

CITY OF OTTAWA, KANSAS

Financial Statements

For the Year Ended December 31, 2015

This page intentionally left blank.

CITY OF OTTAWA, KANSAS
 Financial Statements
 For the Year Ended December 31, 2015
 Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 14
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	15
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget and Actual Only	
General Fund	16
Community Services Support Fund	17
Municipal Auditorium Fund	18
Airport Fund	19
Special Park and Recreation Fund	20
Special Alcohol Program Fund	21
Library Fund	22
Economic Development Fund	23
Special Streets Fund	24
Electric Power Supply Fund	25
Equipment Reserve Fund	26
Revolving Loan Fund	27
Risk Management Fund	28
Law Enforcement Trust Fund	29
Bond and Interest Fund	30
WWTP Funding Fund	31
Capital Project Funds	32
Storm Water Utility Fund	33
Water Utility Fund	34
Wastewater Utility Fund	35
Electric Utility Fund	36
Utility Credit Fund	37
Health Insurance Fund	38
SCHEDULE 3	
Summary of Receipts and Disbursements – Agency Funds	39
SCHEDULE 4	
Schedule of Receipts and Expenditures - Actual Only	
Related Municipal Entity - Ottawa Library	40



INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Ottawa, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Ottawa, Kansas, (the City), as of and for the year ended December 31, 2015 and the related notes to the financial statement. We did not audit the financial statements of the Ottawa Library, which is a related municipal entity and 2% and 2%, respectively, of the assets and regulatory basis receipts of the reporting entity.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated August 25, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

Mize Houser & Company PA

Certified Public Accountants

Lawrence, Kansas
August 15, 2016

CITY OF OTTAWA, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General Fund	\$ 1,462,812	\$ -	\$ 9,576,219	\$ 9,676,154	\$ 1,362,877	\$ 344,129	\$ 1,707,006
Special Purpose Funds:							
Community Services Support Fund	5,435	-	151,500	154,481	2,454	10	2,464
Municipal Auditorium Fund	61,875	-	169,744	171,981	59,638	6,288	65,926
Airport Fund	9,317	-	98,763	87,429	20,651	1,528	22,179
Special Park and Recreation Fund	35,923	-	68,043	27,808	76,158	399	76,557
Special Alcohol Program Fund	23,073	-	26,609	-	49,682	-	49,682
Library Fund	-	-	825,851	818,858	6,993	-	6,993
Economic Development Fund	103,216	-	238,657	129,434	212,439	740	213,179
Special Streets Fund	461,684	-	522,532	289,551	694,665	-	694,665
Electric Power Supply Fund	684,642	-	411,273	461,731	634,184	-	634,184
Equipment Reserve Fund	585,765	-	556,772	573,133	569,404	-	569,404
Revolving Loan Fund	210,704	-	2,454	-	213,158	-	213,158
Risk Management Fund	140,450	-	916,432	985,949	70,933	3,234	74,167
Law Enforcement Trust Fund	11,712	-	380	525	11,567	-	11,567
Bond and Interest Funds:							
Bond and Interest Fund	488,900	-	2,471,474	2,541,579	418,795	-	418,795
WWTP Funding Fund	692,189	-	785,378	800,923	676,644	-	676,644
Capital Project Funds	2,829,696	-	1,873,228	1,940,367	2,762,557	22,652	2,785,209
Business Funds:							
Storm Water Utility Fund	366,205	-	464,657	274,837	556,025	12,937	568,962
Water Utility Fund	810,545	-	2,455,741	2,487,741	778,545	179,525	958,070
Wastewater Utility Fund	780,236	-	2,513,667	2,906,184	387,719	200,641	588,360
Electric Utility Fund	3,709,538	-	14,813,640	15,178,862	3,344,316	1,146,272	4,490,588
Utility Credit Fund	136,447	-	16,507	1,184	151,770	-	151,770
Health Insurance Fund	1,293,154	-	1,471,542	1,624,428	1,140,268	-	1,140,268
Total primary government	14,903,518	-	40,431,063	41,133,139	14,201,442	1,918,355	16,119,797
Related Municipal Entities:							
Ottawa Library	290,561	[5,001]	979,281	885,096	379,745	12,895	392,640
Total reporting entity [excluding agency funds]	\$ 15,194,079	\$ [5,001]	\$ 41,410,344	\$ 42,018,235	\$ 14,581,187	\$ 1,931,250	\$ 16,512,437

Composition of Cash:

Kansas State Bank	
Checking	\$ 1,873,796
Money Market	6,386,436
Certificate of Deposit	2,900,000
Peoples Bank	
Checking	160,033
Kansas Municipal Investment Pool	2,500,000
Arvest Bank	
Certificate of Deposit	2,400,000
Petty Cash	3,332
Ottawa Library - Checking	55,052
Ottawa Library - Money Market	66,162
Ottawa Library - Equity Investments	271,286
Ottawa Library - Petty Cash	140
Total Cash	16,616,237
Less: Agency Funds per Schedule 3	[103,800]
Total Reporting Entity [Excluding Agency Funds]	\$ 16,512,437

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Ottawa, founded in 1864 and incorporated in 1866, is governed by a city manager form of government with an elected five-member commission. The commission annually selects a Mayor from its ranks to serve a one-year term.

These financial statements present the City (the municipality) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and its constituents. The City's related municipal entity is the Ottawa Library.

The Ottawa Library provides library services to the area. The seven-member Library board is appointed by the City. The City appropriates and distributes tax monies to the Library. The Library's 2015 financial statements have been included as Schedule 4 of the City's financial statements.

Complete financial statements for the individual related municipal entity may be obtained at the entity's administrative offices located at 101 South Hickory, Ottawa, Kansas.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2015:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory basis receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

Agency Funds - to account for assets held by the City as an agent for individuals, other governmental units, private organizations, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the City Commission to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended December 31, 2015.

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, regulatory basis receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, agency funds, and the following funds:

- Law Enforcement Trust Fund
- Utility Credit Fund
- Health Insurance Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the city commission.

NOTE 2 - Deposits

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

At December 31, 2015, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 2,500,000</u>	S&P AAf/S1+

The Municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities of up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - Deposits (Continued)

covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods".

At December 31, 2015, the City's carrying amount of deposits was \$13,723,597 and the bank balance was \$14,113,997. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$663,373 was covered by federal depository insurance and the balance of \$13,450,624 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or 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. State statutes require investments to be adequately secured.

The related municipal entity's carrying amount of deposits was \$121,354 and the bank balance was \$157,735. The difference between the bank balance and the carrying amount is the outstanding checks and deposits. Of the bank balance \$157,735 was covered by federal depository insurance. The related municipal entity also has investments in mutual funds under a 501 (c) 3 not for profit with a carrying value of \$271,286 and a market value of \$265,085.

NOTE 3 - Retirement Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2 or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009, and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate at 6% of covered salary for KPERs 1, KPERs 2 and KPERs 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERs 1, KPERs 2, KPERs 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.48% for KPERs and 21.36% for KP&F for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City were \$516,388 for KPERs and \$604,944 for KP&F for the year ended December 31, 2015.

Net Pension Liability. At December 31, 2015, the City's proportionate share of the collective net pension liability reported by KPERs was \$4,191,526 and \$4,270,537 for KP&F. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERs, relative to the total employer and non-employer contributions of the Local subgroup within KPERs. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 3 - Retirement Plan (Continued)

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

NOTE 4 - Long-Term Debt

Following is a detailed listing of the City's outstanding general obligation debt:

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Series 2007	4.00 - 6.00%	\$ 8,290,000	\$ 9,900,000	08/18/07	10/01/28
Series 2009	3.50 - 4.10%	730,000	1,065,000	08/01/09	10/01/24
Series 2009A	3.00 - 4.20%	1,885,000	2,345,000	11/20/09	10/01/29
Series 2010A	2.00 - 3.30%	1,330,000	2,645,000	07/15/10	10/01/21
Series 2010B	3.00 - 3.625%	2,155,000	3,295,000	12/15/10	10/01/23
Series 2012A	0.55 - 2.30%	535,000	840,000	03/15/12	10/01/23
Series 2012B	0.75 - 2.65%	600,000	825,000	03/15/12	10/01/21
Series 2014A	2.00 - 3.50%	<u>7,265,000</u>	7,855,000	06/19/14	10/01/30
Total		<u>\$ 22,790,000</u>			

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,900,000	\$ 795,624	\$ 2,695,624
2017	1,960,000	742,261	2,702,261
2018	2,035,000	677,311	2,712,311
2019	2,090,000	608,751	2,698,751
2020	2,145,000	540,334	2,685,334
2021 - 2025	8,945,000	1,596,818	10,541,818
2026 - 2030	<u>3,715,000</u>	<u>330,243</u>	<u>4,045,243</u>
Total	<u>\$ 22,790,000</u>	<u>\$ 5,291,342</u>	<u>\$ 28,081,342</u>

Following is a detailed listing of the City's outstanding temporary notes:

<u>Temporary Notes</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Series 2015-1	1.00%	\$ 530,000	\$ 530,000	10/29/15	11/01/16
Series 2014-2	1.00%	<u>2,000,000</u>	2,000,000	11/19/14	11/01/16
		<u>\$ 2,530,000</u>			

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 4 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,530,000	\$ 25,300	\$ 2,555,300
Total	<u>\$ 2,530,000</u>	<u>\$ 25,300</u>	<u>\$ 2,555,300</u>

The City issued series 2015-1 temporary notes in the amount of \$530,000 on October 29, 2015, to pay the cost of certain public building improvements consisting of a municipally owned airport hangar. The interest rate on the notes is 1.00% and has a final maturity of November 1, 2016.

Loans. Loans outstanding at year end are as follows:

The City has entered into an agreement for a Kansas Water Pollution Control Loan for the East Side Interceptor project. Draws on the project are authorized up to \$4,707,513. As of December 31, 2015, draws total \$4,089,429. The debt service requirements to the maturity date are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 165,087	\$ 88,853	\$ 253,939
2017	168,922	85,017	253,939
2018	172,847	81,093	253,939
2019	176,862	77,077	253,939
2020	180,972	72,968	253,939
2021 - 2025	969,915	299,782	1,269,697
2026 - 2030	1,087,945	181,752	1,269,697
2031 - 2034	<u>964,934</u>	<u>50,824</u>	<u>1,015,758</u>
Total	<u>\$ 3,887,483</u>	<u>\$ 937,367</u>	<u>\$ 4,824,850</u>

The City has entered into a loan agreement for financing the completion of broadband infrastructure build-out in the Northeast Ottawa Industrial Park. The following is information regarding the loan:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Broadband infrastructure	2.25%	\$ 19,823	\$ 30,000	06/10/13	6/10/2020
Total		<u>\$ 19,823</u>			

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 4 - Long-Term Debt (Continued)

The debt service requirements to maturity are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,234	\$ 403	\$ 4,636
2017	4,330	306	4,636
2018	4,428	208	4,636
2019	4,529	107	4,636
2020	<u>2,303</u>	<u>15</u>	<u>2,318</u>
Total	<u>\$ 19,823</u>	<u>\$ 1,039</u>	<u>\$ 20,862</u>

The City has entered into lease agreements as lessee for financing the acquisition of equipment. The following is information regarding these leases:

<u>Capital Leases</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
2014 Platform Fire Truck Refinance	3.23%	\$ 444,778	\$ 539,165	01/05/09	01/10/24
2015 Dump Truck	1.85%	84,963	84,963	12/15/15	12/15/20
2011 Case Wheel Loader	3.14%	14,202	113,665	07/08/11	07/10/16
2014 Public Works Equipment	1.62%	<u>169,031</u>	238,595	06/25/14	06/25/19
		<u>\$ 712,974</u>			

The debt service requirements to maturity are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 127,421	\$ 17,566	\$ 144,987
2017	115,920	14,756	130,676
2018	118,692	11,984	130,676
2019	96,599	9,222	105,821
2020	73,974	6,994	80,967
2021 - 2023	<u>180,369</u>	<u>9,122</u>	<u>189,491</u>
	<u>\$ 712,974</u>	<u>\$ 69,644</u>	<u>\$ 782,618</u>

The City entered into a lease purchase agreement on December 15, 2015, to finance the purchase of a Dump Truck in the amount of \$84,963. The interest rate of the lease is 1.85% and has a final maturity date of December 15, 2020.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 4 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended December 31, 2015:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
General Obligation Bonds	\$ 24,710,000	\$ -	\$ 1,920,000	\$ 22,790,000
Temporary Notes	2,530,000	530,000	530,000	2,530,000
Loans	4,113,392	-	206,086	3,907,306
Capital Leases	<u>785,040</u>	<u>84,963</u>	<u>157,029</u>	<u>712,974</u>
Total	<u>\$ 32,138,432</u>	<u>\$ 614,963</u>	<u>\$ 2,813,115</u>	<u>\$ 29,940,280</u>

The City is subject to the municipal finance law of the State of Kansas which limits the net bonded debt the City may have outstanding up to 30 percent of the assessed value of all tangible personal property within the City, as certified to the County Clerk on the proceeding August 25. At December 31, 2015, the statutory limit for the City was \$24,068,899, providing a debt margin of \$11,723,899.

The City has entered into several conduit debt arrangements wherein the City issues industrial revenue bonds to finance a portion of the construction of facilities by private enterprises. In return, the private enterprises have executed mortgage notes or leases with the City. The City is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. At December 31, 2015, total outstanding conduit debt was \$4,320,000.

Subsequent Event

On February 22, 2016, the City entered into an agreement with the Kansas Department of Health and Environment for a Kansas Public Water Supply Loan in the amount of \$3,262,500 to provide financing for a raw water line from the City's river intake to the water plant. The interest rate on the loan is 2.13%. The first payment is scheduled to begin on August 1, 2017, and the last payment is due February 1, 2037.

NOTE 5 - Compensated Absences

The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of 30 days vacation pay and 120 days of sick pay. Policies prohibit payment of vacation time in lieu of time-off and restrict sick pay compensation to a maximum of 60 days on date of employment termination. Unpaid vacation pay and unpaid sick pay amounts are not accrued in these financial statements. At December 31, 2015, the City estimates the total accumulated vacation and unpaid sick pay amounted to \$536,384 and \$661,327 respectively.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 6 - Capital Projects

Capital projects often extend over two or more fiscal years. The following is a schedule, which compares the project authorization to total project expenditures from project inception to December 31, 2015:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Project Expenditures</u>
Automated Weather Observing System	\$ 173,420	\$ 4,700

NOTE 7 - Deferred Compensation Plan

The City offers its employees a deferred compensation plan ("Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan are transferred to a third-party custodial trust.

NOTE 8 - Flexible Benefit Plan (I.R.C. Section 125)

The City Commission has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All full time City employees are eligible to participate in the Plan. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently, all benefits offered through the Plan involve insurance coverage, unreimbursed medical care and dependent care assistance.

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; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Employee Health Care. The City has established a program to pay medical claims of covered current and former City employees and additional health insurance premiums. Liabilities are reported when it is probable that claims have been incurred and the amount of the liability can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	<u>2015</u>	<u>2015</u>
Unpaid claims, January 1	\$ 153,355	\$ 90,230
Incurred claims (including IBNRs)	1,072,761	962,653
Claim payments	<u>[1,129,558]</u>	<u>[899,528]</u>
Unpaid claims, December 31	<u>\$ 96,558</u>	<u>\$ 153,355</u>

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

NOTE 10 - Interfund Transfers

A reconciliation of transfers by fund type for 2015 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General Fund	Airport Fund	\$ 83,014	K.S.A. 12-197
General Fund	Airport Improvement Grants Fund	142,181	K.S.A. 12-1,118
General Fund	Community Services Support Fund	36,000	K.S.A. 12-197
General Fund	Equipment Reserve Fund	188,000	K.S.A. 12-197 & 12-1,117
General Fund	Risk Management Fund	125,000	K.S.A. 12-2615
General Fund	Trails Grant Fund	133	K.S.A. 12-1,118
General Fund	Sidewalk Grant 15th Street Fund	1,000	K.S.A. 12-1,118
General Fund	Supermarket Project Fund	16,442	K.S.A. 12-1,118
General Fund	WWTP Funding Fund	229,876	K.S.A. 12-1,118 & 12-197
Municipal Auditorium Fund	Risk Management Fund	2,000	K.S.A. 12-2615
Economic Development Fund	Neighborhood Stabilization Grant Fund	16,914	K.S.A. 12-1,118
Special Streets Fund	Airport AWOS Fund	4,700	K.S.A. 12-1,118
Special Streets Fund	Bond and Interest Fund	50,000	K.S.A. 12-1,119
Special Streets Fund	K68 & Main Street Fund	22,737	K.S.A. 12-1,118
Special Streets Fund	Sidewalk Grant 15th Street Fund	8,038	K.S.A. 12-1,118
Special Streets Fund	Trails Grant Fund	4,789	K.S.A. 12-1,118
Stormwater Utility Fund	Levee Improvement Fund	154,908	K.S.A. 12-1,118 & 12-825d
Electric Power Supply Fund	Bond and interest Fund	150,000	K.S.A. 12-1,118 & 12-825d
WWTP Funding Fund	Bond and Interest Fund	727,110	K.S.A. 12-1,118 & 12-825d
Water Utility Fund	Bond and Interest Fund	187,000	K.S.A. 12-1,118 & 12-825d
Water Utility Fund	Community Services Support Fund	38,500	K.S.A. 12-825d
Water Utility Fund	Equipment Reserve Fund	51,550	K.S.A. 12-1,117 & 12-825d
Water Utility Fund	General Fund	416,000	K.S.A. 12-825d
Water Utility Fund	Levee Improvement Fund	5,068	K.S.A. 12-1,118 & 12-825d
Water Utility Fund	Risk Management Fund	162,000	K.S.A. 12-2615 & 12-825d
Water Utility Fund	Water Construction Fund	5,292	K.S.A. 12-1,118 & 12-825d
Wastewater Utility Fund	Community Services Support Fund	38,500	K.S.A. 12-825d
Wastewater Utility Fund	Equipment Reserve Fund	77,152	K.S.A. 12-1,117 & 12-825d
Wastewater Utility Fund	General Fund	255,300	K.S.A. 12-825d
Wastewater Utility Fund	Risk Management Fund	144,000	K.S.A. 12-2615 & 12-825d
Wastewater Utility Fund	WWTP Funding Fund	555,000	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	Bond and interest Fund	692,713	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	Community Services Support Fund	38,500	K.S.A. 12-825d
Electric Utility Fund	Equipment Reserve Fund	111,170	K.S.A. 12-1,117 & 12-825d
Electric Utility Fund	General Fund	1,155,000	K.S.A. 12-825d
Electric Utility Fund	Risk Management Fund	300,000	K.S.A. 12-2615 & 12-825d
		<u>\$ 6,195,587</u>	

Note 11 - Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 11 - Other Post Employment Benefits (Continued)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 12 - Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City at December 31, 2015.

NOTE 13 – Statutory Violation

Actual exceeded budgeted expenditures in the WWTP Funding Fund, which is a violation of K.S.A. 79-2935.

SCHEDULE 1

CITY OF OTTAWA, KANSAS

Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 11,148,068	\$ -	\$ 11,148,068	\$ 9,676,154	\$ 1,471,914
Special Purpose Funds:					
Community Services Support Fund	158,974	-	158,974	154,481	4,493
Municipal Auditorium Fund	233,725	-	233,725	171,981	61,744
Airport Fund	98,344	-	98,344	87,429	10,915
Special Park and Recreation Fund	112,081	-	112,081	27,808	84,273
Special Alcohol Program Fund	24,000	-	24,000	-	24,000
Library Fund	818,864	-	818,864	818,858	6
Economic Development Fund	140,476	-	140,476	129,434	11,042
Special Streets Fund	538,929	-	538,929	289,551	249,378
Electric Power Supply Fund	997,398	-	997,398	461,731	535,667
Equipment Reserve Fund	1,205,690	-	1,205,690	573,133	632,557
Revolving Loan Fund	213,084	-	213,084	-	213,084
Risk Management Fund	1,230,315	-	1,230,315	985,949	244,366
Bond and Interest Funds:					
Bond and Interest Fund	2,931,829	-	2,931,829	2,541,579	390,250
WWTP Funding Fund	774,110	-	774,110	800,923	[26,813]
Business Funds:					
Storm Water Utility Fund	711,216	-	711,216	274,837	436,379
Water Utility Fund	3,676,203	-	3,676,203	2,487,741	1,188,462
Wastewater Utility Fund	3,384,057	-	3,384,057	2,906,184	477,873
Electric Utility Fund	21,853,091	-	21,853,091	15,178,862	6,674,229

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,304,171	\$ 2,356,124	\$ 2,356,370	\$ [246]
Delinquent tax	92,471	101,393	115,000	[13,607]
Vehicle taxes	250,955	271,206	242,704	28,502
Local sales	2,334,225	2,446,106	2,342,557	103,549
County sales	1,054,283	1,124,334	1,054,985	69,349
Other taxes	822,512	759,031	839,387	[80,356]
Intergovernmental	32,568	32,568	33,660	[1,092]
Licenses, permits and fees	478,331	478,761	458,800	19,961
Charges and services	51,125	47,442	51,400	[3,958]
Leases and rentals	2,000	570	-	570
Interest	11,096	12,419	15,000	[2,581]
Miscellaneous	163,990	119,965	40,000	79,965
Refunds and reimbursements	-	-	100,000	[100,000]
Operating transfers	1,472,957	1,826,300	1,899,000	[72,700]
Total Receipts	<u>9,070,684</u>	<u>9,576,219</u>	<u>\$ 9,548,863</u>	<u>\$ 27,356</u>
Expenditures				
City commission and manager	237,509	248,794	\$ 250,086	\$ 1,292
City administration	304,428	285,261	281,240	[4,021]
Building maintenance	-	-	145,165	145,165
Nonoperating	329,707	482,407	1,303,679	821,272
Planning	439,304	425,923	489,118	63,195
Flood control	18,468	-	-	-
Fleet management	142,371	143,106	160,055	16,949
Finance department	126,900	146,047	-	[146,047]
Parks	261,985	272,869	318,285	45,416
Police department	2,117,617	2,254,127	2,319,368	65,241
Fire department	1,159,455	1,238,414	1,411,422	173,008
Public works	830,122	859,852	1,111,811	251,959
Highland cemetery	114,500	115,073	121,997	6,924
Human resources	101,868	120,880	140,513	19,633
Municipal court	144,437	161,463	161,136	[327]
Employee benefits	1,304,471	1,863,545	1,807,591	[55,954]
IT department	219,147	236,747	254,226	17,479
Operating transfers	779,155	821,646	872,376	50,730
Total Expenditures	<u>8,631,444</u>	<u>9,676,154</u>	<u>\$ 11,148,068</u>	<u>\$ 1,471,914</u>
Receipts Over [Under] Expenditures	439,240	[99,935]		
Unencumbered Cash, Beginning	<u>1,023,572</u>	<u>1,462,812</u>		
Unencumbered Cash, Ending	<u>\$ 1,462,812</u>	<u>\$ 1,362,877</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Community Services Support Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Operating transfers	\$ 147,500	\$ 151,500	\$ 151,500	\$ -
Miscellaneous revenues	75	-	-	-
Refunds and reimbursements	50	-	1,189	[1,189]
Total Receipts	<u>147,625</u>	<u>151,500</u>	<u>\$ 152,689</u>	<u>\$ [1,189]</u>
Expenditures				
Contractual services	146,102	154,031	\$ 153,036	\$ [995]
Contingency	250	450	5,938	5,488
Total Expenditures	<u>146,352</u>	<u>154,481</u>	<u>\$ 158,974</u>	<u>\$ 4,493</u>
Receipts Over [Under] Expenditures	1,273	[2,981]		
Unencumbered Cash, Beginning	<u>4,162</u>	<u>5,435</u>		
Unencumbered Cash, Ending	<u>\$ 5,435</u>	<u>\$ 2,454</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Municipal Auditorium Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over (Under)
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 122,319	\$ 123,327	\$ 121,500	\$ 1,827
Delinquent tax	10,791	5,531	4,000	1,531
Vehicle taxes	16,607	14,530	12,899	1,631
Charges for services				
Auditorium rental	11,982	16,553	12,000	4,553
Concessions	1,578	3,147	2,579	568
Ticket sales	12,749	2,248	15,000	[12,752]
Interest	37	58	30	28
Donations	5,172	4,350	2,500	1,850
Reimbursements	476	-	200	[200]
Other	-	-	25	[25]
Total Receipts	<u>181,711</u>	<u>169,744</u>	<u>\$ 170,733</u>	<u>\$ [989]</u>
Expenditures				
Personal services	85,658	89,600	\$ 92,888	\$ 3,288
Contractual services	50,810	51,059	62,960	11,901
Commodities	7,212	5,744	4,700	[1,044]
Capital outlay	23,105	23,578	44,677	21,099
Miscellaneous	-	-	20,500	20,500
Operating transfers	-	2,000	8,000	6,000
Total Expenditures	<u>166,785</u>	<u>171,981</u>	<u>\$ 233,725</u>	<u>\$ 61,744</u>
Receipts Over [Under] Expenditures	14,926	[2,237]		
Unencumbered Cash, Beginning	<u>46,949</u>	<u>61,875</u>		
Unencumbered Cash, Ending	<u>\$ 61,875</u>	<u>\$ 59,638</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Airport Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Misc. revenue	\$ 9,623	\$ 15,749	\$ 5,500	\$ 10,249
Reimbursements	20,614	-	-	-
Operating transfers	55,297	83,014	88,500	[5,486]
Total Receipts	<u>85,534</u>	<u>98,763</u>	<u>\$ 94,000</u>	<u>\$ 4,763</u>
Expenditures				
Contractual services	76,213	82,299	\$ 83,000	\$ 701
Commodities	5,148	3,746	4,727	981
Capital outlay	-	1,384	5,600	4,216
Miscellaneous	-	-	2,417	2,417
Operating transfers	-	-	2,600	2,600
Total Expenditures	<u>81,361</u>	<u>87,429</u>	<u>\$ 98,344</u>	<u>\$ 10,915</u>
Receipts Over [Under] Expenditures	4,173	11,334		
Unencumbered Cash, Beginning	<u>5,144</u>	<u>9,317</u>		
Unencumbered Cash, Ending	<u>\$ 9,317</u>	<u>\$ 20,651</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Special Park and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ 16,047	\$ 1,630	\$ 100	\$ 1,530
Donations	20,347	39,052	500	38,552
Interest	20	64	-	64
Licenses, Permits, and Fees	7,405	689	-	689
Taxes				
Liquor selling tax	<u>23,073</u>	<u>26,608</u>	<u>24,000</u>	<u>2,608</u>
Total Receipts	<u>66,892</u>	<u>68,043</u>	<u>\$ 24,600</u>	<u>\$ 43,443</u>
Expenditures				
Contractual services	6,445	16,319	\$ 2,500	\$ [13,819]
Commodities	-	-	3,000	3,000
Capital improvement	100,181	11,489	98,500	87,011
Miscellaneous	<u>-</u>	<u>-</u>	<u>8,081</u>	<u>8,081</u>
Total Expenditures	<u>106,626</u>	<u>27,808</u>	<u>\$ 112,081</u>	<u>\$ 84,273</u>
Receipts Over [Under] Expenditures	[39,734]	40,235		
Unencumbered Cash, Beginning	<u>75,657</u>	<u>35,923</u>		
Unencumbered Cash, Ending	<u>\$ 35,923</u>	<u>\$ 76,158</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Special Alcohol Program Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Liquor selling tax	\$ 23,073	\$ 26,609	\$ 24,000	\$ 2,609
Total Receipts	<u>23,073</u>	<u>26,609</u>	<u>\$ 24,000</u>	<u>\$ 2,609</u>
Expenditures				
Operating transfers	-	-	\$ 24,000	\$ 24,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>
Receipts Over [Under] Expenditures	23,073	26,609		
Unencumbered Cash, Beginning	<u>-</u>	<u>23,073</u>		
Unencumbered Cash, Ending	<u>\$ 23,073</u>	<u>\$ 49,682</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 680,414	\$ 715,404	\$ 707,119	\$ 8,285
Delinquent tax	22,317	30,307	40,000	[9,693]
Vehicle taxes	73,345	80,140	71,745	8,395
Operating transfers	5,775	-	-	-
Total Receipts	<u>781,851</u>	<u>825,851</u>	<u>\$ 818,864</u>	<u>\$ 6,987</u>
Expenditures				
Appropriations to Library Board	<u>781,851</u>	<u>818,858</u>	<u>\$ 818,864</u>	<u>\$ 6</u>
Total Expenditures	<u>781,851</u>	<u>818,858</u>	<u>\$ 818,864</u>	<u>\$ 6</u>
Receipts Over [Under] Expenditures	-	6,993		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 6,993</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Economic Development Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 128	\$ 72	\$ 60	\$ 12
Reimbursements	8,704	220,000	3,000	217,000
Rental income	14,520	18,485	15,730	2,755
Building permits	48,052	100	25,500	[25,400]
Total Receipts	<u>71,404</u>	<u>238,657</u>	<u>\$ 44,290</u>	<u>\$ 194,367</u>
Expenditures				
Contractual services	77,583	112,520	\$ 40,000	\$ [72,520]
Contingency	-	-	100,476	100,476
Transfer out	-	16,914	-	[16,914]
Total Expenditures	<u>77,583</u>	<u>129,434</u>	<u>\$ 140,476</u>	<u>\$ 11,042</u>
Receipts Over [Under] Expenditures	[6,179]	109,223		
Unencumbered Cash, Beginning	<u>109,395</u>	<u>103,216</u>		
Unencumbered Cash, Ending	<u>\$ 103,216</u>	<u>\$ 212,439</u>		

CITY OF OTTAWA, KANSAS

Special Streets Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 324,268	\$ 518,743	\$ 323,380	\$ 195,363
Charges for services	-	-	1,000	[1,000]
Interest	82	449	-	449
Reimbursements	110,199	417	70,000	[69,583]
Miscellaneous	-	2,923	-	2,923
Operating transfers	<u>108,675</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>543,224</u>	<u>522,532</u>	<u>\$ 394,380</u>	<u>\$ 128,152</u>
Expenditures				
Contractual services	64,254	17,869	\$ 40,000	\$ 22,131
Commodities	28,408	37,330	55,000	17,670
Capital outlay	16,933	144,088	333,929	189,841
Contingency	23,710	-	40,000	40,000
Operating transfers	<u>52,722</u>	<u>90,264</u>	<u>70,000</u>	<u>[20,264]</u>
Total Expenditures	<u>186,027</u>	<u>289,551</u>	<u>\$ 538,929</u>	<u>\$ 249,378</u>
Receipts Over [Under] Expenditures	357,197	232,981		
Unencumbered Cash, Beginning	<u>104,487</u>	<u>461,684</u>		
Unencumbered Cash, Ending	<u>\$ 461,684</u>	<u>\$ 694,665</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Electric Power Supply Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Reimbursements	\$ 410,640	\$ 410,640	\$ 410,640	\$ -
Interest	796	633	550	83
Total Receipts	<u>411,436</u>	<u>411,273</u>	<u>\$ 411,190</u>	<u>\$ 83</u>
Expenditures				
Contractual services	11,085	-	\$ 5,000	\$ 5,000
Debt service	40,666	311,731	461,731	150,000
Capital outlay	391,393	-	530,667	530,667
Operating transfers	240,000	150,000	-	[150,000]
Total Expenditures	<u>683,144</u>	<u>461,731</u>	<u>\$ 997,398</u>	<u>\$ 535,667</u>
Receipts Over [Under] Expenditures	[271,708]	[50,458]		
Unencumbered Cash, Beginning	<u>956,350</u>	<u>684,642</u>		
Unencumbered Cash, Ending	<u>\$ 684,642</u>	<u>\$ 634,184</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Equipment Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 876	\$ 477	\$ 700	\$ [223]
Reimbursements	25,717	2,120	10,000	[7,880]
Loan proceeds	777,760	84,963	-	84,963
Miscellaneous	15,450	41,340	5,001	36,339
Operating transfers	<u>389,073</u>	<u>427,872</u>	<u>526,872</u>	<u>[99,000]</u>
Total Receipts	<u>1,208,876</u>	<u>556,772</u>	<u>\$ 542,573</u>	<u>\$ 14,199</u>
Expenditures				
Capital outlay	1,138,279	573,017	\$ 1,205,690	\$ 632,673
Miscellaneous	<u>165</u>	<u>116</u>	<u>-</u>	<u>[116]</u>
Total Expenditures	<u>1,138,444</u>	<u>573,133</u>	<u>\$ 1,205,690</u>	<u>\$ 632,557</u>
Receipts Over [Under] Expenditures	70,432	[16,361]		
Unencumbered Cash, Beginning	<u>515,333</u>	<u>585,765</u>		
Unencumbered Cash, Ending	<u>\$ 585,765</u>	<u>\$ 569,404</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Revolving Loan Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Positive [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Lease payments	\$ 40,066	\$ 2,318	\$ -	\$ 2,318
Intergovernmental	-	-	2,317	[2,317]
Interest	97	136	100	36
Total Receipts	<u>40,163</u>	<u>2,454</u>	<u>\$ 2,417</u>	<u>\$ 37</u>
Expenditures				
Contractual services	-	-	\$ 213,084	\$ 213,084
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 213,084</u>	<u>\$ 213,084</u>
Receipts Over [Under] Expenditures	40,163	2,454		
Unencumbered Cash, Beginning	<u>170,541</u>	<u>210,704</u>		
Unencumbered Cash, Ending	<u>\$ 210,704</u>	<u>\$ 213,158</u>		

CITY OF OTTAWA, KANSAS

Risk Management Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 189	\$ 134	\$ 200	\$ [66]
Miscellaneous	368	324	10,000	[9,676]
Reimbursements	66,712	182,974	56,000	126,974
Operating transfers	<u>740,000</u>	<u>733,000</u>	<u>957,714</u>	<u>[224,714]</u>
Total Receipts	<u>807,269</u>	<u>916,432</u>	<u>\$ 1,023,914</u>	<u>\$ [107,482]</u>
Expenditures				
Personal services	79,090	112,333	\$ 92,551	\$ [19,782]
Contractual services	788,591	730,748	917,191	186,443
Capital outlay	-	127,908	5,000	[122,908]
Commodities	18,034	14,960	26,000	11,040
Judgments and claims	<u>-</u>	<u>-</u>	<u>189,573</u>	<u>189,573</u>
Total Expenditures	<u>885,715</u>	<u>985,949</u>	<u>\$ 1,230,315</u>	<u>\$ 244,366</u>
Receipts Over [Under] Expenditures	[78,446]	[69,517]		
Unencumbered Cash, Beginning	<u>218,896</u>	<u>140,450</u>		
Unencumbered Cash, Ending	<u>\$ 140,450</u>	<u>\$ 70,933</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Law Enforcement Trust Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Years Ended December 31, 2015 and 2014

	<u>2014</u>	<u>2015</u>
Receipts		
Seized assets	\$ 11,712	\$ 380
Total Receipts	<u>11,712</u>	<u>380</u>
Expenditures		
Contractual services	-	525
Total Expenditures	<u>-</u>	<u>525</u>
Receipts Over [Under] Expenditures	11,712	[145]
Unencumbered Cash, Beginning	<u>-</u>	<u>11,712</u>
Unencumbered Cash, Ending	<u>\$ 11,712</u>	<u>\$ 11,567</u>

* - This fund is not required to be budgeted.

CITY OF OTTAWA, KANSAS

Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Taxes				
Ad valorem property tax	\$ 507,633	\$ 533,687	\$ 535,150	\$ [1,463]
Delinquent tax	22,697	23,567	35,000	[11,433]
Vehicle taxes	57,005	59,865	53,527	6,338
Special assessments	32,927	47,281	23,000	24,281
Interest	168	251	450	[199]
Operating transfers	450,000	1,806,823	1,796,823	10,000
Total Receipts	<u>1,070,430</u>	<u>2,471,474</u>	<u>\$ 2,443,950</u>	<u>\$ 27,524</u>
Expenditures				
Principal	855,000	1,685,000	\$ 1,685,000	\$ -
Interest	228,311	856,579	917,831	61,252
Contingency	-	-	53,998	53,998
Miscellaneous	-	-	275,000	275,000
Total Expenditures	<u>1,083,311</u>	<u>2,541,579</u>	<u>\$ 2,931,829</u>	<u>\$ 390,250</u>
Receipts Over [Under] Expenditures	[12,881]	[70,105]		
Unencumbered Cash, Beginning	<u>501,781</u>	<u>488,900</u>		
Unencumbered Cash, Ending	<u>\$ 488,900</u>	<u>\$ 418,795</u>		

See independent auditor's report on the financial statements.

This page intentionally left blank.

CITY OF OTTAWA, KANSAS

WWTP Funding Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 402	\$ 502	\$ 320	\$ 182
Operating transfers	<u>820,000</u>	<u>784,876</u>	<u>786,214</u>	<u>[1,338]</u>
Total Receipts	<u>820,402</u>	<u>785,378</u>	<u>\$ 786,534</u>	<u>\$ [1,156]</u>
Expenditures				
Fees	8,376	-	\$ -	\$ -
Principal	258,502	73,813	510,000	436,187
Interest	94,150	-	187,110	187,110
Miscellaneous	-	-	77,000	77,000
Operating transfers	<u>395,238</u>	<u>727,110</u>	<u>-</u>	<u>[727,110]</u>
Total Expenditures	<u>756,266</u>	<u>800,923</u>	<u>\$ 774,110</u>	<u>\$ [26,813]</u>
Receipts Over [Under] Expenditures	64,136	[15,545]		
Unencumbered Cash, Beginning	<u>628,053</u>	<u>692,189</u>		
Unencumbered Cash, Ending	<u>\$ 692,189</u>	<u>\$ 676,644</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Capital Project Funds
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Substation/ Electric Construction	US 59 Turnback	Loves Granger TIF	Sidewalk Grant 15th Street	South Highway 59 TDD	East Side Interceptor	TIF Project Fund	K68 and Main Street	Supermarket Project	Swimming Pool Improvements
Receipts										
Charges & services	\$ -	\$ -	\$ -	\$ -	\$ 68,588	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	411	-	46	-	-	10	55	-	-	-
Grants	-	14,959	163,422	-	-	-	9,178	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-	-
Sale of temporary notes	-	-	-	-	-	-	-	-	-	-
Reimbursements & miscellaneous	-	-	-	-	55,399	-	-	-	-	-
Operating transfers	-	-	-	9,038	-	-	-	22,737	16,442	-
Total Receipts	<u>411</u>	<u>14,959</u>	<u>163,468</u>	<u>9,038</u>	<u>123,987</u>	<u>10</u>	<u>9,233</u>	<u>22,737</u>	<u>16,442</u>	<u>-</u>
Expenditures										
Contractual services	-	-	94,780	9,038	-	2,472	-	22,737	16,442	-
Commodities	-	-	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	95,000	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Operating transfers	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>94,780</u>	<u>9,038</u>	<u>95,000</u>	<u>2,472</u>	<u>-</u>	<u>22,737</u>	<u>16,442</u>	<u>-</u>
Receipts Over [Under] Expenditures	411	14,959	68,688	-	28,987	[2,462]	9,233	-	-	-
Unencumbered Cash, Beginning	<u>856,024</u>	<u>2,825</u>	<u>152,092</u>	<u>-</u>	<u>51,953</u>	<u>64,362</u>	<u>314,577</u>	<u>-</u>	<u>-</u>	<u>404</u>
Unencumbered Cash, Ending	<u>\$ 856,435</u>	<u>\$ 17,784</u>	<u>\$ 220,780</u>	<u>\$ -</u>	<u>\$ 80,940</u>	<u>\$ 61,900</u>	<u>\$ 323,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404</u>

* - These funds are not required to be budgeted.

Neighborhood Stabilization Grant	Levee Improvement	Airport AWOS	Airport Improvement Grants	Airport Hangars	Water Construction	Trails Grant	Street Construction	Industrial Park	Electric Construction In Progress	For the Year Ended December 31,	
										2015	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,666	\$ -	\$ 85,254	\$ 56,351
-	-	-	-	-	10	-	-	464	-	996	1,801
142,211	-	-	196,937	-	-	-	-	-	-	526,707	166,297
-	-	-	-	-	-	-	-	-	-	-	8,189,600
-	-	-	530,000	-	-	-	-	-	-	530,000	2,530,000
-	-	-	38,807	-	-	-	-	253,863	-	348,069	2,281,852
<u>16,914</u>	<u>159,976</u>	<u>4,700</u>	<u>142,181</u>	-	<u>5,292</u>	<u>4,922</u>	-	-	-	<u>382,202</u>	<u>990,370</u>
159,125	159,976	4,700	907,925	-	5,302	4,922	-	270,993	-	1,873,228	14,216,271
160,221	159,976	4,700	565,939	-	7,519	133	1,130	17,905	-	1,062,992	1,577,896
-	-	-	-	-	-	4,789	-	-	-	4,789	55
-	-	-	-	-	-	-	-	242,046	-	242,046	1,647,413
-	-	-	-	-	-	-	-	-	-	95,000	65,000
-	-	-	-	-	-	-	-	-	-	-	7,750,775
1	-	-	-	-	-	-	-	-	-	1	414,500
-	-	-	-	-	-	-	-	-	-	-	4,600
-	-	-	535,479	-	60	-	-	-	-	535,539	165,769
-	-	-	-	-	-	-	-	-	-	-	12,675
<u>160,222</u>	<u>159,976</u>	<u>4,700</u>	<u>1,101,418</u>	-	<u>7,579</u>	<u>4,922</u>	<u>1,130</u>	<u>259,951</u>	-	<u>1,940,367</u>	<u>11,638,683</u>
[1,097]	-	-	[193,493]	-	[2,277]	-	[1,130]	11,042	-	[67,139]	2,577,588
-	-	-	203,559	184	2,277	-	98,941	782,498	300,000	2,829,696	252,108
<u>\$ [1,097]</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,066</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,811</u>	<u>\$ 793,540</u>	<u>\$ 300,000</u>	<u>\$ 2,762,557</u>	<u>\$ 2,829,696</u>

CITY OF OTTAWA, KANSAS

Storm Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Stormwater service charges	\$ 445,556	\$ 464,468	\$ 456,000	\$ 8,468
Miscellaneous	-	-	50	[50]
Interest	-	189	20	169
Total Receipts	<u>445,556</u>	<u>464,657</u>	<u>\$ 456,070</u>	<u>\$ 8,587</u>
Expenditures				
Personnel services	-	-	\$ 56,589	\$ 56,589
Contractual services	49,978	101,025	81,496	[19,529]
Commodities	-	14,939	17,700	2,761
Capital outlay	420	3,965	496,250	492,285
Miscellaneous	-	-	59,181	59,181
Operating transfers	28,953	154,908	-	[154,908]
Total Expenditures	<u>79,351</u>	<u>274,837</u>	<u>\$ 711,216</u>	<u>\$ 436,379</u>
Receipts Over [Under] Expenditures	366,205	189,820		
Unencumbered Cash, Beginning	-	366,205		
Unencumbered Cash, Ending	<u>\$ 366,205</u>	<u>\$ 556,025</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Water sales	\$ 2,451,496	\$ 2,375,329	\$ 2,624,962	\$ [249,633]
Lease and rentals	15,972	16,650	17,000	[350]
Miscellaneous and reimbursements	6,646	54,596	30,000	24,596
Interest	743	768	500	268
Other	7,400	8,398	103,140	[94,742]
Total Receipts	<u>2,482,257</u>	<u>2,455,741</u>	<u>\$ 2,775,602</u>	<u>\$ [319,861]</u>
Expenditures				
Water Production				
Personal services	549,850	578,149	\$ 590,373	\$ 12,224
Contractual services	77,402	73,929	120,205	46,276
Commodities	126,925	147,040	207,765	60,725
Capital outlay	233,962	71,184	86,530	15,346
Water Distribution				
Personal services	311,943	359,266	419,925	60,659
Contractual services	172,925	51,466	128,000	76,534
Commodities	115,827	192,678	138,825	[53,853]
Capital improvement	169,781	128,978	196,000	67,022
Non-operating				
Contractual services	5,978	2,508	-	[2,508]
Debt service	49,409	11,629	16,000	4,371
Reserves	45,165	5,504	-	[5,504]
Miscellaneous	-	-	868,193	868,193
Operating transfers	671,440	865,410	904,387	38,977
Total Expenditures	<u>2,530,607</u>	<u>2,487,741</u>	<u>\$ 3,676,203</u>	<u>\$ 1,188,462</u>
Receipts Over [Under] Expenditures	[48,350]	[32,000]		
Unencumbered Cash, Beginning	<u>858,895</u>	<u>810,545</u>		
Unencumbered Cash, Ending	<u>\$ 810,545</u>	<u>\$ 778,545</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Wastewater Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 2,452,051	\$ 2,509,897	\$ 2,613,257	\$ [103,360]
Interest	997	761	500	261
Refunds and reimbursements	2,113	1,438	2,500	[1,062]
Miscellaneous	-	1,571	3,000	[1,429]
Total Receipts	<u>2,455,161</u>	<u>2,513,667</u>	<u>\$ 2,619,257</u>	<u>\$ [105,590]</u>
Expenditures				
Wastewater Treatment				
Personal services	401,602	450,844	\$ 436,511	\$ [14,333]
Contractual services	363,688	373,707	399,900	26,193
Commodities	58,211	61,893	57,300	[4,593]
Capital outlay	5,388	1,814	10,614	8,800
Wastewater Collection				
Personal services	196,502	232,249	224,707	[7,542]
Contractual services	13,422	74,319	42,300	[32,019]
Commodities	106,700	72,824	130,800	57,976
Capital outlay	843	24,187	312,300	288,113
Capital improvements	254,642	255,653	300,000	44,347
Non-operating				
Contractual services	7,236	1,879	-	[1,879]
Reserves	68,876	286,863	-	[286,863]
Contingency	-	-	200,146	200,146
Operating transfers	964,359	1,069,952	1,269,479	199,527
Total Expenditures	<u>2,441,469</u>	<u>2,906,184</u>	<u>\$ 3,384,057</u>	<u>\$ 477,873</u>
Receipts Over [Under] Expenditures	13,692	[392,517]		
Unencumbered Cash, Beginning	<u>766,544</u>	<u>780,236</u>		
Unencumbered Cash, Ending	<u>\$ 780,236</u>	<u>\$ 387,719</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Electric Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Electric sales	\$ 14,893,028	\$ 14,466,009	\$ 17,169,551	\$ [2,703,542]
Fines and fees	162,979	154,657	200,000	[45,343]
Reimbursed expenses	79,767	26,034	75,000	[48,966]
Loan repayment	168,808	137,548	-	137,548
Interest	3,890	3,760	3,000	760
Sale of property	2,000	-	-	-
Other	41,017	25,632	435,000	[409,368]
Operating transfers	-	-	10,000	[10,000]
Total Receipts	<u>15,351,489</u>	<u>14,813,640</u>	<u>\$ 17,892,551</u>	<u>\$ [3,078,911]</u>
Expenditures				
Electric Production				
Personal services	827,631	850,850	\$ 1,001,732	\$ 150,882
Contractual services	357,000	529,414	784,500	255,086
Commodities	9,261,949	8,566,385	11,203,500	2,637,115
Capital outlay	186,630	125,194	323,500	198,306
Electric Distribution				
Personal services	746,352	822,200	844,948	22,748
Contractual services	63,901	51,785	79,120	27,335
Commodities	158,118	175,930	83,600	[92,330]
Capital outlay	113,607	239,193	644,000	404,807
Utility Warehouse				
Personal services	162,972	236,323	187,829	[48,494]
Contractual services	31,348	53,836	65,700	11,864
Commodities	5,562	7,468	9,280	1,812
Capital outlay	13,771	16,057	18,000	1,943
Utility Billing				
Personal services	576,094	621,769	627,395	5,626
Contractual services	262,373	290,606	248,000	[42,606]
Commodities	15,100	21,951	34,450	12,499
Capital outlay	26,083	24,198	43,763	19,565
Non-operating				
Contractual services	151,929	87,798	135,850	48,052
Commodities	-	-	200	200
Capital outlay	226,798	-	50,000	50,000
Broadband				
Contractual services	130,126	117,634	-	[117,634]
Capital outlay	10,786	42,888	-	[42,888]
Operating transfers	2,035,105	2,297,383	4,292,020	1,994,637
Miscellaneous	-	-	1,175,704	1,175,704
Total Expenditures	<u>15,363,235</u>	<u>15,178,862</u>	<u>\$ 21,853,091</u>	<u>\$ 6,674,229</u>
Receipts Over [Under] Expenditures	[11,746]	[365,222]		
Unencumbered Cash, Beginning	<u>3,721,284</u>	<u>3,709,538</u>		
Unencumbered Cash, Ending	<u>\$ 3,709,538</u>	<u>\$ 3,344,316</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Utility Credit Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 Year Ended December 31, 2015 and 2014

	<u>2014</u>	<u>2015</u>
Receipts		
Other income	\$ 4,421	\$ 16,507
Total Receipts	<u>4,421</u>	<u>16,507</u>
Expenditures		
Refunds	<u>767</u>	<u>1,184</u>
Total Expenditures	<u>767</u>	<u>1,184</u>
Receipts Over [Under] Expenditures	3,654	15,323
Unencumbered Cash, Beginning	<u>132,793</u>	<u>136,447</u>
Unencumbered Cash, Ending	<u>\$ 136,447</u>	<u>\$ 151,770</u>

* - This fund is not required to be budgeted.

CITY OF OTTAWA, KANSAS

Health Insurance Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 Year Ended December 31, 2015 and 2014

	<u>2014</u>	<u>2015</u>
Receipts		
Interest	\$ 1,752	\$ 1,418
Charges for services	<u>902,171</u>	<u>1,470,124</u>
Total Receipts	<u>903,923</u>	<u>1,471,542</u>
Expenditures		
Cost of sales and services	<u>1,574,468</u>	<u>1,624,428</u>
Total Expenditures	<u>1,574,468</u>	<u>1,624,428</u>
Receipts Over [Under] Expenditures	[670,545]	[152,886]
Unencumbered Cash, Beginning	<u>1,963,699</u>	<u>1,293,154</u>
Unencumbered Cash, Ending	<u>\$ 1,293,154</u>	<u>\$ 1,140,268</u>

* - This fund is not required to be budgeted.

SCHEDULE 3

CITY OF OTTAWA, KANSAS

Agency Funds
 Summary of Receipts and Disbursements - Actual*
 Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Fire Proceeds	Municipal Court Fines	Municipal Court Bonds	Municipal Court Credit Card
Receipts				
Payments on loan	\$ -	\$ -	\$ -	\$ -
Fines and court fees	-	401,753	45,677	134,539
Withholdings from payroll	14,660	-	-	-
Interest	4	30	-	8
Total Receipts	<u>14,664</u>	<u>401,783</u>	<u>45,677</u>	<u>134,547</u>
Expenditures				
Payments to State	-	37,362	-	-
Payments to City	-	351,910	-	135,635
Restitution	-	1,033	-	-
Bond refunds	-	-	46,002	-
Cost of service	14,024	-	-	-
Total Expenditures	<u>14,024</u>	<u>390,305</u>	<u>46,002</u>	<u>135,635</u>
Receipts Over [Under] Expenditures	<u>640</u>	<u>11,478</u>	<u>[325]</u>	<u>[1,088]</u>
Unencumbered Cash, Beginning	14,022	10,848	12,548	2,658
Prior Period Adjustment	-	-	-	-
Unencumbered Cash, Beginning - Restated	<u>14,022</u>	<u>10,848</u>	<u>12,548</u>	<u>2,658</u>
Unencumbered Cash, Ending	<u>\$ 14,662</u>	<u>\$ 22,326</u>	<u>\$ 12,223</u>	<u>\$ 1,570</u>

* - These funds are not required to be budgeted.

Cafeteria Plan	Federal Seized Assets	Health Savings Account	For the Year Ended December 31,	
			2015	2014
\$ -	\$ -	\$ -	\$ -	\$ 18,874
-	-	-	581,969	527,929
44,599	-	-	59,259	355,665
<u>37</u>	<u>1</u>	<u>-</u>	<u>80</u>	<u>57</u>
<u>44,636</u>	<u>1</u>	<u>-</u>	<u>641,308</u>	<u>902,525</u>
-	-	-	37,362	29,959
-	-	-	487,545	480,844
-	-	-	1,033	8,404
-	-	-	46,002	53,996
<u>34,896</u>	<u>-</u>	<u>617</u>	<u>49,537</u>	<u>344,362</u>
<u>34,896</u>	<u>-</u>	<u>617</u>	<u>621,479</u>	<u>917,565</u>
<u>9,740</u>	<u>1</u>	<u>[617]</u>	<u>19,829</u>	<u>[15,040]</u>
29,892	-	617	70,585	85,625
<u>-</u>	<u>13,386</u>	<u>-</u>	<u>13,386</u>	<u>-</u>
<u>29,892</u>	<u>13,386</u>	<u>617</u>	<u>83,971</u>	<u>85,625</u>
<u>\$ 39,632</u>	<u>\$ 13,387</u>	<u>\$ -</u>	<u>\$ 103,800</u>	<u>\$ 70,585</u>

SCHEDULE 4

CITY OF OTTAWA, KANSAS

Schedule of Receipts and Expenditures - Actual*
 Related Municipal Entity - Ottawa Library
 Regulatory Basis
 Year Ended December 31, 2015 and 2014

	<u>2014</u>	<u>2015</u>
Receipts		
Appropriation from the City	\$ 781,851	\$ 818,858
Interest	6,499	6,612
State aid	4,513	4,161
Grants	27,005	27,815
Contribution	36,162	26,957
Miscellaneous	33,547	41,122
Gain on investments	9,415	42,847
Operating transfers	47,185	10,909
Total Receipts	<u>946,177</u>	<u>979,281</u>
Expenditures		
Salaries and benefits	624,816	617,305
Materials, program, and services	111,761	123,800
Operating	138,083	120,806
Capital improvements	1,210	-
Miscellaneous	9,091	12,276
Operating transfers	47,185	10,909
Total Expenditures	<u>932,146</u>	<u>885,096</u>
Receipts Over [Under] Expenditures	<u>14,031</u>	<u>94,185</u>
Unencumbered Cash, Beginning	276,530	290,561
Prior period adjustment	<u>-</u>	<u>[5,001]</u>
Unencumbered Cash, Beginning - Restated	<u>276,530</u>	<u>285,560</u>
Unencumbered Cash, Ending	<u>\$ 290,561</u>	<u>\$ 379,745</u>

* - This fund is not required to be budgeted.