

CITY OF OTTAWA, KANSAS

Financial Statements

For the Year Ended December 31, 2016

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CITY OF OTTAWA, KANSAS
 Financial Statements
 For the Year Ended December 31, 2016
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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, 2016 and the related notes to the financial statement.

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 did not audit the financial statements of the Ottawa Library, which is a related municipal entity and 3% and 2%, respectively, of the assets and regulatory basis receipts of the reporting entity. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Ottawa Library, is based solely on the report of the other auditors. 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, 2016, 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, 2016, 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.

Emphasis of Matter

Prior Period Restatement

As discussed in Note 13 to the financial statement, the financial statements for the year ended December 31, 2016, have been restated to correct a misstatement in fund balances. Our opinion is not modified with respect to this matter.

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 2015 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 2016 basic financial statement upon which we rendered an unmodified opinion dated August 15, 2016. The 2015 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 2015 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 2015 basic financial statement. The 2015 comparative information was subjected to auditing procedures applied in the audit of the 2015 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 2015 basic financial statement or to the 2015 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 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas
August 28, 2017

CITY OF OTTAWA, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2016

Funds	Beginning	Prior	Receipts	Expenditures	Ending	Add:	Ending
	Unencumbered	Period			Unencumbered	Encumbrances	Cash
	Cash Balance	Adjustment			Cash Balance	and Accounts Payable	Balance
General Funds:							
General Fund	\$ 1,362,877	\$ [33,000]	\$ 9,818,447	\$ 9,821,617	\$ 1,326,707	\$ 377,345	\$ 1,704,052
Special Purpose Funds:							
Community Services Support Fund	2,454	-	160,000	159,463	2,991	15	3,006
Municipal Auditorium Fund	59,638	-	169,859	153,663	75,834	7,705	83,539
Airport Fund	20,651	-	85,949	79,883	26,717	702	27,419
Special Park and Recreation Fund	76,158	-	88,137	12,500	151,795	112	151,907
Special Alcohol Program Fund	49,682	-	27,452	77,060	74	-	74
Library Fund	6,993	-	860,874	851,408	16,459	-	16,459
Economic Development Fund	212,439	263,511	163,502	362,326	277,126	2,411	279,537
Special Streets Fund	694,665	-	364,955	570,351	489,269	2,147	491,416
Electric Power Supply Fund	634,184	-	109,055	434,841	308,398	-	308,398
Equipment Reserve Fund	569,404	-	540,833	712,365	397,872	87,621	485,493
Revolving Loan Fund	213,158	-	2,578	-	215,736	-	215,736
Risk Management Fund	70,933	-	900,750	848,448	123,235	5,302	128,537
Law Enforcement Trust Fund	11,567	-	-	210	11,357	-	11,357
Bond and Interest Funds:							
Bond and Interest Fund	418,795	-	2,782,233	2,670,783	530,245	-	530,245
WWTP Funding Fund	676,644	-	575,738	936,970	315,412	-	315,412
Capital Project Funds	2,762,557	[263,511]	4,713,794	5,455,926	1,756,914	323,579	2,080,493
Business Funds:							
Storm Water Utility Fund	556,025	-	467,892	250,948	772,969	26,330	799,299
Water Utility Fund	778,545	-	2,589,242	2,981,870	385,917	228,028	613,945
Wastewater Utility Fund	387,719	-	2,806,806	2,755,022	439,503	291,258	730,761
Electric Utility Fund	3,344,316	33,000	13,370,499	13,534,074	3,213,741	965,664	4,179,405
Utility Credit Fund	151,770	-	7,943	2,698	157,015	-	157,015
Health Insurance Fund	1,140,268	-	1,583,787	1,703,060	1,020,995	-	1,020,995
Total primary government	14,201,442	-	42,190,325	44,375,486	12,016,281	2,318,219	14,334,500
Related Municipal Entities:							
Ottawa Library	379,745	-	967,335	920,479	426,601	14,466	441,067
Total reporting entity [excluding agency funds]	\$ 14,581,187	\$ -	\$ 43,157,660	\$ 45,295,965	\$ 12,442,882	\$ 2,332,685	\$ 14,775,567

Composition of Cash:

Kansas State Bank	
Checking	\$ 1,868,330
Money Market	2,543,323
Certificate of Deposit	3,500,000
Peoples Bank	
Checking	64,920
Kansas Municipal Investment Pool	6,500,000
Petty Cash	5,281
Ottawa Library - Checking	86,583
Ottawa Library - Money Market	65,200
Ottawa Library - Equity Investments	289,144
Ottawa Library - Petty Cash	140
Total Cash	14,922,921
Less: Agency Funds per Schedule 3	[147,354]
Total Reporting Entity [Excluding Agency Funds]	\$ 14,775,567

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

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 2016 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.

Reclassification of Account Balances

Certain line items have been reclassified to conform to the presentation of the financial statements in the current year. This principally consisted of expenses reclassified into different functions from the prior year. These reclassifications had no net effect on the City's net position or changes there in for the current year.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2016:

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 in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

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 amended for the Library, Special Alcohol Program, and Economic Development funds for the year ended December 31, 2016.

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, 2016

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, 2016, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 6,500,000</u>	S&P AAaf/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, 2016

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, 2016, the City's carrying amount of deposits was \$7,981,854 and the bank balance was \$8,442,280. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$317,784 was covered by federal depository insurance and the balance of \$8,124,496 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 \$151,923 (which includes \$140 in cash on hand) and the bank balance was \$163,770. The difference between the bank balance and the carrying amount is the outstanding checks and deposits. Of the bank balance \$163,770 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 \$289,144 and a market value of \$295,671.

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 1.00% contribution rate through March 31, 2016, with a 0% moratorium until June 30, 2017, for the Death and Disability Program) and the statutory contribution rate was 9.18% for KPERS and 20.42% for KP&F for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City were \$522,494 for KPERS and \$601,418 for KP&F for the year ended December 31, 2016.

Net Pension Liability. At December 31, 2016, the City's proportionate share of the collective net pension liability reported by KPERS was \$5,037,298 and \$5,720,459 for KP&F. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. 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, 2016

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%	\$ 7,820,000	\$ 9,900,000	08/18/07	10/01/28
Series 2009	3.50 - 4.10%	665,000	1,065,000	08/01/09	10/01/24
Series 2009A	3.00 - 4.20%	1,785,000	2,345,000	11/20/09	10/01/29
Series 2010A	2.00 - 3.30%	1,125,000	2,645,000	07/15/10	10/01/21
Series 2010B	3.00 - 3.625%	1,910,000	3,295,000	12/15/10	10/01/23
Series 2012A	0.55 - 2.30%	450,000	840,000	03/15/12	10/01/23
Series 2012B	0.75 - 2.65%	530,000	825,000	03/15/12	10/01/21
Series 2014A	2.00 - 3.50%	<u>6,605,000</u>	7,855,000	06/19/14	10/01/30
Total		<u>\$ 20,890,000</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>
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	2,230,000	467,966	2,697,966
2022 - 2026	7,760,000	1,274,033	9,034,033
2027 - 2030	<u>2,670,000</u>	<u>185,061</u>	<u>2,855,061</u>
Total	<u>\$ 20,890,000</u>	<u>\$ 4,495,718</u>	<u>\$ 25,385,718</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 2016-1	1.50%	\$ 530,000	\$ 530,000	10/27/16	11/01/18
Series 2016-2	2.00%	<u>2,000,000</u>	2,000,000	10/27/16	11/01/18
		<u>\$ 2,530,000</u>			

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 4 - Long-Term Debt (Continued)

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

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 47,950	\$ 47,950
2018	<u>2,530,000</u>	<u>47,950</u>	<u>2,577,950</u>
Total	<u>\$ 2,530,000</u>	<u>\$ 95,900</u>	<u>\$ 2,625,900</u>

The City issued series 2016-1 temporary notes in the amount of \$530,000 on October 27, 2016, to pay the cost of certain public building improvements consisting of a municipally owned airport hangar. The interest rate on the notes is 1.50% and has a final maturity of November 1, 2018.

The City issued series 2016-2 temporary notes in the amount of \$2,000,000 on October 27, 2016, to pay the cost of acquiring land for economic development purposes. The interest rate on the notes is 2.00% and has a final maturity of November 1, 2018.

Subsequent Event

On April 19, 2017, the City issued series 2017-A General Obligation Bonds in the amount of \$5,000,000 and series 2017-B Taxable General Obligation Bonds in the amount of \$555,000. Proceeds from the sale of the Series 2017-A Bonds will be used to pay a portion of the cost of extending water, sewer and electric utility services out to a newly developing industrial park in the City. Proceeds from the sale of the Series 2017-B Bonds will be used to retire an outstanding general obligation temporary note of the City which funded a portion of the cost of constructing a new hangar building at the City's municipal airport. The 2017-A Bonds have interest rates of 2.00% to 2.50% and a final maturity scheduled for October 1, 2026. The 2017-B Bonds have interest rates of 1.75% to 3.15% and a final maturity scheduled for October 1, 2027.

Loans. Loans outstanding at year end are as follows:

Following is a listing of the City's Kansas Water Pollution Control Loan:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Loan Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
East Side Interceptor	2.31%	<u>\$ 3,722,396</u>	\$ 4,707,513	05/02/12	9/1/2034
Total		<u>\$ 3,722,396</u>			

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 4 - Long-Term Debt (Continued)

The debt service requirements to the maturity date are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	185,176	68,763	253,939
2022 - 2026	992,449	277,248	1,269,697
2027 - 2031	1,113,222	156,475	1,269,697
2032 - 2034	<u>731,945</u>	<u>29,872</u>	<u>761,817</u>
Total	<u>\$ 3,722,396</u>	<u>\$ 848,514</u>	<u>\$ 4,570,909</u>

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. As of December 31, 2016, the City has made draws of \$958,673. 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, 2017.

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%	\$ <u>15,590</u>	\$ 30,000	06/10/13	6/10/2020
Total		<u>\$ 15,590</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>
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>\$ 15,590</u>	<u>\$ 637</u>	<u>\$ 16,226</u>

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 4 - Long-Term Debt (Continued)

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%	\$ 395,252	\$ 539,165	01/05/09	01/10/24
2015 Dump Truck	1.85%	68,593	84,963	12/15/15	12/15/20
2014 Public Works Equipment	1.62%	<u>121,708</u>	238,595	06/25/14	06/25/19
		<u>\$ 585,553</u>			

The debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	58,194	4,969	63,164
2022 - 2023	<u>122,174</u>	<u>4,153</u>	<u>126,327</u>
	<u>\$ 585,553</u>	<u>\$ 52,078</u>	<u>\$ 637,630</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2016:

<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>	<u>Interest Paid</u>
General Obligation Bonds	\$ 22,790,000	\$ -	\$ 1,900,000	\$ 20,890,000	\$ 795,624
Temporary Notes	2,530,000	2,530,000	2,530,000	2,530,000	25,329
Loans	3,907,306	958,673	169,320	4,696,659	79,639
Capital Leases	<u>712,974</u>	<u>-</u>	<u>127,421</u>	<u>585,553</u>	<u>17,606</u>
Total	<u>\$ 29,940,280</u>	<u>\$ 3,488,673</u>	<u>\$ 4,726,741</u>	<u>\$ 28,702,212</u>	<u>\$ 918,198</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, 2016, the statutory limit for the City was \$24,143,385, providing a debt margin of \$12,983,385.

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, 2016, total outstanding conduit debt was \$4,110,000.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

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, 2016, the City estimates the total accumulated vacation and unpaid sick pay amounted to \$560,653 and \$690,447 respectively.

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, 2016:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Project Expenditures</u>
Automated Weather Observing System (AWOS)	\$ 173,420	\$ 173,420
Water Line Construction - Water Fund	\$ 390,000	\$ 263,838
Raw Water Line to Water Plant	\$ 3,262,500	\$ 1,215,776
Industrial Park - Land Purchase	\$ 2,000,000	\$ 1,727,564

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>2016</u>	<u>2015</u>
Unpaid claims, January 1	\$ 96,558	\$ 153,355
Incurred claims (including IBNRs)	1,210,602	1,013,685
Claim payments	<u>[1,216,145]</u>	<u>[1,070,482]</u>
Unpaid claims, December 31	<u>\$ 91,015</u>	<u>\$ 96,558</u>

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 10 - Interfund Transfers

A reconciliation of transfers by fund type for 2016 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General Fund	Airport Fund	\$ 55,400	K.S.A. 12-197
General Fund	Community Services Support Fund	38,200	K.S.A. 12-197
General Fund	Equipment Reserve Fund	198,000	K.S.A. 12-197 & 12-1,117
General Fund	Risk Management Fund	91,700	K.S.A. 12-2615
General Fund	Sidewalk Grant 15th Street Fund	31,622	K.S.A. 12-1,118
General Fund	WWTP Funding Fund	125,000	K.S.A. 12-1,118 & 12-197
Municipal Auditorium Fund	Risk Management Fund	4,000	K.S.A. 12-2615
Airport Fund	Risk Management Fund	1,700	K.S.A. 12-2615 & 44-505f
Special Alcohol Program Fund	General Fund	77,060	K.S.A. 79-41a04
Special Streets Fund	Airport AWOS Fund	60,720	K.S.A. 12-1,118
Special Streets Fund	Bond and Interest Fund	70,000	K.S.A. 12-1,119
Special Streets Fund	K68 and Main Street Fund	18,190	K.S.A. 12-1,118
Special Streets Fund	Airport Hangers Fund	2,066	K.S.A. 12-1,118
Special Streets Fund	Equipment Reserve Fund	52,853	K.S.A. 12-1,117
Special Streets Fund	Trails Grant Fund	417	K.S.A. 12-1,118
Special Streets Fund	Airport Improvement Fund	88,063	K.S.A. 12-1,118
Electric Power Supply Fund	Bond and interest Fund	400,000	K.S.A. 12-1,118 & 12-825d
WWTP Funding Fund	Bond and Interest Fund	810,000	K.S.A. 12-1,118 & 12-825d
Water Utility Fund	Bond and Interest Fund	151,000	K.S.A. 12-1,118 & 12-825d
Water Utility Fund	Community Services Support Fund	41,800	K.S.A. 12-825d
Water Utility Fund	Equipment Reserve Fund	55,000	K.S.A. 12-1,117 & 12-825d
Water Utility Fund	General Fund	221,000	K.S.A. 12-825d
Water Utility Fund	Risk Management Fund	171,700	K.S.A. 12-2615 & 12-825d
Water Utility Fund	Water Construction Fund	265,259	K.S.A. 12-1,118 & 12-825d
Wastewater Utility Fund	Community Services Support Fund	40,000	K.S.A. 12-825d
Wastewater Utility Fund	Equipment Reserve Fund	80,000	K.S.A. 12-1,117 & 12-825d
Wastewater Utility Fund	General Fund	250,000	K.S.A. 12-825d
Wastewater Utility Fund	Risk Management Fund	145,000	K.S.A. 12-2615 & 12-825d
Wastewater Utility Fund	WWTP Funding Fund	450,000	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	Bond and Interest Fund	698,800	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	Community Services Support Fund	40,000	K.S.A. 12-825d
Electric Utility Fund	Equipment Reserve Fund	120,000	K.S.A. 12-1,117 & 12-825d
Electric Utility Fund	General Fund	1,085,625	K.S.A. 12-825d
Electric Utility Fund	Risk Management Fund	326,700	K.S.A. 12-2615 & 12-825d
Neighborhood Stabilization Grant Fund	General Fund	21,418	To close fund
US 59 Turnback Fund	Special Streets Fund	33,205	To close fund
Street Projects Fund	Special Streets Fund	110	To close fund
East Side Interceptor Fund	Wastewater Utility Fund	61,900	To close fund
Street Construction Fund	Wastewater Utility Fund	97,811	To close fund
Airport Improvement Grants Fund	General Fund	51,024	To return funds
		<u>\$ 6,532,343</u>	

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

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.

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, 2016.

NOTE 13 – Prior Period Restatement

The beginning unencumbered cash balance for the General, Economic Development, Industrial Park, and Electric Utility funds has been restated. The effects of which are as follows:

	General Fund	Economic Development Fund	Industrial Park Fund	Electric Utility Fund
Unencumbered Cash, Beginning	\$ 1,362,877	\$ 212,439	\$ 793,540	\$ 3,344,316
Prior Period Adjustment	<u>[33,000]</u>	<u>263,511</u>	<u>[263,511]</u>	<u>33,000</u>
Unencumbered Cash, Beginning, Restated	<u>\$ 1,329,877</u>	<u>\$ 475,950</u>	<u>\$ 530,029</u>	<u>\$ 3,377,316</u>

NOTE 14 – Related Party Transaction

A Commissioner is the Executive Vice President at a banking institution that holds a portion of the City's cash deposits.

SCHEDULE 1

CITY OF OTTAWA, KANSAS

Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2016

<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	\$ 11,382,739	\$ -	\$ 11,382,739	\$ 9,821,617	\$ 1,561,122
Special Purpose Funds:					
Community Services Support Fund	163,798	-	163,798	159,463	4,335
Municipal Auditorium Fund	246,817	-	246,817	153,663	93,154
Airport Fund	119,345	-	119,345	79,883	39,462
Special Park and Recreation Fund	144,432	-	144,432	12,500	131,932
Special Alcohol Program Fund	77,246	-	77,246	77,060	186
Library Fund	851,408	-	851,408	851,408	-
Economic Development Fund	454,145	-	454,145	362,326	91,819
Special Streets Fund	852,354	-	852,354	570,351	282,003
Electric Power Supply Fund	945,000	-	945,000	434,841	510,159
Equipment Reserve Fund	1,132,085	-	1,132,085	712,365	419,720
Revolving Loan Fund	213,221	-	213,221	-	213,221
Risk Management Fund	1,305,635	-	1,305,635	848,448	457,187
Bond and Interest Funds:					
Bond and Interest Fund	3,140,481	-	3,140,481	2,670,783	469,698
WWTP Funding Fund	1,086,226	-	1,086,226	936,970	149,256
Business Funds:					
Storm Water Utility Fund	992,328	-	992,328	250,948	741,380
Water Utility Fund	3,511,140	-	3,511,140	2,981,870	529,270
Wastewater Utility Fund	3,455,183	-	3,455,183	2,755,022	700,161
Electric Utility Fund	23,840,904	-	23,840,904	13,534,074	10,306,830

CITY OF OTTAWA, KANSAS

General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,356,124	\$ 2,377,444	\$ 2,367,778	\$ 9,666
Delinquent tax	101,393	87,159	125,000	[37,841]
Vehicle taxes	271,206	291,266	249,577	41,689
Local sales	2,446,106	2,771,629	2,548,858	222,771
County sales	1,124,334	1,246,990	1,151,198	95,792
Other taxes	759,031	670,193	886,329	[216,136]
Intergovernmental	32,568	32,590	32,568	22
Licenses, permits and fees	478,761	517,417	480,400	37,017
Charges and services	47,442	51,075	53,000	[1,925]
Leases and rentals	570	1,465	2,000	[535]
Interest	12,419	8,489	15,000	[6,511]
Miscellaneous	119,965	56,603	25,000	31,603
Refunds and reimbursements	-	-	126,000	[126,000]
Operating transfers	1,666,544	1,706,127	1,755,560	[49,433]
Total Receipts	<u>9,416,463</u>	<u>9,818,447</u>	<u>\$ 9,818,268</u>	<u>\$ 179</u>
Expenditures				
City commission and manager	248,794	262,656	\$ 271,903	\$ 9,247
City administration	285,261	334,048	301,813	[32,235]
Building maintenance	-	-	164,400	164,400
Nonoperating	482,407	410,863	1,360,251	949,388
Planning	425,923	461,947	474,320	12,373
Fleet management	143,106	149,851	178,125	28,274
Finance department	146,047	177,196	-	[177,196]
Parks	272,869	298,032	363,036	65,004
Police department	2,254,127	2,337,283	2,365,846	28,563
Fire department	1,238,414	1,295,409	1,480,928	185,519
Public works	859,852	868,033	1,061,285	193,252
Highland cemetery	115,073	120,539	136,955	16,416
Human resources	120,880	111,513	140,581	29,068
Municipal court	161,463	155,028	151,525	[3,503]
Employee benefits	1,863,545	2,033,045	1,807,591	[225,454]
IT department	236,747	266,252	273,680	7,428
Operating transfers	661,890	539,922	850,500	310,578
Total Expenditures	<u>9,516,398</u>	<u>9,821,617</u>	<u>\$ 11,382,739</u>	<u>\$ 1,561,122</u>
Receipts Over [Under] Expenditures	<u>[99,935]</u>	<u>[3,170]</u>		
Unencumbered Cash, Beginning	1,462,812	1,362,877		
Prior period adjustment	-	[33,000]		
Unencumbered Cash, Beginning, Restated	<u>1,462,812</u>	<u>1,329,877</u>		
Unencumbered Cash, Ending	<u>\$ 1,362,877</u>	<u>\$ 1,326,707</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Operating transfers	\$ 151,500	\$ 160,000	\$ 160,000	\$ -
Total Receipts	<u>151,500</u>	<u>160,000</u>	<u>\$ 160,000</u>	<u>\$ -</u>
Expenditures				
Contractual services	154,031	158,923	\$ 163,276	\$ 4,353
Contingency	450	540	522	[18]
Total Expenditures	<u>154,481</u>	<u>159,463</u>	<u>\$ 163,798</u>	<u>\$ 4,335</u>
Receipts Over [Under] Expenditures	[2,981]	537		
Unencumbered Cash, Beginning	<u>5,435</u>	<u>2,454</u>		
Unencumbered Cash, Ending	<u>\$ 2,454</u>	<u>\$ 2,991</u>		

CITY OF OTTAWA, KANSAS

Municipal Auditorium Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 123,327	\$ 124,377	\$ 123,800	\$ 577
Delinquent tax	5,531	4,771	5,000	[229]
Vehicle taxes	14,530	15,254	13,065	2,189
Charges for services				
Auditorium rental	16,553	6,573	12,000	[5,427]
Concessions	3,147	2,864	2,500	364
Ticket sales	2,248	8,099	18,000	[9,901]
Interest	58	96	40	56
Donations	4,350	7,825	5,000	2,825
Reimbursements	-	-	200	[200]
Other	-	-	2,025	[2,025]
Total Receipts	<u>169,744</u>	<u>169,859</u>	<u>\$ 181,630</u>	<u>\$ [11,771]</u>
Expenditures				
Personal services	89,600	79,442	\$ 110,844	\$ 31,402
Contractual services	51,059	49,355	58,460	9,105
Commodities	5,744	3,648	4,700	1,052
Capital outlay	23,578	17,218	41,500	24,282
Miscellaneous	-	-	21,813	21,813
Operating transfers	<u>2,000</u>	<u>4,000</u>	<u>9,500</u>	<u>5,500</u>
Total Expenditures	<u>171,981</u>	<u>153,663</u>	<u>\$ 246,817</u>	<u>\$ 93,154</u>
Receipts Over [Under] Expenditures	[2,237]	16,196		
Unencumbered Cash, Beginning	<u>61,875</u>	<u>59,638</u>		
Unencumbered Cash, Ending	<u>\$ 59,638</u>	<u>\$ 75,834</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, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 15,749	\$ 29,573	\$ 8,164	\$ 21,409
Reimbursements	-	976	-	976
Operating transfers	<u>83,014</u>	<u>55,400</u>	<u>89,400</u>	<u>[34,000]</u>
Total Receipts	<u>98,763</u>	<u>85,949</u>	<u>\$ 97,564</u>	<u>\$ [11,615]</u>
Expenditures				
Contractual services	82,299	73,781	\$ 79,200	\$ 5,419
Commodities	3,746	4,402	5,700	1,298
Capital outlay	1,384	-	30,445	30,445
Miscellaneous	-	-	1,000	1,000
Operating transfers	<u>-</u>	<u>1,700</u>	<u>3,000</u>	<u>1,300</u>
Total Expenditures	<u>87,429</u>	<u>79,883</u>	<u>\$ 119,345</u>	<u>\$ 39,462</u>
Receipts Over [Under] Expenditures	11,334	6,066		
Unencumbered Cash, Beginning	<u>9,317</u>	<u>20,651</u>		
Unencumbered Cash, Ending	<u>\$ 20,651</u>	<u>\$ 26,717</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ 1,630	\$ -	\$ 100	\$ [100]
Donations	39,052	60,591	75,000	[14,409]
Interest	64	93	80	13
Licenses, Permits, and Fees	689	-	-	-
Taxes				
Liquor selling tax	<u>26,608</u>	<u>27,453</u>	<u>25,560</u>	<u>1,893</u>
Total Receipts	<u>68,043</u>	<u>88,137</u>	<u>\$ 100,740</u>	<u>\$ [12,603]</u>
Expenditures				
Contractual services	16,319	12,500	\$ 2,500	\$ [10,000]
Commodities	-	-	3,000	3,000
Capital improvement	<u>11,489</u>	<u>-</u>	<u>138,932</u>	<u>138,932</u>
Total Expenditures	<u>27,808</u>	<u>12,500</u>	<u>\$ 144,432</u>	<u>\$ 131,932</u>
Receipts Over [Under] Expenditures	40,235	75,637		
Unencumbered Cash, Beginning	<u>35,923</u>	<u>76,158</u>		
Unencumbered Cash, Ending	<u>\$ 76,158</u>	<u>\$ 151,795</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Liquor selling tax	\$ 26,609	\$ 27,452	\$ 27,564	\$ [112]
Total Receipts	<u>26,609</u>	<u>27,452</u>	<u>\$ 27,564</u>	<u>\$ [112]</u>
Expenditures				
Operating transfers	-	77,060	\$ 77,246	\$ 186
Total Expenditures	<u>-</u>	<u>77,060</u>	<u>\$ 77,246</u>	<u>\$ 186</u>
Receipts Over [Under] Expenditures	26,609	[49,608]		
Unencumbered Cash, Beginning	<u>23,073</u>	<u>49,682</u>		
Unencumbered Cash, Ending	<u>\$ 49,682</u>	<u>\$ 74</u>		

CITY OF OTTAWA, KANSAS

Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 715,404	\$ 762,647	\$ 746,341	\$ 16,306
Delinquent tax	30,307	26,176	26,176	-
Vehicle taxes	80,140	72,051	71,897	154
Total Receipts	<u>825,851</u>	<u>860,874</u>	<u>\$ 844,414</u>	<u>\$ 16,460</u>
Expenditures				
Appropriations to Library Board	<u>818,858</u>	<u>851,408</u>	<u>\$ 851,408</u>	<u>\$ -</u>
Total Expenditures	<u>818,858</u>	<u>851,408</u>	<u>\$ 851,408</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	6,993	9,466		
Unencumbered Cash, Beginning	<u>-</u>	<u>6,993</u>		
Unencumbered Cash, Ending	<u>\$ 6,993</u>	<u>\$ 16,459</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 72	\$ 173	\$ 200	\$ [27]
Reimbursements	220,000	58,770	265,326	[206,556]
Fees	-	63,000	63,000	-
Taxes	-	670	7,101	[6,431]
Rental income	18,485	30,789	10,000	20,789
Building permits	100	10,100	10,000	100
Total Receipts	<u>238,657</u>	<u>163,502</u>	<u>\$ 355,627</u>	<u>\$ [192,125]</u>
Expenditures				
Contractual services	112,520	362,326	\$ 314,145	\$ [48,181]
Capital outlay	-	-	130,000	130,000
Miscellaneous	-	-	10,000	10,000
Transfer out	16,914	-	-	-
Total Expenditures	<u>129,434</u>	<u>362,326</u>	<u>\$ 454,145</u>	<u>\$ 91,819</u>
Receipts Over [Under] Expenditures	<u>109,223</u>	<u>[198,824]</u>		
Unencumbered Cash, Beginning	103,216	212,439		
Prior period adjustment	-	263,511		
Unencumbered Cash, Beginning, Restated	<u>103,216</u>	<u>475,950</u>		
Unencumbered Cash, Ending	<u>\$ 212,439</u>	<u>\$ 277,126</u>		

CITY OF OTTAWA, KANSAS

Special Streets Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 518,743	\$ 328,888	\$ 326,560	\$ 2,328
Charges for services	-	-	1,000	[1,000]
Interest	449	851	85	766
Reimbursements	417	1,205	100,000	[98,795]
Miscellaneous	2,923	696	-	696
Operating transfers	-	33,315	-	33,315
Total Receipts	<u>522,532</u>	<u>364,955</u>	<u>\$ 427,645</u>	<u>\$ [62,690]</u>
Expenditures				
Contractual services	17,869	47,775	\$ 30,000	\$ [17,775]
Commodities	37,330	7,907	32,000	24,093
Capital outlay	144,088	222,360	596,354	373,994
Contingency	-	-	50,000	50,000
Operating transfers	<u>90,264</u>	<u>292,309</u>	<u>144,000</u>	<u>[148,309]</u>
Total Expenditures	<u>289,551</u>	<u>570,351</u>	<u>\$ 852,354</u>	<u>\$ 282,003</u>
Receipts Over [Under] Expenditures	232,981	[205,396]		
Unencumbered Cash, Beginning	<u>461,684</u>	<u>694,665</u>		
Unencumbered Cash, Ending	<u>\$ 694,665</u>	<u>\$ 489,269</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ 410,640	\$ 108,323	\$ 410,640	\$ [302,317]
Interest	633	732	800	[68]
Total Receipts	<u>411,273</u>	<u>109,055</u>	<u>\$ 411,440</u>	<u>\$ [302,385]</u>
Expenditures				
Contractual services	-	-	\$ 5,000	\$ 5,000
Debt service	311,731	34,841	-	[34,841]
Capital outlay	-	-	500,000	500,000
Miscellaneous	-	-	40,000	40,000
Operating transfers	<u>150,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total Expenditures	<u>461,731</u>	<u>434,841</u>	<u>\$ 945,000</u>	<u>\$ 510,159</u>
Receipts Over [Under] Expenditures	[50,458]	[325,786]		
Unencumbered Cash, Beginning	<u>684,642</u>	<u>634,184</u>		
Unencumbered Cash, Ending	<u>\$ 634,184</u>	<u>\$ 308,398</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, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 477	\$ 527	\$ 900	\$ [373]
Reimbursements	2,120	21,172	15,000	6,172
Loan proceeds	84,963	-	-	-
Miscellaneous	41,340	13,281	15,000	[1,719]
Operating transfers	<u>427,872</u>	<u>505,853</u>	<u>528,000</u>	<u>[22,147]</u>
Total Receipts	<u>556,772</u>	<u>540,833</u>	<u>\$ 558,900</u>	<u>\$ [18,067]</u>
Expenditures				
Capital outlay	573,017	689,935	\$ 1,038,085	\$ 348,150
Miscellaneous	<u>116</u>	<u>22,430</u>	<u>94,000</u>	<u>71,570</u>
Total Expenditures	<u>573,133</u>	<u>712,365</u>	<u>\$ 1,132,085</u>	<u>\$ 419,720</u>
Receipts Over [Under] Expenditures	[16,361]	[171,532]		
Unencumbered Cash, Beginning	<u>585,765</u>	<u>569,404</u>		
Unencumbered Cash, Ending	<u>\$ 569,404</u>	<u>\$ 397,872</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, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Positive [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Lease payments	\$ 2,318	\$ 2,317	\$ -	\$ 2,317
Intergovernmental	-	-	2,317	[2,317]
Interest	<u>136</u>	<u>261</u>	<u>100</u>	<u>161</u>
Total Receipts	<u>2,454</u>	<u>2,578</u>	<u>\$ 2,417</u>	<u>\$ 161</u>
Expenditures				
Contractual services	<u>-</u>	<u>-</u>	<u>\$ 213,221</u>	<u>\$ 213,221</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 213,221</u>	<u>\$ 213,221</u>
Receipts Over [Under] Expenditures	2,454	2,578		
Unencumbered Cash, Beginning	<u>210,704</u>	<u>213,158</u>		
Unencumbered Cash, Ending	<u>\$ 213,158</u>	<u>\$ 215,736</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Risk Management Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 134	\$ 113	\$ 150	\$ [37]
Miscellaneous	324	5,116	5,000	116
Reimbursements	182,974	154,721	65,000	89,721
Operating transfers	<u>733,000</u>	<u>740,800</u>	<u>1,006,500</u>	<u>[265,700]</u>
Total Receipts	<u>916,432</u>	<u>900,750</u>	<u>\$ 1,076,650</u>	<u>\$ [175,900]</u>
Expenditures				
Personal services	112,333	93,720	\$ 94,390	\$ 670
Contractual services	730,748	749,655	904,100	154,445
Capital outlay	127,908	1,127	121,145	120,018
Commodities	14,960	3,946	21,000	17,054
Judgments and claims	-	-	35,000	35,000
Safety Equipment	-	-	10,000	10,000
Miscellaneous	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Total Expenditures	<u>985,949</u>	<u>848,448</u>	<u>\$ 1,305,635</u>	<u>\$ 457,187</u>
Receipts Over [Under] Expenditures	[69,517]	52,302		
Unencumbered Cash, Beginning	<u>140,450</u>	<u>70,933</u>		
Unencumbered Cash, Ending	<u>\$ 70,933</u>	<u>\$ 123,235</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, 2016 and 2015

	<u>2015</u>	<u>2016</u>
Receipts		
Seized assets	\$ 380	\$ -
Total Receipts	<u>380</u>	<u>-</u>
Expenditures		
Contractual services	<u>525</u>	<u>210</u>
Total Expenditures	<u>525</u>	<u>210</u>
Receipts Over [Under] Expenditures	[145]	[210]
Unencumbered Cash, Beginning	<u>11,712</u>	<u>11,567</u>
Unencumbered Cash, Ending	<u>\$ 11,567</u>	<u>\$ 11,357</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, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 533,687	\$ 538,399	\$ 537,345	\$ 1,054
Delinquent tax	23,567	20,217	25,000	[4,783]
Vehicle taxes	59,865	65,914	56,532	9,382
Special assessments	47,281	27,407	5,000	22,407
Interest	251	496	170	326
Operating transfers	<u>1,806,823</u>	<u>2,129,800</u>	<u>2,015,400</u>	<u>114,400</u>
Total Receipts	<u>2,471,474</u>	<u>2,782,233</u>	<u>\$ 2,639,447</u>	<u>\$ 142,786</u>
Expenditures				
Principal	1,685,000	1,900,000	\$ 1,900,000	\$ -
Interest	856,579	770,783	895,624	124,841
Contingency	-	-	51,498	51,498
Miscellaneous	-	-	293,359	293,359
Total Expenditures	<u>2,541,579</u>	<u>2,670,783</u>	<u>\$ 3,140,481</u>	<u>\$ 469,698</u>
Receipts Over [Under] Expenditures	[70,105]	111,450		
Unencumbered Cash, Beginning	<u>488,900</u>	<u>418,795</u>		
Unencumbered Cash, Ending	<u>\$ 418,795</u>	<u>\$ 530,245</u>		

See independent auditor's report on the financial statements.

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CITY OF OTTAWA, KANSAS

WWTP Funding Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 502	\$ 738	\$ 400	\$ 338
Operating transfers	<u>784,876</u>	<u>575,000</u>	<u>770,000</u>	<u>[195,000]</u>
Total Receipts	<u>785,378</u>	<u>575,738</u>	<u>\$ 770,400</u>	<u>\$ [194,662]</u>
Expenditures				
Principal	73,813	126,970	\$ 100,000	\$ [26,970]
Interest	-	-	50,000	50,000
Miscellaneous	-	-	240,626	240,626
Operating transfers	<u>727,110</u>	<u>810,000</u>	<u>695,600</u>	<u>[114,400]</u>
Total Expenditures	<u>800,923</u>	<u>936,970</u>	<u>\$ 1,086,226</u>	<u>\$ 149,256</u>
Receipts Over [Under] Expenditures	[15,545]	[361,232]		
Unencumbered Cash, Beginning	<u>692,189</u>	<u>676,644</u>		
Unencumbered Cash, Ending	<u>\$ 676,644</u>	<u>\$ 315,412</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	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	Street Projects	Swimming Pool Improvements
Receipts										
Charges & services	\$ -	\$ -	\$ -	\$ -	\$ 52,813	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,049	-	-	-	-	-	-	-	110	-
Grants	-	15,421	30,654	-	-	-	33,947	-	-	-
Sale of temporary notes	-	-	-	-	-	-	-	-	-	-
Reimbursements & miscellaneous	-	-	-	-	209,978	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Operating transfers	-	-	-	31,622	-	-	-	18,190	-	-
Total Receipts	1,049	15,421	30,654	31,622	262,791	-	33,947	18,190	110	-
Expenditures										
Contractual services	-	-	124,662	6,945	-	-	-	19,477	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	24,677	-	-	-	-	-	-
Distribution	-	-	-	-	149,183	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Operating transfers	-	33,205	-	-	-	61,900	-	-	110	-
Total Expenditures	-	33,205	124,662	31,622	149,183	61,900	-	19,477	110	-
Receipts Over [Under] Expenditures	1,049	[17,784]	[94,008]	-	113,608	[61,900]	33,947	[1,287]	-	-
Unencumbered Cash, Beginning	856,435	17,784	220,780	-	80,940	61,900	323,810	-	-	404
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Unencumbered Cash, Beginning, Restated	856,435	17,784	220,780	-	80,940	61,900	323,810	-	-	404
Unencumbered Cash, Ending	\$ 857,484	\$ -	\$ 126,772	\$ -	\$ 194,548	\$ -	\$ 357,757	\$ [1,287]	\$ -	\$ 404

* - These funds are not required to be budgeted.

Neighborhood Stabilization Grant	Princeton Community 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,	
										2016	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,813	\$ 85,254
17	-	-	-	-	-	-	-	963	-	2,139	996
143,628	-	108,000	58,635	-	-	2,603	-	-	-	392,888	526,707
-	-	-	530,010	-	950,517	-	-	2,000,000	-	3,480,527	530,000
-	-	-	-	-	-	-	-	-	-	209,978	348,069
-	23,175	-	-	-	-	-	-	85,937	-	109,112	-
-	-	60,720	88,063	2,066	265,259	417	-	-	-	466,337	382,202
<u>143,645</u>	<u>23,175</u>	<u>168,720</u>	<u>676,708</u>	<u>2,066</u>	<u>1,215,776</u>	<u>3,020</u>	<u>-</u>	<u>2,086,900</u>	<u>-</u>	<u>4,713,794</u>	<u>1,873,228</u>
121,130	-	168,720	98,128	2,250	538,777	55	-	384,476	-	1,464,620	1,062,992
-	-	-	-	-	-	417	-	-	-	417	4,789
-	-	-	1,540	-	676,999	-	-	305,235	-	1,008,451	242,046
-	13,394	-	-	-	-	-	-	-	-	162,577	95,000
-	-	-	530,000	-	-	-	-	1,999,999	-	2,529,999	-
-	-	-	-	-	-	-	-	15,331	-	15,331	1
-	-	-	-	-	-	-	-	8,310	-	8,310	-
-	-	-	753	-	-	-	-	-	-	753	535,539
21,418	-	-	51,024	-	-	-	97,811	-	-	265,468	-
<u>142,548</u>	<u>13,394</u>	<u>168,720</u>	<u>681,445</u>	<u>2,250</u>	<u>1,215,776</u>	<u>472</u>	<u>97,811</u>	<u>2,713,351</u>	<u>-</u>	<u>5,455,926</u>	<u>1,940,367</u>
1,097	9,781	-	[4,737]	[184]	-	2,548	[97,811]	[626,451]	-	[742,132]	[67,139]
[1,097]	-	-	10,066	184	-	-	97,811	793,540	300,000	2,762,557	2,829,696
-	-	-	-	-	-	-	-	[263,511]	-	[263,511]	-
[1,097]	-	-	10,066	184	-	-	97,811	530,029	300,000	2,499,046	2,829,696
\$ -	\$ 9,781	\$ -	\$ 5,329	\$ -	\$ -	\$ 2,548	\$ -	\$ [96,422]	\$ 300,000	\$ 1,756,914	\$ 2,762,557

CITY OF OTTAWA, KANSAS

Storm Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Stormwater service charges	\$ 464,468	\$ 467,244	\$ 453,450	\$ 13,794
Miscellaneous	-	-	50	[50]
Interest	189	648	20	628
Total Receipts	<u>464,657</u>	<u>467,892</u>	<u>\$ 453,520</u>	<u>\$ 14,372</u>
Expenditures				
Personnel services	-	-	\$ 53,494	\$ 53,494
Contractual services	101,025	235,420	215,650	[19,770]
Commodities	14,939	6,718	17,200	10,482
Capital outlay	3,965	8,810	655,350	646,540
Miscellaneous	-	-	50,634	50,634
Operating transfers	154,908	-	-	-
Total Expenditures	<u>274,837</u>	<u>250,948</u>	<u>\$ 992,328</u>	<u>\$ 741,380</u>
Receipts Over [Under] Expenditures	189,820	216,944		
Unencumbered Cash, Beginning	<u>366,205</u>	<u>556,025</u>		
Unencumbered Cash, Ending	<u>\$ 556,025</u>	<u>\$ 772,969</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Water sales	\$ 2,375,329	\$ 2,550,912	\$ 2,471,500	\$ 79,412
Lease and rentals	16,650	16,105	17,569	[1,464]
Miscellaneous and reimbursements	54,596	1,493	17,500	[16,007]
Interest	768	1,192	800	392
Other	8,398	19,540	126,700	[107,160]
Total Receipts	<u>2,455,741</u>	<u>2,589,242</u>	<u>\$ 2,634,069</u>	<u>\$ [44,827]</u>
Expenditures				
Water Production				
Personal services	577,778	610,924	\$ 580,066	\$ [30,858]
Contractual services	73,929	98,091	128,655	30,564
Commodities	130,039	153,826	211,390	57,564
Capital outlay	48,266	114,187	141,230	27,043
Water Distribution				
Personal services	359,637	384,185	406,498	22,313
Contractual services	51,466	175,424	138,700	[36,724]
Commodities	209,679	140,398	140,675	277
Capital improvement	151,896	317,138	451,000	133,862
Non-operating				
Contractual services	2,508	15,808	-	[15,808]
Capital outlay	-	33,869	-	[33,869]
Debt service	11,629	15,257	16,000	743
Reserves	5,504	17,004	-	[17,004]
Miscellaneous	-	-	502,926	502,926
Operating transfers	865,410	905,759	794,000	[111,759]
Total Expenditures	<u>2,487,741</u>	<u>2,981,870</u>	<u>\$ 3,511,140</u>	<u>\$ 529,270</u>
Receipts Over [Under] Expenditures	[32,000]	[392,628]		
Unencumbered Cash, Beginning	<u>810,545</u>	<u>778,545</u>		
Unencumbered Cash, Ending	<u>\$ 778,545</u>	<u>\$ 385,917</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 2,509,897	\$ 2,639,414	\$ 2,736,333	\$ [96,919]
Interest	761	781	1,400	[619]
Refunds and reimbursements	1,438	6,755	2,500	4,255
Miscellaneous	1,571	145	2,500	[2,355]
Transfer in	-	159,711	-	159,711
Total Receipts	<u>2,513,667</u>	<u>2,806,806</u>	<u>\$ 2,742,733</u>	<u>\$ 64,073</u>
Expenditures				
Wastewater Treatment				
Personal services	450,844	435,275	\$ 435,325	\$ 50
Contractual services	373,707	379,459	430,150	50,691
Commodities	61,893	78,437	82,500	4,063
Capital outlay	1,814	41,525	55,614	14,089
Wastewater Collection				
Personal services	232,249	298,403	224,707	[73,696]
Contractual services	74,319	43,977	42,300	[1,677]
Commodities	72,824	107,341	130,800	23,459
Capital outlay	24,187	7,025	312,300	305,275
Capital improvements	255,653	247,476	366,234	118,758
Non-operating				
Contractual services	1,879	15,312	-	[15,312]
Reserves	286,863	135,792	-	[135,792]
Contingency	-	-	320,253	320,253
Operating transfers	<u>1,069,952</u>	<u>965,000</u>	<u>1,055,000</u>	<u>90,000</u>
Total Expenditures	<u>2,906,184</u>	<u>2,755,022</u>	<u>\$ 3,455,183</u>	<u>\$ 700,161</u>
Receipts Over [Under] Expenditures	[392,517]	51,784		
Unencumbered Cash, Beginning	<u>780,236</u>	<u>387,719</u>		
Unencumbered Cash, Ending	<u>\$ 387,719</u>	<u>\$ 439,503</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Electric sales	\$ 14,466,009	\$ 12,834,054	\$ 18,152,123	\$ [5,318,069]
Fines and fees	154,657	132,934	200,000	[67,066]
Reimbursed expenses	26,034	368,419	75,000	293,419
Loan repayment	137,548	-	-	-
Interest	3,760	5,957	4,500	1,457
Sale of property	-	3,999	2,500	1,499
Other	25,632	25,136	574,000	[548,864]
Operating transfers	-	-	10,000	[10,000]
Total Receipts	<u>14,813,640</u>	<u>13,370,499</u>	<u>\$ 19,018,123</u>	<u>\$ [5,647,624]</u>
Expenditures				
Electric Production				
Personal services	850,850	909,659	\$ 1,001,070	\$ 91,411
Contractual services	529,414	430,684	798,700	368,016
Commodities	8,566,385	6,806,867	12,012,500	5,205,633
Capital outlay	125,194	223,624	323,500	99,876
Electric Distribution				
Personal services	822,200	823,573	853,603	30,030
Contractual services	51,785	83,755	98,600	14,845
Commodities	175,930	177,433	91,500	[85,933]
Capital outlay	239,193	200,587	795,000	594,413
Utility Warehouse				
Personal services	236,323	266,935	188,861	[78,074]
Contractual services	53,836	149,747	67,700	[82,047]
Commodities	7,468	6,386	9,280	2,894
Capital outlay	16,057	10,979	14,500	3,521
Utility Billing				
Personal services	621,769	633,896	650,126	16,230
Contractual services	287,400	245,970	257,200	11,230
Commodities	21,903	17,800	24,000	6,200
Capital outlay	24,198	16,265	39,963	23,698
Non-operating				
Contractual services	87,798	39,185	-	[39,185]
Broadband				
Personal services	-	19,867	33,508	13,641
Contractual services	120,840	154,855	138,500	[16,355]
Commodities	48	-	200	200
Capital outlay	42,888	44,882	50,000	5,118
Operating transfers	2,297,383	2,271,125	4,380,593	2,109,468
Miscellaneous	-	-	2,012,000	2,012,000
Total Expenditures	<u>15,178,862</u>	<u>13,534,074</u>	<u>\$ 23,840,904</u>	<u>\$ 10,306,830</u>
Receipts Over [Under] Expenditures	<u>[365,222]</u>	<u>[163,575]</u>		
Unencumbered Cash, Beginning	3,709,538	3,344,316		
Prior period adjustment	-	33,000		
Unencumbered Cash, Beginning, Restated	<u>3,709,538</u>	<u>3,377,316</u>		
Unencumbered Cash, Ending	<u>\$ 3,344,316</u>	<u>\$ 3,213,741</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, 2016 and 2015

	<u>2015</u>	<u>2016</u>
Receipts		
Other income	\$ 16,507	\$ 7,943
Total Receipts	<u>16,507</u>	<u>7,943</u>
Expenditures		
Refunds	<u>1,184</u>	<u>2,698</u>
Total Expenditures	<u>1,184</u>	<u>2,698</u>
Receipts Over [Under] Expenditures	15,323	5,245
Unencumbered Cash, Beginning	<u>136,447</u>	<u>151,770</u>
Unencumbered Cash, Ending	<u>\$ 151,770</u>	<u>\$ 157,015</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, 2016 and 2015

	<u>2015</u>	<u>2016</u>
Receipts		
Interest	\$ 1,418	\$ 1,202
Charges for services	<u>1,470,124</u>	<u>1,582,585</u>
Total Receipts	<u>1,471,542</u>	<u>1,583,787</u>
Expenditures		
Cost of sales and services	<u>1,624,428</u>	<u>1,703,060</u>
Total Expenditures	<u>1,624,428</u>	<u>1,703,060</u>
Receipts Over [Under] Expenditures	[152,886]	[119,273]
Unencumbered Cash, Beginning	<u>1,293,154</u>	<u>1,140,268</u>
Unencumbered Cash, Ending	<u>\$ 1,140,268</u>	<u>\$ 1,020,995</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Fire Proceeds	Municipal Court Fines	Municipal Court Bonds	Municipal Court Credit Card
Receipts				
Fines and court fees	\$ -	\$ 332,605	\$ 29,625	\$ 124,655
Withholdings from payroll	17,063	-	-	-
Miscellaneous	-	-	-	-
Interest	7	30	-	9
Total Receipts	<u>17,070</u>	<u>332,635</u>	<u>29,625</u>	<u>124,664</u>
Expenditures				
Payments to State	-	30,952	-	-
Payments to City	-	295,532	-	114,330
Restitution	-	2,028	-	-
Bond refunds	-	-	27,625	-
Cost of service	-	-	-	-
Total Expenditures	<u>-</u>	<u>328,512</u>	<u>27,625</u>	<u>114,330</u>
Receipts Over [Under] Expenditures	<u>17,070</u>	<u>4,123</u>	<u>2,000</u>	<u>10,334</u>
Unencumbered Cash, Beginning	14,662	22,326	12,223	1,570
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Beginning - Restated	<u>14,662</u>	<u>22,326</u>	<u>12,223</u>	<u>1,570</u>
Unencumbered Cash, Ending	<u>\$ 31,732</u>	<u>\$ 26,449</u>	<u>\$ 14,223</u>	<u>\$ 11,904</u>

* - These funds are not required to be budgeted.

Cafeteria Plan	Federal Seized Assets	For the Year Ended December 31,	
		2016	2015
\$ -	\$ -	\$ 486,885	\$ 581,969
37,926	-	54,989	59,259
-	14,688	14,688	-
42	2	90	80
<u>37,968</u>	<u>14,690</u>	<u>556,652</u>	<u>641,308</u>
-	-	30,952	37,362
-	-	409,862	487,545
-	-	2,028	1,033
-	-	27,625	46,002
37,852	4,779	42,631	49,537
<u>37,852</u>	<u>4,779</u>	<u>513,098</u>	<u>621,479</u>
116	9,911	43,554	19,829
39,632	13,387	103,800	70,585
-	-	-	13,386
<u>39,632</u>	<u>13,387</u>	<u>103,800</u>	<u>83,971</u>
<u>\$ 39,748</u>	<u>\$ 23,298</u>	<u>\$ 147,354</u>	<u>\$ 103,800</u>

SCHEDULE 4

CITY OF OTTAWA, KANSAS

Schedule of Receipts and Expenditures - Actual*
 Related Municipal Entity - Ottawa Library
 Regulatory Basis
 Year Ended December 31, 2016 and 2015

	<u>2015</u>	<u>2016</u>
Receipts		
Appropriation from the City	\$ 818,858	\$ 851,408
Interest	6,612	6,939
State aid	4,161	3,893
Grants	27,815	30,049
Contribution	26,957	13,207
Miscellaneous	41,122	45,747
Gain on investments	42,847	592
Operating transfers	<u>10,909</u>	<u>15,500</u>
Total Receipts	<u>979,281</u>	<u>967,335</u>
Expenditures		
Salaries and benefits	617,305	645,706
Materials, program, and services	123,800	120,866
Operating	120,806	117,978
Capital improvements	-	10,731
Miscellaneous	12,276	10,198
Operating transfers	<u>10,909</u>	<u>15,000</u>
Total Expenditures	<u>885,096</u>	<u>920,479</u>
Receipts Over [Under] Expenditures	<u>94,185</u>	<u>46,856</u>
Unencumbered Cash, Beginning	290,561	379,745
Prior period adjustment	<u>[5,001]</u>	<u>-</u>
Unencumbered Cash, Beginning - Restated	<u>285,560</u>	<u>379,745</u>
Unencumbered Cash, Ending	<u>\$ 379,745</u>	<u>\$ 426,601</u>

* - This fund is not required to be budgeted.