBLIGATION RELATED TO THE PUBLIC PARK AND
RECREATIONAL BOARD'S REVENUE BONDS, SERIES 2007**

<i>TOTAL PRINCIPAL OUTSTANDING</i>	<i>YEAR</i>	<i>INTEREST RATE</i>	<i>ANNUAL PRINCIPAL PAYMENTS</i>	<i>ANNUAL INTEREST PAYMENTS</i>	<i>TOTAL PRINCIPAL & INTEREST</i>
\$ 15,980,000	2016	4.00%	\$ 625,000	\$ 706,194	\$ 1,331,194
15,355,000	2017	5.00%-4.00%	650,000	680,694	1,330,694
14,705,000	2018	5.00%-4.00%	680,000	650,694	1,330,694
14,025,000	2019	4.00%	715,000	619,394	1,334,394
13,310,000	2020	4.00%-5.00%	740,000	590,294	1,330,294
12,570,000	2021	5.00%	-	575,494	575,494
12,570,000	2022	5.00%	-	575,494	575,494
12,570,000	2023	4.50%-5.50%	-	575,494	575,494
12,570,000	2024	4.50%	-	575,494	575,494
12,570,000	2025	4.50%	-	575,494	575,494
12,570,000	2026	4.50%	285,000	569,081	854,081
12,285,000	2027	4.50%	1,030,000	539,494	1,569,494
11,255,000	2028	4.50%	1,075,000	492,131	1,567,131
10,180,000	2029	4.50%	1,125,000	442,631	1,567,631
9,055,000	2030	4.50%-5.00%	1,180,000	390,769	1,570,769
7,875,000	2031	5.00%	-	364,219	364,219
7,875,000	2032	5.00%	-	364,219	364,219
7,875,000	2033	4.63%-5.00%	-	364,219	364,219
7,875,000	2034	4.00%-5.00%	1,435,000	331,034	1,766,034
6,440,000	2035	4.63%	1,500,000	263,163	1,763,163
4,940,000	2036	4.63%	1,570,000	192,169	1,762,169
3,370,000	2037	4.63%	1,645,000	117,822	1,762,822
1,725,000	2038	4.63%	1,725,000	39,887	1,764,887
			<u>\$ 15,980,000</u>	<u>\$ 10,595,578</u>	<u>\$ 26,575,578</u>

Note: Warrants mature on January 1 each year as indicated. Interest is paid semi-annually on January 1 and July 1 as indicated. Bonds issued by the Public Park and Recreational Board of the City of Opelika to provide for construction of the Sportsplex. The City has recorded this obligation as a capital lease based on the lease agreement between the City and the Public Park Recreational Board of the City of Opelika.

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2015

**OPELIKA INDUSTRIAL DEVELOPMENT AUTHORITY'S GENERAL OBLIGATION
REVENUE BONDS, SERIES 2010**

<i>TOTAL PRINCIPAL OUTSTANDING</i>	<i>YEAR</i>	<i>INTEREST RATE</i>	<i>ANNUAL PRINCIPAL PAYMENTS</i>	<i>ANNUAL INTEREST PAYMENTS</i>	<i>TOTAL PRINCIPAL & INTEREST</i>
\$ 3,282,906	2016	4.69%	\$ 591,393	\$ 154,033	\$ 745,426
2,691,513	2017	4.57%	622,321	123,096	745,417
2,069,192	2018	4.38%	654,877	90,540	745,417
1,414,315	2019	3.98%	689,128	56,280	745,408
725,187	2020	2.79%	725,187	20,229	745,416
			<u>\$ 3,282,906</u>	<u>\$ 444,178</u>	<u>\$ 3,727,084</u>

Note: Bond payments are due monthly on the 22nd of each month during the years indicated. Interest is also paid monthly on the 22nd day of each month during the years indicated. Bonds issued for current refunding of Series 1998 A & B.

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2015

GENERAL OBLIGATION SCHOOL WARRANTS, SERIES 2010-A

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 4,815,000	2016	2.500%-3.500%	\$ -	\$ 158,356	\$ 158,356
4,445,000	2017	2.750%-3.500%	385,000	148,006	533,006
4,060,000	2018	3.000%-4.000%	395,000	136,200	531,200
3,665,000	2019	3.250%	410,000	123,281	533,281
3,255,000	2020	3.500%	420,000	109,156	529,156
2,835,000	2021	3.250%	430,000	94,806	524,806
2,405,000	2022	4.000%	450,000	79,969	529,969
1,955,000	2023	3.500%	465,000	63,356	528,356
1,490,000	2024	3.625%	480,000	45,656	525,656
1,010,000	2025	3.750%	495,000	28,284	523,284
515,000	2026	3.750%	515,000	9,656	524,656
			\$ 4,445,000	\$ 996,726	\$ 5,441,726

Note: Warrants mature on October 1 each year as indicated. Interest is paid semi-annually on April 1 and October 1 as indicated. Bonds issued for current refunding of Series 2000 School Warrants.

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2015

GENERAL OBLIGATION RECOVERY ZONE ECONOMIC DEVELOPMENT WARRANTS, SERIES 2010-B

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST	INTEREST SUBSIDY	NET PRINCIPAL & INTEREST DUE
\$ 1,200,000	2016	4.35%	\$ -	\$ 64,160	\$ 64,160	\$ 28,872	\$ 35,288
1,200,000	2017	4.35%	-	64,160	64,160	28,872	35,288
1,200,000	2018	4.35%	-	64,160	64,160	28,872	35,288
1,200,000	2019	4.35%	-	64,160	64,160	28,872	35,288
1,200,000	2020	4.35%	-	64,160	64,160	28,872	35,288
1,200,000	2021	5.10%	-	64,160	64,160	28,872	35,288
1,200,000	2022	5.10%	-	64,160	64,160	28,872	35,288
1,200,000	2023	5.10%	-	64,160	64,160	28,872	35,288
1,200,000	2024	5.10%	225,000	64,160	289,160	28,872	260,288
975,000	2025	5.10%	235,000	52,685	287,685	23,708	263,977
740,000	2026	5.50%	240,000	40,700	280,700	18,315	262,385
500,000	2027	5.50%	245,000	27,500	272,500	12,375	260,125
255,000	2028	5.50%	255,000	14,025	269,025	6,311	262,714
			<u>\$ 1,200,000</u>	<u>\$ 712,350</u>	<u>\$ 1,912,350</u>	<u>\$ 320,557</u>	<u>\$ 1,591,793</u>

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

Proceeds of the warrants are to fund the construction of a fire station.

CITY OF OPELIKA
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2015

GENERAL OBLIGATION WARRANTS, SERIES 2011

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 57,555,000	2016	3.000%	\$ 1,750,000	\$ 2,262,700	\$ 4,012,700
55,805,000	2017	2.000%	1,800,000	2,218,200	4,018,200
54,005,000	2018	2.500-3.000%	1,835,000	2,172,850	4,007,850
52,170,000	2019	4.500%	1,885,000	2,126,538	4,011,538
50,285,000	2020	4.500%	1,965,000	2,054,362	4,019,362
48,320,000	2021	5.000%	2,050,000	1,964,025	4,014,025
46,270,000	2022	5.000%	2,155,000	1,864,025	4,019,025
44,115,000	2023	5.000%	2,265,000	1,753,525	4,018,525
41,850,000	2024	4.250%	2,380,000	1,637,400	4,017,400
39,470,000	2025	4.250%	2,475,000	1,538,666	4,013,666
36,995,000	2026	5.000%	2,550,000	1,459,588	4,009,588
34,445,000	2027	3.375%	2,655,000	1,353,369	4,008,369
31,790,000	2028	3.500%	2,775,000	1,240,166	4,015,166
29,015,000	2029	3.5% - 5.0%	2,875,000	1,143,025	4,018,025
26,140,000	2030	4.0%-5.0%	2,990,000	1,027,938	4,017,938
23,150,000	2031	4.0%-5.0%	3,120,000	895,762	4,015,762
20,030,000	2032	4.0%-5.0%	3,255,000	758,238	4,013,238
16,775,000	2033	4.0%-4.125%	3,085,000	626,412	3,711,412
13,690,000	2034	4.125%	3,215,000	498,403	3,713,403
10,475,000	2035	4.125%	3,350,000	363,000	3,713,000
7,125,000	2036	4.125%	3,490,000	221,925	3,711,925
3,635,000	2037	4.125%	3,635,000	74,971	3,709,971
			<u>\$ 57,555,000</u>	<u>\$ 29,255,088</u>	<u>\$ 86,810,088</u>

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

CITY OF OPELIKA
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2015

ELECTRIC SYSTEM WARRANTS, SERIES 2011

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 28,295,000	2016	3.850-5.500%	\$ -	\$ 1,425,336	\$ 1,425,336
28,295,000	2017	3.850-5.500%	-	1,425,336	1,425,336
28,295,000	2018	3.850-5.500%	-	1,425,336	1,425,336
28,295,000	2019	3.850-5.500%	-	1,425,336	1,425,336
28,295,000	2020	3.850%	1,105,000	1,404,065	2,509,065
27,190,000	2021	4.000%	1,150,000	1,359,794	2,509,794
26,040,000	2022	4.200%	1,200,000	1,311,594	2,511,594
24,840,000	2023	4.500%	1,255,000	1,258,156	2,513,156
23,585,000	2024	4.500%	1,310,000	1,200,444	2,510,444
22,275,000	2025	5.000%	1,375,000	1,136,594	2,511,594
20,900,000	2026	5.000%	1,445,000	1,066,094	2,511,094
19,455,000	2027	5.000%	1,520,000	991,969	2,511,969
17,935,000	2028	5.125%	1,600,000	912,969	2,512,969
16,335,000	2029	5.125%	1,685,000	828,791	2,513,791
14,650,000	2030	5.250%	1,770,000	739,150	2,509,150
12,880,000	2031	5.250%	1,870,000	643,600	2,513,600
11,010,000	2032	5.250%	1,970,000	542,800	2,512,800
9,040,000	2033	5.500%	2,080,000	433,888	2,513,888
6,960,000	2034	5.500%	2,195,000	316,325	2,511,325
4,765,000	2035	5.500%	2,320,000	192,163	2,512,163
2,445,000	2036	5.250%	2,445,000	64,181	2,509,181
			<u>\$ 28,295,000</u>	<u>\$ 20,103,921</u>	<u>\$ 48,398,921</u>

Note: Warrants mature on March 1, each year as indicated. Interest is paid semi-annually on March 1 and September 1 as indicated. Bonds issued by the Opelika Power Services department of the City of Opelika to finance the City's capital cable project.

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2015

GENERAL OBLIGATION WARRANTS, SERIES 2012

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 4,565,000	2016	2.00%	\$ 525,000	\$ 104,952	\$ 629,952
4,040,000	2017	2.00%	535,000	94,453	629,453
3,505,000	2018	4.00%	545,000	83,752	628,752
2,960,000	2019	2.00%	570,000	61,953	631,953
2,390,000	2020	2.00%	580,000	50,552	630,552
1,810,000	2021	2.00%	590,000	38,953	628,953
1,220,000	2022	2.15%	605,000	27,152	632,152
615,000	2023	2.30%	615,000	14,145	629,145
			<u>\$ 4,565,000</u>	<u>\$ 475,912</u>	<u>\$ 5,040,912</u>

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

CITY OF OPELIKA
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2015

GENERAL OBLIGATION SCHOOL WARRANTS, SERIES 2012-B

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 5,395,000	2016	2.24%	\$ 330,000	\$ 119,084	\$ 449,084
5,065,000	2017	2.24%	340,000	111,139	451,139
4,725,000	2018	2.24%	350,000	103,303	453,303
4,375,000	2019	2.24%	355,000	95,297	450,297
4,020,000	2020	2.24%	360,000	87,427	447,427
3,660,000	2021	2.24%	370,000	78,887	448,887
3,290,000	2022	2.24%	380,000	70,369	450,369
2,910,000	2023	2.24%	390,000	61,624	451,624
2,520,000	2024	2.24%	395,000	52,866	447,866
2,125,000	2025	2.24%	410,000	43,567	453,567
1,715,000	2026	2.24%	415,000	34,198	449,198
1,300,000	2027	2.24%	425,000	24,659	449,659
875,000	2028	2.24%	435,000	14,946	449,946
440,000	2029	2.24%	440,000	4,955	444,955
			<u>\$ 5,395,000</u>	<u>\$ 902,321</u>	<u>\$ 6,297,321</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
SCHEDULE OF GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2015

GENERAL OBLIGATION SCHOOL WARRANTS, SERIES 2014

TOTAL PRINCIPAL OUTSTANDING	YEAR	INTEREST RATE	ANNUAL PRINCIPAL PAYMENTS	ANNUAL INTEREST PAYMENTS	TOTAL PRINCIPAL & INTEREST
\$ 9,165,000	2016	3.55%	\$ 50,000	\$ 324,543	\$ 374,543
9,115,000	2017	3.55%	50,000	323,543	373,543
9,065,000	2018	3.55%	55,000	322,644	377,644
9,010,000	2019	3.55%	55,000	321,846	376,846
8,955,000	2020	3.55%	55,000	321,049	376,049
8,900,000	2021	4.00%	830,000	304,050	1,134,050
8,070,000	2022	3.00%	860,000	274,550	1,134,550
7,210,000	2023	2.00%	885,000	252,800	1,137,800
6,325,000	2024	3.00%	905,000	230,375	1,135,375
5,420,000	2025	4.00%	935,000	198,100	1,133,100
4,485,000	2026	4.00%	690,000	165,600	855,600
3,795,000	2027	4.00%	-	151,800	151,800
3,795,000	2028	4.00%	-	151,800	151,800
3,795,000	2029	4.00%	-	151,800	151,800
3,795,000	2030	4.00%	-	151,800	151,800
3,795,000	2031	4.00%	1,215,000	127,500	1,342,500
2,580,000	2032	4.00%	1,265,000	77,900	1,342,900
1,315,000	2033	4.00%	1,315,000	26,300	1,341,300
			<u>\$ 9,165,000</u>	<u>\$ 3,878,000</u>	<u>\$ 13,043,000</u>

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

STATISTICAL TABLES

CITY OF OPELIKA
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
2006	\$ 23,440,238	\$ 11,544,219	\$ 3,873,864	\$ 578,195	\$ 470,775	\$ 1,079,856	\$ 40,987,147
2007	25,282,961	11,743,004	3,136,030	536,735	452,430	2,915,544	44,066,704
2008	27,463,959	12,754,269	1,448,896	698,547	500,730	4,195,306	47,061,707
2009	26,416,881	11,993,912	1,239,726	758,595	620,247	1,642,307	42,671,668
2010	27,837,316	11,555,321	1,603,470	1,739,543	500,390	2,217,229	45,453,269
2011	28,182,929	11,732,765	1,502,732	1,708,701	484,069	985,823	44,597,019
2012	33,419,521	12,386,893	1,447,390	1,722,829	457,777	1,267,245	50,701,655
2013	34,805,004	13,106,003	3,078,982	1,711,351	622,729	860,410	54,184,479
2014	35,854,925	13,561,949	3,984,989	1,744,646	849,347	1,046,998	57,042,854
2015	38,221,293	14,690,102	1,274,397	1,806,639	885,458	705,061	57,582,950

Notes:

Unaudited

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

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

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>HEALTH</u>	<u>WELFARE</u>	<u>CULTURE AND RECREATION</u>	<u>EDUCATION</u>	<u>ECONOMIC DEVELOPMENT AND URBAN REHABILITATION</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
2006	\$ 3,962,046	\$ 10,279,790	\$ 3,223,622	\$ 256,582	\$ 131,925	\$ 3,222,800	\$ 4,403,109	\$ 755,764	\$ 6,716,348	\$ 32,951,986
2007	5,649,731	10,844,422	2,966,328	254,860	101,000	3,124,537	4,822,675	1,059,285	6,745,553	35,568,391
2008	4,336,128	11,857,510	3,197,089	278,494	102,500	3,386,155	5,684,739	898,035	9,606,471	39,347,121
2009	5,113,020	11,997,476	3,399,086	263,078	109,000	4,406,962	7,048,135	1,132,062	7,328,375	40,797,194
2010	4,625,898	12,312,557	3,463,506	277,450	119,000	5,558,158	8,370,763	1,323,457	7,289,665	43,340,454
2011	4,633,278	12,988,039	3,471,735	285,290	115,750	5,663,092	7,543,396	1,171,534	6,992,751	42,864,865
2012	4,566,038	13,100,993	3,402,392	285,025	120,000	5,689,829	12,989,069	1,404,323	7,627,515	49,185,184
2013	4,485,147	14,501,462	3,690,857	295,393	115,000	5,869,515	38,455,271	1,875,634	11,373,355	80,661,634
2014	5,126,763	13,857,446	4,128,059	293,483	113,000	5,944,165	15,614,039	1,802,635	10,046,479	56,926,069
2015	5,475,666	13,791,311	3,754,005	288,231	135,000	6,086,841	8,210,536	2,085,423	7,678,779	47,505,792

Notes:

Unaudited

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

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

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</u>
2006	\$ 4,285,705	\$ 2,430,643	\$ 6,716,348	\$ 32,951,986	20.4
2007	4,453,841	2,291,712	6,745,553	35,568,391	19.0
2008	6,179,992	3,426,479	9,606,471	39,347,121	24.4
2009	4,406,735	2,921,640	7,328,375	40,797,194	18.0
2010	4,403,750	2,885,915	7,289,665	43,340,454	16.8
2011	4,489,738	2,503,013	6,992,751	42,864,865	16.3
2012	3,915,124	3,712,391	7,627,515	49,185,184	15.5
2013	7,052,116	4,321,239	11,373,355	80,661,634	14.1
2014	5,881,555	4,164,924	10,046,479	56,926,069	17.6
2015	3,561,984	4,116,795	7,678,779	47,505,792	16.2

Notes:

Unaudited

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

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

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>
2006	\$ 51,107,068 (1)
2007	58,407,258 (1)
2008	65,725,115 (1)
2009	75,476,968 (1)
2010	81,700,649 (1)
2011	78,586,915 (1)
2012	78,525,166 (1)
2013	80,056,643 (1)
2014	81,745,195 (1)
2015	84,775,025 (1)

Notes:

Unaudited

(1) Source: Lee County Revenue Commissioner

CITY OF OPELIKA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<i>FISCAL YEAR</i>	<i>REAL PROPERTY</i>		<i>PERSONAL PROPERTY (1)</i>		<i>TOTAL</i>		<i>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE</i>
	<i>ASSESSED VALUE</i>	<i>ESTIMATED ACTUAL VALUE</i>	<i>ASSESSED VALUE</i>	<i>ESTIMATED ACTUAL VALUE</i>	<i>ASSESSED VALUE</i>	<i>ESTIMATED ACTUAL VALUE</i>	
2006	\$ 201,967,180	\$ 1,317,886,300	\$ 59,886,928	\$ 287,420,507	\$ 261,854,108	\$ 1,605,306,807	16.3
2007	233,821,420	1,522,260,000	62,839,600	301,995,700	296,661,020	1,824,255,700	16.3
2008	265,880,600	1,724,928,000	79,012,000	383,372,867	344,892,600	2,108,300,867	16.4
2009	282,606,360	1,852,837,800	92,297,540	449,735,067	374,903,900	2,302,572,867	16.3
2010	316,470,000	2,096,427,800	102,086,640	498,511,233	418,556,640	2,594,939,033	16.1
2011	302,193,720	1,987,986,600	113,892,540	550,500,100	416,086,260	2,538,486,700	16.4
2012	298,054,120	1,969,037,700	90,194,480	439,054,333	388,248,600	2,408,092,033	16.1
2013	293,241,080	1,937,087,700	90,898,500	442,756,633	384,139,580	2,379,844,333	16.1
2014	295,482,360	1,953,690,900	93,970,800	457,992,867	389,453,160	2,411,683,767	16.1
2015	302,299,900	1,986,871,600	99,523,780	485,749,700	401,823,680	2,472,621,300	16.3

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

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

Notes:

Unaudited

Ad Valorem Taxes are assessed and collected for the City of Opelika by Lee County.

Source - Lee County Revenue Commissioner

(1) Excludes value of motor vehicles

CITY OF OPELIKA
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS

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

<u>State of Alabama</u>			
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	\$ 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	\$ 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
<u>City of Opelika</u>			
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, 2018)		0.60	
Total		2.60	
Special School Tax:			
Special School Tax (voted to Sept. 30, 2021)		0.30	
Total		0.30	
Total City of Opelika			2.90
Total tax rate			\$ 5.40

Notes:

Unaudited

Source: Lee County Revenue Commissioner

Taxes due - October 1

Taxes delinquent - January 1

Penalties for delinquency - \$2.50 plus 6% interest

Tax sale date - Usually May or June

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

FISCAL YEAR ENDED	POPULATION		ASSESSED VALUE	GROSS BONDED DEBT	GENERAL DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
	CENSUS	NUMBER						
2006	2000	23,498	\$ 261,854,108	\$ 44,547,844 (1)	\$ 369,598	\$ 44,178,246	16.87	\$ 1,880
2007	2000	23,498	296,661,020	41,217,136 (1)	399,309	40,817,827	13.76	1,737
2008	2000	23,498	344,892,600	35,738,542 (1)	313,580	35,424,962	10.27	1,508
2009	2000	23,498	374,903,900	32,476,396 (1)	325,295	32,151,101	8.60	1,368
2010	2000	23,498	418,556,640	34,828,751 (1)	117,128	34,711,623	8.29	1,477
2011	2010	26,477	416,086,260	31,174,065 (1)	-	31,174,065	7.49	1,177
2012	2010	26,477	388,248,600	83,291,432 (1)	-	83,291,432	21.45	3,146
2013	2010	26,477	384,139,580	78,888,935 (1)	182,534	78,706,401	20.49	2,973
2014	2010	26,477	389,453,160	74,839,890 (1)	-	74,839,890	19.22	2,827
2015	2010	26,477	401,823,680	81,042,906 (1)	-	81,042,906	20.17	3,061

Notes:

Unaudited

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

CITY OF OPELIKA
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2015

Assessed value of real and personal taxable property as of 9-30-15 (including motor vehicles and excluding exempt property) (2)		<u>\$ 325,920,860</u>
Debt limit, twenty percent of assessed value (constitutional limitation) (1)		\$ 65,184,172
Outstanding General Obligation Debt:		
Debt in governmental activities	\$ 81,042,906	
Debt in business-type activities	7,795,000	
Other long-term liabilities	<u>2,565,085</u>	
Total general obligation debt for computation		\$ 91,402,991
Less: Bonds exempted from legal debt limit (1):		
Bonds issued for schools:		
2011 General Obligation Warrants	35,890,000	
2010-A General Obligation Refunding School Warrants	4,445,000	
2012-B General Obligation School Warrants	<u>5,395,000</u>	
Total		\$ 45,730,000
Bonds issued for sewers:		
2010-B General Obligation Warrants, Series 2010-B	3,230,000	
2012 General Obligation Sewer Improvement Refunding Warrants	<u>4,565,000</u>	
Total		<u>7,795,000</u>
Total exempt bonds		<u>53,525,000</u>
NET BONDED INDEBTEDNESS		<u>37,877,991</u>
LEGAL DEBT MARGIN		<u><u>\$ 27,306,181</u></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
COMPUTATION OF OVERLAPPING DEBT
SEPTEMBER 30, 2015

	<u>GROSS DEBT LESS DEBT SERVICE ASSETS</u>	<u>PERCENTAGE OF DEBT APPLICABLE CITY OF OPELIKA</u>	<u>CITY OF OPELIKA DEBT BURDEN</u>
City of Opelika			
Gross bonded debt (1)	\$ 81,042,906		
Other long-term debt	<u>18,545,085</u>		
Total long-term debt	99,587,991		
Less: amounts available for debt service	<u>-</u>		
Direct net debt	<u><u>\$ 99,587,991</u></u>	100%	\$ 99,587,991
Overlapping Debt			
Lee County, Alabama (fiscal year ending September 30, 2013)			
Net overlapping debt	<u><u>\$ 10,980,000</u></u> (2)	27.8%	<u>3,052,440</u>
Total direct and overlapping debt			<u><u>\$ 102,640,431</u></u>

Notes:

Unaudited

(1) Does not include general obligation debt reported by the enterprise funds

(2) Obtained from the unaudited Lee County Commission Financial Report for the year ended September 30, 2015

CITY OF OPELIKA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	PER CAPITA INCOME	MEDIAN AGE	PERCENT OF HIGH SCHOOL GRADUATES AMONG PERSONS OVER 25	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2006	24,621 (1)	\$ 22,615	36.2	78.2	8,050	2.6%
2007	24,621 (1)	22,615	35.0	78.2	7,930	3.5%
2008	25,836 (1)	21,928	35.8	78.9	8,253	4.5%
2009	26,808 (1)	22,368	35.1	78.8	8,410	8.6%
2010	27,454 (1)	22,368	35.1	79.0	8,218	7.6%
2011	26,477 (2)	22,368	35.1	79.0	8,213	7.9%
2012	27,092 (1)	20,937 (3)	35.0 (3)	80.3 (3)	8,201 (4)	6.4%
2013	27,825 (1)	20,937 (3)	35.5 (3)	80.3 (3)	8,176 (4)	5.0% (5)
2014	28,635 (1)	20,937 (3)	35.5 (3)	80.3 (3)	7,965 (4)	4.7% (5)
2015	29,171 (1)	23,447 (3)	36.7 (3)	82.6 (3)	7,921 (4)	4.8% (5)

Notes:

Unaudited

(1) Source: U.S. Census Bureau Population Estimate

(2) Source: 2010 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

CITY OF OPELIKA
CONSTRUCTION
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>COMMERCIAL CONSTRUCTION (1)</u>		<u>RESIDENTIAL CONSTRUCTION (1)</u>	
	<u>NUMBER OF UNITS</u>	<u>VALUE</u>	<u>NUMBER OF UNITS</u>	<u>VALUE</u>
2006	53	\$ 76,002,929	245	\$ 39,559,464
2007	61	38,959,089	290	53,919,771
2008	52	50,652,576	270	47,084,339
2009	37	25,426,751	124	22,321,561
2010	26	34,816,614	127	24,213,179
2011	22	6,148,564	92	18,540,830
2012	30	58,590,827	146	31,579,110
2013	27	19,298,488	141	28,582,167
2014	23	21,226,262	124	27,546,351
2015	30	105,231,989	154	36,071,178

Notes:

Unaudited

(1) Amounts shown are new construction only.

CITY OF OPELIKA
PRINCIPAL TAXPAYERS
 SEPTEMBER 30, 2015

<i>TAXPAYER</i>	<i>TYPE OF BUSINESS</i>	<i>ASSESSED VALUATION</i>	<i>TAX COLLECTED</i>	<i>PERCENT OF TOTAL ASSESSED VALUATION</i>
Wal-Mart	Wholesale Product Distribution	\$ 11,701,580	\$ 631,885	2.9%
Mando America Corporation	Industry/Manufacturer	18,092,320	490,088	4.5%
THF Tiger Town, LLC	Commercial Real Estate	8,806,280	475,539	2.2%
Gambro Renal Products, Inc.	Industry/Manufacturer	15,204,200	410,665	3.8%
Hanwha L&C Alabama	Industry/Manufacturer	10,175,580	368,791	2.5%
Daewon America, Inc.	Industry/Manufacturer	12,464,540	336,553	3.1%
Pharmavite, LLC	Industry/Manufacturer	9,077,100	272,293	2.3%
Jo-Ann Stores Supply	Distribution	7,658,640	213,464	1.9%
Fox Run Apartments, LLC	Apartment Complex	2,825,900	152,599	<1%
Benteler Automotive Alabama, Inc.	Industry/Manufacturer	<u>4,731,240</u>	<u>152,384</u>	1.2%
Total assessed value and tax collected for ten largest taxpayers		100,737,380	3,504,261	25.1%
Total assessed value of other taxpayers		<u>301,086,300</u>		<u>74.9%</u>
Total assessed value of all taxpayers		<u><u>\$ 401,823,680</u></u>		<u><u>100.0%</u></u>

Notes:

Unaudited

Source: Lee County Revenue Commissioner

Amounts shown are assessed at 10-1-13 and collected during fiscal year ended 9-30-14.

CITY OF OPELIKA
MISCELLANEOUS STATISTICS (1)
SEPTEMBER 30, 2015

Date of Incorporation	1854
Form of Government	Mayor-Council
Area	57 square miles
Miles of Streets:	
Paved	249
Unpaved	6
Fire Protection:	
Number of stations	4
Number of firefighters, paramedics and other personnel	65
Police Protection:	
Number of stations	1
Number of police officers and other personnel	109
Education:	
Attendance centers:	
Primary, intermediate and middle schools	7
Secondary schools	1
State colleges	1
Number of students	7,921
Auburn University, in adjoining Auburn, Alabama	27,287 enrollment
Sewers:	
Sanitary sewers	285 miles
Building Permits:	
Number of permits	1,326
Estimated value of new construction and improvements	\$ 192,080,600
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 libraries	1
Number of volumes	124,126
City Employees	346

Note:
(1) Unaudited