

**CITY OF OTTAWA, KANSAS**

**Financial Statements**

**For the Year Ended December 31, 2017**

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CITY OF OTTAWA, KANSAS  
Financial Statements  
For the Year Ended December 31, 2017  
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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, 2017 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 4% and 3%, 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, 2017, 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, 2017, 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 14 to the financial statement, the financial statements for the year ended December 31, 2017, 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 2016 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 2017 basic financial statement upon which we rendered an unmodified opinion dated August 28, 2017. The 2016 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 2016 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 2016 basic financial statement. The 2016 comparative information was subjected to auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 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 2016 comparative information is fairly stated in all material respects in relation to the 2016 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 23, 2018

## CITY OF OTTAWA, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2017

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Period Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General Fund	\$ 1,326,707	\$ [343,748]	\$ 10,386,469	\$ 10,320,865	\$ 1,048,563	\$ 404,754	\$ 1,453,317
Special Purpose Funds:							
Community Services Support Fund	2,991	-	164,001	164,708	2,284	348	2,632
Municipal Auditorium Fund	75,834	-	175,420	178,132	73,122	6,429	79,551
Airport Fund	26,717	-	100,057	105,253	21,521	5,332	26,853
Special Park and Recreation Fund	151,795	-	193,867	258,927	86,735	9,674	96,409
Special Alcohol Program Fund	74	-	25,082	20,000	5,156	-	5,156
Library Fund	16,459	-	867,753	866,088	18,124	-	18,124
Economic Development Fund	277,126	1,449	172,159	151,503	299,231	10,018	309,249
Special Streets Fund	489,269	-	672,635	528,616	633,288	325	633,613
Electric Power Supply Fund	308,398	-	2,029	310,427	-	-	-
Equipment Reserve Fund	397,872	-	512,452	502,143	408,181	7,069	415,250
Revolving Loan Fund	215,736	-	3,646	-	219,382	-	219,382
Risk Management Fund	123,235	-	907,215	897,178	133,272	6,798	140,070
Law Enforcement Trust Fund	11,357	-	14,942	17,392	8,907	-	8,907
Bond and Interest Funds:							
Bond and Interest Fund	530,245	-	2,566,698	2,742,706	354,237	-	354,237
WWTP Funding Fund	315,412	-	680,573	820,970	175,015	-	175,015
Capital Project Funds	1,756,914	342,299	8,527,060	3,725,316	6,900,957	527,880	7,428,837
Business Funds:							
Storm Water Utility Fund	772,969	-	478,035	283,895	967,109	9,434	976,543
Water Utility Fund	385,917	-	3,029,457	2,883,750	531,624	211,346	742,970
Wastewater Utility Fund	439,503	-	2,819,023	2,776,436	482,090	282,992	765,082
Electric Utility Fund	3,213,741	-	12,971,060	14,209,815	1,974,986	813,501	2,788,487
Utility Credit Fund	157,015	-	[420]	2,257	154,338	-	154,338
Health Insurance Fund	1,020,995	-	1,721,614	1,990,780	751,829	29,990	781,819
Total primary government	12,016,281	-	46,990,827	43,757,157	15,249,951	2,325,890	17,575,841
Related Municipal Entities:							
Ottawa Library	426,601	-	1,210,489	953,210	683,880	13,447	697,327
Total reporting entity [excluding agency funds]	\$ 12,442,882	\$ -	\$ 48,201,316	\$ 44,710,367	\$ 15,933,831	\$ 2,339,337	\$ 18,273,168

## Composition of Cash:

Kansas State Bank	
Checking	\$ 1,283,764
Money Market	3,281,025
Certificate of Deposit	4,500,000
Patriots Bank	
Savings	33,385.33
Peoples Bank	
Checking	61,534
Kansas Municipal Investment Pool	8,529,352
Petty Cash	4,472
Ottawa Library - Checking	92,202
Ottawa Library - Money Market	167,833
Ottawa Library - Equity Investments	437,152
Ottawa Library - Petty Cash	140
Total Cash	18,390,859
Less: Agency Funds per Schedule 3	[117,691]
Total Reporting Entity [Excluding Agency Funds]	\$ 18,273,168

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

CITY OF OTTAWA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

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 2017 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 beginning unencumbered cash for the Municipal Court Fines and Municipal Court Credit Card Agency Funds which were combined into one Agency Fund in the current 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, 2017

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, 2017:

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 and Special Park and Recreation funds for the year ended December 31, 2017.

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, 2017

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, 2017, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 8,529,352</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, 2017

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, 2017, the City's carrying amount of deposits was \$9,164,180 and the bank balance was \$9,430,676. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$358,184 was covered by federal depository insurance and the balance of \$9,072,492 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 \$260,175 (which includes \$140 in cash on hand) and the bank balance was \$287,587. The difference between the bank balance and the carrying amount is the outstanding checks and deposits. Of the bank balance \$287,587 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 \$437,152 and a market value of \$475,802.

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](http://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% contribution rate with a 0% moratorium for the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for KPERS and 19.03% for KP&F for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$500,466 for KPERS and \$569,535 for KP&F for the year ended December 31, 2017.

*Net Pension Liability.* At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$4,719,141 and \$5,543,644 for KP&F. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. 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, 2017

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](http://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%	\$ 7,325,000	\$ 9,900,000	08/18/07	10/01/28
Series 2009	3.50 - 4.10%	595,000	1,065,000	08/01/09	10/01/24
Series 2009A	3.00 - 4.20%	1,680,000	2,345,000	11/20/09	10/01/29
Series 2010A	2.00 - 3.30%	915,000	2,645,000	07/15/10	10/01/21
Series 2010B	3.00 - 3.625%	1,660,000	3,295,000	12/15/10	10/01/23
Series 2012A	0.55 - 2.30%	365,000	840,000	03/15/12	10/01/23
Series 2012B	0.75 - 2.65%	460,000	825,000	03/15/12	10/01/21
Series 2014A	2.00 - 3.50%	5,930,000	7,855,000	06/19/14	10/01/30
Series 2017A	2.00 - 2.50%	5,000,000	5,000,000	04/19/17	10/01/26
Series 2017B	1.75 - 3.15%	<u>555,000</u>	555,000	04/19/17	10/01/27
Total		<u>\$ 24,485,000</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>
2018	\$ 2,545,000	\$ 862,418	\$ 3,407,418
2019	2,660,000	726,324	3,386,324
2020	2,730,000	646,631	3,376,631
2021	2,835,000	562,439	3,397,439
2022	2,580,000	465,026	3,045,026
2023 - 2027	9,555,000	1,170,467	10,725,467
2028 - 2030	<u>1,580,000</u>	<u>80,782</u>	<u>1,660,782</u>
Total	<u>\$ 24,485,000</u>	<u>\$ 4,514,086</u>	<u>\$ 28,999,086</u>

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.

CITY OF OTTAWA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 4 - Long-Term Debt (Continued)

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 2016-2	2.00%	<u>\$ 2,000,000</u>	2,000,000	10/27/16	11/01/18
		<u>\$ 2,000,000</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>
2018	<u>\$ 2,000,000</u>	<u>\$ 40,000</u>	<u>\$ 2,040,000</u>
Total	<u>\$ 2,000,000</u>	<u>\$ 40,000</u>	<u>\$ 2,040,000</u>

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>\$ 3,553,474</u>	\$ 4,707,513	05/02/12	9/1/2034
Total		<u>\$ 3,553,474</u>			

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>\$ 172,847</u>	<u>\$ 81,093</u>	<u>\$ 253,940</u>
2019	<u>176,862</u>	<u>77,077</u>	<u>253,939</u>
2020	<u>180,972</u>	<u>72,968</u>	<u>253,940</u>
2021	<u>185,176</u>	<u>68,763</u>	<u>253,939</u>
2022	<u>189,478</u>	<u>64,461</u>	<u>253,939</u>
2023 - 2027	<u>1,015,507</u>	<u>254,190</u>	<u>1,269,697</u>
2028 - 2032	<u>1,139,086</u>	<u>130,611</u>	<u>1,269,697</u>
2033 - 2034	<u>493,546</u>	<u>14,333</u>	<u>507,879</u>
Total	<u>\$ 3,553,474</u>	<u>\$ 763,496</u>	<u>\$ 4,316,970</u>

CITY OF OTTAWA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 4 - Long-Term Debt (Continued)

Following is a listing of the City's Kansas Public Water Supply 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>
Public Water Supply	2.13%	<u>\$ 1,528,715</u>	\$ 1,528,715	2/22/2016	2/1/2037
Total		<u>\$ 1,528,715</u>			

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 62,036	\$ 32,233	\$ 94,269
2019	63,365	30,905	94,270
2020	64,722	29,548	94,270
2021	66,107	28,162	94,269
2022	67,523	26,746	94,269
2023 - 2027	359,933	111,414	471,347
2028 - 2032	400,156	71,191	471,347
2033 - 2037	<u>444,873</u>	<u>26,472</u>	<u>471,345</u>
Total	<u>\$ 1,528,715</u>	<u>\$ 356,671</u>	<u>\$ 1,885,386</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%	\$ 344,102	\$ 539,165	01/05/09	01/10/24
2014 Public Works Equipment	1.62%	73,615	238,595	06/25/14	06/25/19
2015 Dump Truck	1.85%	51,917	84,963	12/15/15	12/15/20
2017 911 System Radio Equipment	2.30%	<u>408,406</u>	84,963	10/13/17	10/13/24
		<u>\$ 878,040</u>			

CITY OF OTTAWA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 4 - Long-Term Debt (Continued)

The debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 173,132	\$ 21,377	\$ 194,509
2019	152,291	17,363	169,655
2020	130,947	13,854	144,801
2021	116,478	10,519	126,997
2022	119,726	7,271	126,997
2023 - 2024	<u>185,466</u>	<u>5,365</u>	<u>190,830</u>
	<u>\$ 878,040</u>	<u>\$ 75,749</u>	<u>\$ 953,789</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2017:

<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	\$ 20,890,000	\$ 5,555,000	\$ 1,960,000	\$ 24,485,000	\$ 742,261
Temporary Notes	2,530,000	-	530,000	2,000,000	48,483
Loans	4,696,659	570,042	184,512	5,082,189	93,934
Capital Leases	<u>585,554</u>	<u>408,406</u>	<u>115,920</u>	<u>878,040</u>	<u>14,756</u>
Total	<u>\$ 28,702,213</u>	<u>\$ 6,533,448</u>	<u>\$ 2,790,432</u>	<u>\$ 32,445,229</u>	<u>\$ 899,434</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, 2017, the statutory limit for the City was \$24,484,829, providing a debt margin of \$8,984,829.

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, 2017, total outstanding conduit debt was \$3,895,000.

CITY OF OTTAWA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

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 restricts 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, 2017, the City estimates the total accumulated vacation and unpaid sick pay amounted to \$600,493 and \$712,196 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, 2017:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Project Expenditures</u>
Raw Water Line to Water Plant	\$ 3,262,500	\$ 1,550,707
Industrial Park - Land Purchase	\$ 2,000,000	\$ 1,999,757

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>2017</u>	<u>2016</u>
Unpaid claims, January 1	\$ 91,015	\$ 96,558
Incurred claims (including IBNRs)	1,656,900	1,210,602
Claim payments	<u>[1,613,122]</u>	<u>[1,216,145]</u>
Unpaid claims, December 31	<u>\$ 134,793</u>	<u>\$ 91,015</u>

CITY OF OTTAWA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 10 - Interfund Transfers

A reconciliation of transfers by fund type for 2017 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General Fund	Community Services Support Fund	\$ 37,500	K.S.A. 12-197
General Fund	Airport Fund	40,000	K.S.A. 12-197
General Fund	Equipment Reserve Fund	52,000	K.S.A. 12-197 & 12-1,117
General Fund	Risk Management Fund	175,000	K.S.A. 12-2615
General Fund	WWTP Funding Fund	204,400	K.S.A. 12-1,118 & 12-197
Municipal Auditorium Fund	Risk Management Fund	875	K.S.A. 12-2615
Airport Fund	Risk Management Fund	500	K.S.A. 12-2615 & 44-505f
Special Alcohol Program Fund	General Fund	20,000	K.S.A. 79-41a04
Special Streets Fund	Bond and Interest Fund	75,000	K.S.A. 12-1,119
Special Streets Fund	Equipment Reserve Fund	63,000	K.S.A. 12-1,117
Special Streets Fund	K68 and Maint Street Fund	1,287	K.S.A. 12-1,118
Special Streets Fund	Airport Improvement Grants Fund	5,059	K.S.A. 12-1,118
Storm Water Utility Fund	Equipment Reserve Fund	100,000	K.S.A. 12-1,117 & 12-825d
Water Utility Fund	General Fund	313,000	K.S.A. 12-825d
Water Utility Fund	Bond and Interest Fund	140,000	K.S.A. 12-1,118 & 12-825d
Water Utility Fund	Community Services Support Fund	37,500	K.S.A. 12-825d
Water Utility Fund	Equipment Reserve Fund	55,000	K.S.A. 12-1,117 & 12-825d
Water Utility Fund	Risk Management Fund	190,000	K.S.A. 12-2615 & 12-825d
Wastewater Utility Fund	General Fund	240,000	K.S.A. 12-825d
Wastewater Utility Fund	Community Services Support Fund	37,500	K.S.A. 12-825d
Wastewater Utility Fund	Equipment Reserve Fund	40,000	K.S.A. 12-1,117 & 12-825d
Wastewater Utility Fund	Risk Management Fund	150,000	K.S.A. 12-2615 & 12-825d
Wastewater Utility Fund	WWTP Funding Fund	475,000	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	General Fund	1,200,000	K.S.A. 12-825d
Electric Utility Fund	Bond and Interest Fund	700,000	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	Community Services Support Fund	37,500	K.S.A. 12-825d
Electric Utility Fund	Equipment Reserve Fund	120,000	K.S.A. 12-1,117 & 12-825d
Electric Utility Fund	Risk Management Fund	235,000	K.S.A. 12-2615 & 12-825d
Electric Power Supply Fund	Bond and Interest Fund	310,427	K.S.A. 12-1,118 & 12-825d
WWTP Funding Fund	Bond and Interest Fund	694,000	K.S.A. 12-1,118 & 12-825d
Water Construction Fund	Water Utility Fund	240,000	K.S.A. 12-1,118
		<u>\$ 5,989,548</u>	



CITY OF OTTAWA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

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, 2017.

NOTE 13 – Prior Period Restatement

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

	General Fund	Economic Development Fund	Industrial Park Fund	Princeton Community Improvement Fund
Unencumbered Cash, Beginning	\$ 1,326,707	\$ 277,126	\$ [96,422]	\$ 9,781
Prior Period Adjustment	<u>[343,748]</u>	<u>1,449</u>	<u>343,748</u>	<u>[1,449]</u>
Unencumbered Cash, Beginning, Restated	<u>\$ 982,959</u>	<u>\$ 278,575</u>	<u>\$ 247,326</u>	<u>\$ 8,332</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, 2017

<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	\$ 12,336,395	\$ -	\$ 12,336,395	\$ 10,320,865	\$ 2,015,530
Special Purpose Funds:					
Community Services Support Fund	170,083	-	170,083	164,708	5,375
Municipal Auditorium Fund	244,745	-	244,745	178,132	66,613
Airport Fund	132,595	-	132,595	105,253	27,342
Special Park and Recreation Fund	332,635	-	332,635	258,927	73,708
Special Alcohol Program Fund	27,361	-	27,361	20,000	7,361
Library Fund	866,090	-	866,090	866,088	2
Economic Development Fund	311,912	-	311,912	151,503	160,409
Special Streets Fund	889,189	-	889,189	528,616	360,573
Electric Power Supply Fund	596,954	-	596,954	310,427	286,527
Equipment Reserve Fund	1,164,584	-	1,164,584	502,143	662,441
Revolving Loan Fund	218,392	-	218,392	-	218,392
Risk Management Fund	1,110,582	-	1,110,582	897,178	213,404
Bond and Interest Funds:					
Bond and Interest Fund	3,080,408	-	3,080,408	2,742,706	337,702
WWTP Funding Fund	1,362,652	-	1,362,652	820,970	541,682
Business Funds:					
Storm Water Utility Fund	1,208,899	-	1,208,899	283,895	925,004
Water Utility Fund	3,325,154	-	3,325,154	2,883,750	441,404
Wastewater Utility Fund	3,079,540	-	3,079,540	2,776,436	303,104
Electric Utility Fund	23,749,239	-	23,749,239	14,209,815	9,539,424

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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,377,444	\$ 2,398,572	\$ 2,405,928	\$ [7,356]
Delinquent tax	87,159	82,085	126,250	[44,165]
Vehicle taxes	291,266	298,206	256,068	42,138
Local sales	2,771,629	2,555,306	3,502,219	[946,913]
County sales	1,246,990	1,275,924	1,282,894	[6,970]
Other taxes	670,193	737,366	738,049	[683]
Intergovernmental	32,590	32,546	32,568	[22]
Licenses, permits and fees	517,417	665,804	540,300	125,504
Charges and services	51,075	45,350	54,060	[8,710]
Leases and rentals	1,465	409,398	2,040	407,358
Interest	8,489	15,293	20,400	[5,107]
Miscellaneous	56,603	97,619	26,500	71,119
Refunds and reimbursements	-	-	133,620	[133,620]
Operating transfers	1,706,127	1,773,000	1,867,361	[94,361]
Total Receipts	<u>9,818,447</u>	<u>10,386,469</u>	<u>\$ 10,988,257</u>	<u>\$ [601,788]</u>
Expenditures				
City commission and manager	262,656	258,595	\$ 292,777	\$ 34,182
City administration	334,048	281,780	305,400	23,620
Building maintenance	-	-	178,730	178,730
Nonoperating	410,863	807,267	949,693	142,426
Planning	461,947	488,579	548,550	59,971
Fleet management	149,851	174,697	208,205	33,508
Finance department	177,196	182,017	-	[182,017]
Parks	298,032	324,054	353,410	29,356
Police department	2,337,283	2,454,461	2,535,569	81,108
Fire department	1,295,409	1,330,685	1,467,750	137,065
Public works	868,033	854,168	1,085,717	231,549
Highland cemetery	120,539	131,563	151,704	20,141
Human resources	111,513	116,448	145,000	28,552
Municipal court	155,028	153,458	160,606	7,148
Employee benefits	2,033,045	2,020,162	2,125,185	105,023
IT department	266,252	234,031	287,599	53,568
Operating transfers	539,922	508,900	1,540,500	1,031,600
Total Expenditures	<u>9,821,617</u>	<u>10,320,865</u>	<u>\$ 12,336,395</u>	<u>\$ 2,015,530</u>
Receipts Over [Under] Expenditures	<u>[3,170]</u>	<u>65,604</u>		
Unencumbered Cash, Beginning	1,362,877	1,326,707		
Prior period adjustment	<u>[33,000]</u>	<u>[343,748]</u>		
Unencumbered Cash, Beginning, Restated	<u>1,329,877</u>	<u>982,959</u>		
Unencumbered Cash, Ending	<u>\$ 1,326,707</u>	<u>\$ 1,048,563</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ -	\$ 14,001	\$ 200	\$ 13,801
Operating transfers	<u>160,000</u>	<u>150,000</u>	<u>162,000</u>	<u>[12,000]</u>
Total Receipts	<u>160,000</u>	<u>164,001</u>	<u>\$ 162,200</u>	<u>\$ 1,801</u>
Expenditures				
Contractual services	158,923	164,402	\$ 169,583	\$ 5,181
Contingency	<u>540</u>	<u>306</u>	<u>500</u>	<u>194</u>
Total Expenditures	<u>159,463</u>	<u>164,708</u>	<u>\$ 170,083</u>	<u>\$ 5,375</u>
Receipts Over [Under] Expenditures	537	[707]		
Unencumbered Cash, Beginning	<u>2,454</u>	<u>2,991</u>		
Unencumbered Cash, Ending	<u>\$ 2,991</u>	<u>\$ 2,284</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 124,377	\$ 125,367	\$ 125,609	\$ [242]
Delinquent tax	4,771	4,469	6,000	[1,531]
Vehicle taxes	15,254	15,601	13,399	2,202
Charges for services				
Auditorium rental	6,573	5,375	5,000	375
Concessions	2,864	6,324	2,500	3,824
Ticket sales	8,099	9,152	20,000	[10,848]
Interest	96	522	50	472
Donations	7,825	8,610	10,000	[1,390]
Reimbursements	-	-	50	[50]
Other	-	-	25	[25]
Total Receipts	<u>169,859</u>	<u>175,420</u>	<u>\$ 182,633</u>	<u>\$ [7,213]</u>
Expenditures				
Personnel services	79,442	105,833	\$ 141,045	\$ 35,212
Contractual services	49,355	46,336	60,450	14,114
Commodities	3,648	3,996	5,750	1,754
Capital outlay	17,218	21,092	21,000	[92]
Miscellaneous	-	-	15,500	15,500
Operating transfers	4,000	875	1,000	125
Total Expenditures	<u>153,663</u>	<u>178,132</u>	<u>\$ 244,745</u>	<u>\$ 66,613</u>
Receipts Over [Under] Expenditures	16,196	[2,712]		
Unencumbered Cash, Beginning	<u>59,638</u>	<u>75,834</u>		
Unencumbered Cash, Ending	<u>\$ 75,834</u>	<u>\$ 73,122</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 29,573	\$ 60,057	\$ 33,542	\$ 26,515
Reimbursements	976	-	-	-
Operating transfers	55,400	40,000	77,500	[37,500]
Total Receipts	<u>85,949</u>	<u>100,057</u>	<u>\$ 111,042</u>	<u>\$ [10,985]</u>
Expenditures				
Contractual services	73,781	71,616	\$ 94,400	\$ 22,784
Commodities	4,402	28,839	6,025	[22,814]
Capital outlay	-	4,298	18,000	13,702
Miscellaneous	-	-	11,170	11,170
Operating transfers	1,700	500	3,000	2,500
Total Expenditures	<u>79,883</u>	<u>105,253</u>	<u>\$ 132,595</u>	<u>\$ 27,342</u>
Receipts Over [Under] Expenditures	6,066	[5,196]		
Unencumbered Cash, Beginning	<u>20,651</u>	<u>26,717</u>		
Unencumbered Cash, Ending	<u>\$ 26,717</u>	<u>\$ 21,521</u>		

## 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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Donations	\$ 60,591	\$ 166,747	\$ 199,509	\$ [32,762]
Interest	93	935	600	335
Licenses, Permits, and Fees	-	1,103	20,575	[19,472]
Taxes				
Liquor selling tax	<u>27,453</u>	<u>25,082</u>	<u>24,500</u>	<u>582</u>
Total Receipts	<u>88,137</u>	<u>193,867</u>	<u>\$ 245,184</u>	<u>\$ [51,317]</u>
Expenditures				
Contractual services	12,500	195,470	\$ 90,000	\$ [105,470]
Commodities	-	-	6,500	6,500
Capital improvement	-	55,243	214,500	159,257
Miscellaneous	-	8,214	21,635	13,421
Total Expenditures	<u>12,500</u>	<u>258,927</u>	<u>\$ 332,635</u>	<u>\$ 73,708</u>
Receipts Over [Under] Expenditures	75,637	[65,060]		
Unencumbered Cash, Beginning	<u>76,158</u>	<u>151,795</u>		
Unencumbered Cash, Ending	<u>\$ 151,795</u>	<u>\$ 86,735</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, 2017  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Liquor selling tax	\$ 27,452	\$ 25,082	\$ 27,120	\$ [2,038]
Total Receipts	<u>27,452</u>	<u>25,082</u>	<u>\$ 27,120</u>	<u>\$ [2,038]</u>
Expenditures				
Operating transfers	<u>77,060</u>	<u>20,000</u>	<u>\$ 27,361</u>	<u>\$ 7,361</u>
Total Expenditures	<u>77,060</u>	<u>20,000</u>	<u>\$ 27,361</u>	<u>\$ 7,361</u>
Receipts Over [Under] Expenditures	[49,608]	5,082		
Unencumbered Cash, Beginning	<u>49,682</u>	<u>74</u>		
Unencumbered Cash, Ending	<u>\$ 74</u>	<u>\$ 5,156</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 762,647	\$ 749,305	\$ 749,287	\$ 18
Delinquent tax	26,176	24,870	24,669	201
Vehicle taxes	72,051	93,511	75,387	18,124
Miscellaneous	-	67	287	[220]
Total Receipts	<u>860,874</u>	<u>867,753</u>	<u>\$ 849,630</u>	<u>\$ 18,123</u>
Expenditures				
Appropriations to Library Board	<u>851,408</u>	<u>866,088</u>	<u>\$ 866,090</u>	<u>\$ 2</u>
Total Expenditures	<u>851,408</u>	<u>866,088</u>	<u>\$ 866,090</u>	<u>\$ 2</u>
Receipts Over [Under] Expenditures	9,466	1,665		
Unencumbered Cash, Beginning	<u>6,993</u>	<u>16,459</u>		
Unencumbered Cash, Ending	<u>\$ 16,459</u>	<u>\$ 18,124</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, 2017  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 173	\$ 183	\$ 240	\$ [57]
Reimbursements	58,770	10,039	10,000	39
Fees	63,000	33,250	-	33,250
Taxes	670	2,893	-	2,893
Rental income	30,789	29,589	18,100	11,489
Building permits	10,100	96,205	10,000	86,205
Total Receipts	<u>163,502</u>	<u>172,159</u>	<u>\$ 38,340</u>	<u>\$ 133,819</u>
Expenditures				
Contractual services	<u>362,326</u>	<u>151,503</u>	<u>\$ 311,912</u>	<u>\$ 160,409</u>
Total Expenditures	<u>362,326</u>	<u>151,503</u>	<u>\$ 311,912</u>	<u>\$ 160,409</u>
Receipts Over [Under] Expenditures	<u>[198,824]</u>	<u>20,656</u>		
Unencumbered Cash, Beginning	212,439	277,126		
Prior period adjustment	<u>263,511</u>	<u>1,449</u>		
Unencumbered Cash, Beginning, Restated	<u>475,950</u>	<u>278,575</u>		
Unencumbered Cash, Ending	<u>\$ 277,126</u>	<u>\$ 299,231</u>		

See independent auditor's report on the financial statements.

## CITY OF OTTAWA, KANSAS

Special Streets Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 328,888	\$ 530,232	\$ 321,920	\$ 208,312
Charges for services	-	-	500	[500]
Interest	851	3,132	800	2,332
Reimbursements	1,205	139,271	140,000	[729]
Miscellaneous	696	-	400	[400]
Operating transfers	<u>33,315</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>364,955</u>	<u>672,635</u>	<u>\$ 463,620</u>	<u>\$ 209,015</u>
Expenditures				
Contractual services	47,775	165,006	\$ 30,000	\$ [135,006]
Commodities	7,907	52,556	32,000	[20,556]
Capital outlay	222,360	166,708	308,000	141,292
Contingency	-	-	50,000	50,000
Operating transfers	<u>292,309</u>	<u>144,346</u>	<u>469,189</u>	<u>324,843</u>
Total Expenditures	<u>570,351</u>	<u>528,616</u>	<u>\$ 889,189</u>	<u>\$ 360,573</u>
Receipts Over [Under] Expenditures	[205,396]	144,019		
Unencumbered Cash, Beginning	<u>694,665</u>	<u>489,269</u>		
Unencumbered Cash, Ending	<u>\$ 489,269</u>	<u>\$ 633,288</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ 108,323	\$ 131	\$ -	\$ 131
Interest	<u>732</u>	<u>1,898</u>	<u>550</u>	<u>1,348</u>
Total Receipts	<u>109,055</u>	<u>2,029</u>	<u>\$ 550</u>	<u>\$ 1,479</u>
Expenditures				
Contractual services	-	-	\$ 5,000	\$ 5,000
Debt service	34,841	-	-	-
Capital outlay	-	-	86,954	86,954
Miscellaneous	-	-	51,000	51,000
Operating transfers	<u>400,000</u>	<u>310,427</u>	<u>454,000</u>	<u>143,573</u>
Total Expenditures	<u>434,841</u>	<u>310,427</u>	<u>\$ 596,954</u>	<u>\$ 286,527</u>
Receipts Over [Under] Expenditures	[325,786]	[308,398]		
Unencumbered Cash, Beginning	<u>634,184</u>	<u>308,398</u>		
Unencumbered Cash, Ending	<u>\$ 308,398</u>	<u>\$ -</u>		

## CITY OF OTTAWA, KANSAS

Equipment Reserve Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2017  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Interest	\$ 527	\$ 1,447	\$ 1,000	\$ 447
Reimbursements	21,172	4,827	15,000	[10,173]
Grants	-	51,728	-	51,728
Miscellaneous	13,281	24,450	15,000	9,450
Operating transfers	<u>505,853</u>	<u>430,000</u>	<u>586,000</u>	<u>[156,000]</u>
Total Receipts	<u>540,833</u>	<u>512,452</u>	<u>\$ 617,000</u>	<u>\$ [104,548]</u>
Expenditures				
Capital outlay	689,935	491,603	\$ 1,069,263	\$ 577,660
Miscellaneous	<u>22,430</u>	<u>10,540</u>	<u>95,321</u>	<u>84,781</u>
Total Expenditures	<u>712,365</u>	<u>502,143</u>	<u>\$ 1,164,584</u>	<u>\$ 662,441</u>
Receipts Over [Under] Expenditures	[171,532]	10,309		
Unencumbered Cash, Beginning	<u>569,404</u>	<u>397,872</u>		
Unencumbered Cash, Ending	<u>\$ 397,872</u>	<u>\$ 408,181</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, 2017  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Positive [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Lease payments	\$ 2,317	\$ 2,317	\$ 2,317	\$ -
Interest	261	1,329	300	1,029
Total Receipts	<u>2,578</u>	<u>3,646</u>	<u>\$ 2,617</u>	<u>\$ 1,029</u>
Expenditures				
Contractual services	-	-	\$ 218,392	\$ 218,392
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 218,392</u>	<u>\$ 218,392</u>
Receipts Over [Under] Expenditures	2,578	3,646		
Unencumbered Cash, Beginning	<u>213,158</u>	<u>215,736</u>		
Unencumbered Cash, Ending	<u>\$ 215,736</u>	<u>\$ 219,382</u>		

## CITY OF OTTAWA, KANSAS

Risk Management Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 113	\$ 469	\$ 150	\$ 319
Miscellaneous	5,116	6	5,000	[4,994]
Reimbursements	154,721	155,365	65,000	90,365
Operating transfers	740,800	751,375	894,000	[142,625]
Total Receipts	<u>900,750</u>	<u>907,215</u>	<u>\$ 964,150</u>	<u>\$ [56,935]</u>
Expenditures				
Personnel services	93,720	89,179	\$ 100,009	\$ 10,830
Contractual services	749,655	798,371	862,400	64,029
Capital outlay	1,127	3,489	-	[3,489]
Commodities	3,946	6,139	20,600	14,461
Judgments and claims	-	-	35,000	35,000
Safety equipment	-	-	10,000	10,000
Miscellaneous	-	-	82,573	82,573
Total Expenditures	<u>848,448</u>	<u>897,178</u>	<u>\$ 1,110,582</u>	<u>\$ 213,404</u>
Receipts Over [Under] Expenditures	52,302	10,037		
Unencumbered Cash, Beginning	<u>70,933</u>	<u>123,235</u>		
Unencumbered Cash, Ending	<u>\$ 123,235</u>	<u>\$ 133,272</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, 2017 and 2016

	<u>2016</u>	<u>2017</u>
Receipts		
Seized assets	\$ -	\$ 14,942
Total Receipts	<u>-</u>	<u>14,942</u>
Expenditures		
Contractual services	210	2,705
Refunds	<u>-</u>	<u>14,687</u>
Total Expenditures	<u>210</u>	<u>17,392</u>
Receipts Over [Under] Expenditures	[210]	[2,450]
Unencumbered Cash, Beginning	<u>11,567</u>	<u>11,357</u>
Unencumbered Cash, Ending	<u><u>\$ 11,357</u></u>	<u><u>\$ 8,907</u></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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 538,399	\$ 542,654	\$ 545,195	\$ [2,541]
Delinquent tax	20,217	18,606	26,000	[7,394]
Vehicle taxes	65,914	67,533	58,061	9,472
Special assessments	27,407	15,214	20,000	[4,786]
Interest	496	3,264	1,350	1,914
Operating transfers	<u>2,129,800</u>	<u>1,919,427</u>	<u>2,073,400</u>	<u>[153,973]</u>
Total Receipts	<u>2,782,233</u>	<u>2,566,698</u>	<u>\$ 2,724,006</u>	<u>\$ [157,308]</u>
Expenditures				
Principal	1,900,000	1,960,000	\$ 1,960,000	\$ -
Interest	770,783	782,706	767,561	[15,145]
Contingency	-	-	48,998	48,998
Miscellaneous	<u>-</u>	<u>-</u>	<u>303,849</u>	<u>303,849</u>
Total Expenditures	<u>2,670,783</u>	<u>2,742,706</u>	<u>\$ 3,080,408</u>	<u>\$ 337,702</u>
Receipts Over [Under] Expenditures	111,450	[176,008]		
Unencumbered Cash, Beginning	<u>418,795</u>	<u>530,245</u>		
Unencumbered Cash, Ending	<u>\$ 530,245</u>	<u>\$ 354,237</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 738	\$ 1,173	\$ 1,000	\$ 173
Operating transfers	<u>575,000</u>	<u>679,400</u>	<u>767,000</u>	<u>[87,600]</u>
Total Receipts	<u>575,738</u>	<u>680,573</u>	<u>\$ 768,000</u>	<u>\$ [87,427]</u>
Expenditures				
Debt repayment	126,970	126,970	\$ 668,252	\$ 541,282
Operating transfers	<u>810,000</u>	<u>694,000</u>	<u>694,400</u>	<u>400</u>
Total Expenditures	<u>936,970</u>	<u>820,970</u>	<u>\$ 1,362,652</u>	<u>\$ 541,682</u>
Receipts Over [Under] Expenditures	[361,232]	[140,397]		
Unencumbered Cash, Beginning	<u>676,644</u>	<u>315,412</u>		
Unencumbered Cash, Ending	<u>\$ 315,412</u>	<u>\$ 175,015</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Substation/ Electric <u>Construction</u>	US 59 <u>Turnback</u>	Loves <u>Granger TIF</u>	South Highway 59 <u>TDD</u>	TIF <u>Project Fund</u>	K68 and <u>Main Street</u>	Swimming Pool <u>Improvements</u>	Neighborhood Stabilization <u>Grant</u>
Receipts								
Charges & services	\$ -	\$ -	\$ -	\$ 52,478	\$ -	\$ -	\$ -	\$ -
Interest	5,279	-	-	-	-	-	-	132
Grants	-	10,205	210,870	-	24,719	-	-	-
Sale of temporary notes	-	-	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-
Reimbursements & miscellaneous	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Operating transfers	-	-	-	-	-	1,287	-	-
Total Receipts	<u>5,279</u>	<u>10,205</u>	<u>210,870</u>	<u>52,478</u>	<u>24,719</u>	<u>1,287</u>	<u>-</u>	<u>132</u>
Expenditures								
Contractual services	-	-	107,280	452	-	-	-	-
Commodities	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	-	-
Distribution	-	-	-	28,324	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Operating transfers	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>107,280</u>	<u>28,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	<u>5,279</u>	<u>10,205</u>	<u>103,590</u>	<u>23,702</u>	<u>24,719</u>	<u>1,287</u>	<u>-</u>	<u>132</u>
Unencumbered Cash, Beginning	857,484	-	126,772	194,548	357,757	[1,287]	404	-
Prior period adjustment	-	-	-	-	-	-	-	-
Unencumbered Cash, Beginning, Restated	<u>857,484</u>	<u>-</u>	<u>126,772</u>	<u>194,548</u>	<u>357,757</u>	<u>[1,287]</u>	<u>404</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 862,763</u>	<u>\$ 10,205</u>	<u>\$ 230,362</u>	<u>\$ 218,250</u>	<u>\$ 382,476</u>	<u>\$ -</u>	<u>\$ 404</u>	<u>\$ 132</u>

\* - These funds are not required to be budgeted.

Princeton Community Improvement	Airport Improvement Grants	Water Construction	CBDG Grant Old City Hall	Trails Grant	Levee Improvement	Industrial Park	Electric Construction In Progress	For the Year Ended December 31,	
								2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,478	\$ 52,813
-	-	-	-	-	-	20,516	-	25,927	2,139
-	71,014	-	-	11,923	-	-	-	328,731	392,888
-	-	574,377	361,544	-	-	5,129,252	-	6,065,173	3,480,527
-	555,000	-	-	-	-	-	-	555,000	-
-	12,132	-	-	-	9,135	5,911	-	27,178	209,978
114,305	-	-	-	-	-	1,351,922	-	1,466,227	109,112
-	5,059	-	-	-	-	-	-	6,346	466,337
<u>114,305</u>	<u>643,205</u>	<u>574,377</u>	<u>361,544</u>	<u>11,923</u>	<u>9,135</u>	<u>6,507,601</u>	<u>-</u>	<u>8,527,060</u>	<u>4,713,794</u>
-	61,818	53,784	361,544	-	-	555,001	-	1,139,879	1,464,620
-	-	-	-	14,471	-	-	-	14,471	417
-	-	-	-	-	-	213,613	-	213,613	-
-	26,721	273,569	-	-	-	1,093,573	-	1,393,863	1,008,451
122,403	-	-	-	-	-	-	-	150,727	162,577
-	-	-	-	-	-	-	-	-	2,529,999
-	4,063	-	-	-	-	-	-	4,063	15,331
-	-	-	-	-	-	24,900	-	24,900	8,310
-	543,800	-	-	-	-	-	-	543,800	753
-	-	240,000	-	-	-	-	-	240,000	265,468
<u>122,403</u>	<u>636,402</u>	<u>567,353</u>	<u>361,544</u>	<u>14,471</u>	<u>-</u>	<u>1,887,087</u>	<u>-</u>	<u>3,725,316</u>	<u>5,455,926</u>
<u>[8,098]</u>	<u>6,803</u>	<u>7,024</u>	<u>-</u>	<u>[2,548]</u>	<u>9,135</u>	<u>4,620,514</u>	<u>-</u>	<u>4,801,744</u>	<u>[742,132]</u>
9,781	5,329	-	-	2,548	-	[96,422]	300,000	1,756,914	2,762,557
<u>[1,449]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,748</u>	<u>-</u>	<u>342,299</u>	<u>[263,511]</u>
<u>8,332</u>	<u>5,329</u>	<u>-</u>	<u>-</u>	<u>2,548</u>	<u>-</u>	<u>247,326</u>	<u>300,000</u>	<u>2,099,213</u>	<u>2,499,046</u>
<u>\$ 234</u>	<u>\$ 12,132</u>	<u>\$ 7,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,135</u>	<u>\$ 4,867,840</u>	<u>\$ 300,000</u>	<u>\$ 6,900,957</u>	<u>\$ 1,756,914</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year	Current Year		Variance Over [Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Stormwater service charges	\$ 467,244	\$ 473,115	\$ 473,750	\$ [635]
Miscellaneous	-	-	10	[10]
Interest	648	4,920	1,260	3,660
Total Receipts	<u>467,892</u>	<u>478,035</u>	<u>\$ 475,020</u>	<u>\$ 3,015</u>
Expenditures				
Personnel services	-	43,130	\$ 65,849	\$ 22,719
Contractual services	235,420	122,616	220,650	98,034
Commodities	6,718	4,278	21,800	17,522
Capital outlay	8,810	13,871	680,600	666,729
Miscellaneous	-	-	120,000	120,000
Operating transfers	-	100,000	100,000	-
Total Expenditures	<u>250,948</u>	<u>283,895</u>	<u>\$ 1,208,899</u>	<u>\$ 925,004</u>
Receipts Over [Under] Expenditures	216,944	194,140		
Unencumbered Cash, Beginning	<u>556,025</u>	<u>772,969</u>		
Unencumbered Cash, Ending	<u>\$ 772,969</u>	<u>\$ 967,109</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, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Water sales	\$ 2,550,912	\$ 2,756,997	\$ 2,531,082	\$ 225,915
Lease and rentals	16,105	17,569	17,570	[1]
Miscellaneous and reimbursements	1,493	6,188	36,750	[30,562]
Interest	1,192	4,146	1,313	2,833
Other	19,540	4,557	129,950	[125,393]
Transfers in	-	240,000	-	240,000
Total Receipts	<u>2,589,242</u>	<u>3,029,457</u>	<u>\$ 2,716,665</u>	<u>\$ 312,792</u>
Expenditures				
Water Production				
Personnel services	610,924	668,225	\$ 591,449	\$ [76,776]
Contractual services	98,091	174,645	119,535	[55,110]
Commodities	153,826	135,734	154,405	18,671
Capital outlay	114,187	109,666	111,230	1,564
Water Distribution				
Personnel services	384,185	414,914	418,693	3,779
Contractual services	175,424	197,573	138,700	[58,873]
Commodities	140,398	104,376	157,675	53,299
Capital improvement	317,138	192,521	348,350	155,829
Non-operating				
Contractual services	15,808	104,557	-	[104,557]
Capital outlay	33,869	13,003	-	[13,003]
Debt service	15,257	33,036	15,000	[18,036]
Reserves	17,004	-	-	-
Miscellaneous	-	-	405,117	405,117
Operating transfers	<u>905,759</u>	<u>735,500</u>	<u>865,000</u>	<u>129,500</u>
Total Expenditures	<u>2,981,870</u>	<u>2,883,750</u>	<u>\$ 3,325,154</u>	<u>\$ 441,404</u>
Receipts Over [Under] Expenditures	[392,628]	145,707		
Unencumbered Cash, Beginning	<u>778,545</u>	<u>385,917</u>		
Unencumbered Cash, Ending	<u>\$ 385,917</u>	<u>\$ 531,624</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, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 2,639,414	\$ 2,808,484	\$ 2,676,192	\$ 132,292
Interest	781	5,360	1,400	3,960
Refunds and reimbursements	6,755	5,179	10,000	[4,821]
Miscellaneous	145	-	3,210	[3,210]
Transfer in	159,711	-	-	-
Total Receipts	<u>2,806,806</u>	<u>2,819,023</u>	<u>\$ 2,690,802</u>	<u>\$ 128,221</u>
Expenditures				
Wastewater Treatment				
Personnel services	435,275	423,384	\$ 436,589	\$ 13,205
Contractual services	379,459	393,641	408,100	14,459
Commodities	78,437	81,614	98,000	16,386
Capital outlay	41,525	68,480	80,000	11,520
Capital improvements	-	432	-	[432]
Wastewater Collection				
Personnel services	298,403	316,319	278,967	[37,352]
Contractual services	43,977	31,888	62,300	30,412
Commodities	107,341	47,793	139,300	91,507
Capital outlay	7,025	1,142	213,800	212,658
Capital improvements	247,476	237,485	159,999	[77,486]
Non-operating				
Contractual services	15,312	91,785	-	[91,785]
Capital outlay	-	13,003	-	[13,003]
Reserves	135,792	126,970	-	[126,970]
Contingency	-	-	212,485	212,485
Operating transfers	965,000	942,500	990,000	47,500
Total Expenditures	<u>2,755,022</u>	<u>2,776,436</u>	<u>\$ 3,079,540</u>	<u>\$ 303,104</u>
Receipts Over [Under] Expenditures	51,784	42,587		
Unencumbered Cash, Beginning	<u>387,719</u>	<u>439,503</u>		
Unencumbered Cash, Ending	<u>\$ 439,503</u>	<u>\$ 482,090</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, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Electric sales	\$ 12,834,054	\$ 12,705,009	\$ 17,835,200	\$ [5,130,191]
Fines and fees	132,934	157,595	200,000	[42,405]
Reimbursed expenses	368,419	19,835	75,000	[55,165]
Interest	5,957	26,803	6,000	20,803
Sale of property	3,999	482	2,500	[2,018]
Other	25,136	61,336	354,740	[293,404]
Operating transfers	-	-	10,000	[10,000]
Total Receipts	<u>13,370,499</u>	<u>12,971,060</u>	<u>\$ 18,483,440</u>	<u>\$ [5,512,380]</u>
Expenditures				
Electric Production				
Personnel services	909,659	970,630	\$ 1,016,648	\$ 46,018
Contractual services	430,684	326,447	797,700	471,253
Commodities	6,806,867	7,076,827	12,012,500	4,935,673
Capital outlay	223,624	199,300	323,500	124,200
Electric Distribution				
Personnel services	823,573	790,456	871,540	81,084
Contractual services	83,755	35,626	100,100	64,474
Commodities	177,433	225,915	92,500	[133,415]
Capital outlay	200,587	457,301	796,000	338,699
Utility Warehouse				
Personnel services	266,935	281,760	253,535	[28,225]
Contractual services	149,747	128,170	61,000	[67,170]
Commodities	6,386	7,207	10,000	2,793
Capital outlay	10,979	30,138	37,000	6,862
Utility Billing				
Personnel services	633,896	698,450	692,102	[6,348]
Contractual services	245,970	344,939	261,100	[83,839]
Commodities	17,800	14,747	24,000	9,253
Capital outlay	16,265	48,266	29,363	[18,903]
Non-operating				
Contractual services	39,185	68,874	-	[68,874]
Broadband				
Personnel services	19,867	32,845	-	[32,845]
Contractual services	154,855	161,351	107,500	[53,851]
Commodities	-	-	20,000	20,000
Capital outlay	44,882	18,066	85,000	66,934
Operating transfers	2,271,125	2,292,500	3,958,151	1,665,651
Miscellaneous	-	-	2,200,000	2,200,000
Total Expenditures	<u>13,534,074</u>	<u>14,209,815</u>	<u>\$ 23,749,239</u>	<u>\$ 9,539,424</u>
Receipts Over [Under] Expenditures	<u>[163,575]</u>	<u>[1,238,755]</u>		
Unencumbered Cash, Beginning	3,344,316	3,213,741		
Prior period adjustment	<u>33,000</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>3,377,316</u>	<u>3,213,741</u>		
Unencumbered Cash, Ending	<u>\$ 3,213,741</u>	<u>\$ 1,974,986</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, 2017 and 2016

	<u>2016</u>	<u>2017</u>
Receipts		
Other income	\$ 7,943	\$ [420]
Total Receipts	<u>7,943</u>	<u>[420]</u>
Expenditures		
Refunds	<u>2,698</u>	<u>2,257</u>
Total Expenditures	<u>2,698</u>	<u>2,257</u>
Receipts Over [Under] Expenditures	5,245	[2,677]
Unencumbered Cash, Beginning	<u>151,770</u>	<u>157,015</u>
Unencumbered Cash, Ending	<u>\$ 157,015</u>	<u>\$ 154,338</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, 2017 and 2016

	<u>2016</u>	<u>2017</u>
Receipts		
Interest	\$ 1,202	\$ 1,144
Charges for services	<u>1,582,585</u>	<u>1,720,470</u>
Total Receipts	<u>1,583,787</u>	<u>1,721,614</u>
Expenditures		
Cost of sales and services	<u>1,703,060</u>	<u>1,990,780</u>
Total Expenditures	<u>1,703,060</u>	<u>1,990,780</u>
Receipts Over [Under] Expenditures	[119,273]	[269,166]
Unencumbered Cash, Beginning	<u>1,140,268</u>	<u>1,020,995</u>
Unencumbered Cash, Ending	<u>\$ 1,020,995</u>	<u>\$ 751,829</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, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Fire Proceeds	Municipal Court Fines and Credit Card	Municipal Court Bonds
Receipts			
Fines and court fees	\$ -	\$ 483,520	\$ 42,325
Withholdings from payroll	-	-	-
Miscellaneous	-	-	-
Interest	9	38	-
Total Receipts	<u>9</u>	<u>483,558</u>	<u>42,325</u>
Expenditures			
Payments to State	-	30,274	-
Payments to City	-	469,944	-
Restitution	-	2,709	-
Bond refunds	-	-	44,272
Miscellaneous	-	-	-
Cost of service	-	-	-
Total Expenditures	<u>-</u>	<u>502,927</u>	<u>44,272</u>
Receipts Over [Under] Expenditures	9	[19,369]	[1,947]
Unencumbered Cash, Beginning	<u>31,732</u>	<u>38,353</u>	<u>14,223</u>
Unencumbered Cash, Ending	<u>\$ 31,741</u>	<u>\$ 18,984</u>	<u>\$ 12,276</u>

\* - These funds are not required to be budgeted.

Cafeteria Plan	Federal Seized Assets	Sunrise Estates Escrow	For the Year Ended December 31,	
			2017	2016
\$ -	\$ -	\$ -	\$ 525,845	\$ 486,885
-	-	-	-	54,989
-	14,687	33,375	48,062	14,688
<u>13</u>	<u>2</u>	<u>10</u>	<u>72</u>	<u>90</u>
<u>13</u>	<u>14,689</u>	<u>33,385</u>	<u>573,979</u>	<u>556,652</u>
-	-	-	30,274	30,952
-	-	-	469,944	409,862
-	-	-	2,709	2,028
32,244	-	-	76,516	27,625
-	16,682	-	16,682	-
<u>7,517</u>	<u>-</u>	<u>-</u>	<u>7,517</u>	<u>42,631</u>
<u>39,761</u>	<u>16,682</u>	<u>-</u>	<u>603,642</u>	<u>513,098</u>
[39,748]	[1,993]	33,385	[29,663]	43,554
<u>39,748</u>	<u>23,298</u>	<u>-</u>	<u>147,354</u>	<u>103,800</u>
<u>\$ -</u>	<u>\$ 21,305</u>	<u>\$ 33,385</u>	<u>\$ 117,691</u>	<u>\$ 147,354</u>

See independent auditor's report on the financial statements.

SCHEDULE 4

CITY OF OTTAWA, KANSAS

Schedule of Receipts and Expenditures - Actual\*  
 Related Municipal Entity - Ottawa Library  
 Regulatory Basis  
 Year Ended December 31, 2017 and 2016

	<u>2016</u>	<u>2017</u>
Receipts		
Appropriation from the City	\$ 851,408	\$ 866,020
Interest	6,939	8,423
State aid	3,893	5,498
Grants	30,049	30,219
Contribution	13,207	152,245
Miscellaneous	45,747	106,352
Gain on investments	592	11,732
Operating transfers	<u>15,500</u>	<u>30,000</u>
Total Receipts	<u>967,335</u>	<u>1,210,489</u>
Expenditures		
Salaries and benefits	645,706	635,678
Materials, program, and services	120,866	139,942
Operating	117,978	131,289
Capital improvements	10,731	4,000
Miscellaneous	10,198	12,301
Operating transfers	<u>15,000</u>	<u>30,000</u>
Total Expenditures	<u>920,479</u>	<u>953,210</u>
Receipts Over [Under] Expenditures	46,856	257,279
Unencumbered Cash, Beginning	<u>379,745</u>	<u>426,601</u>
Unencumbered Cash, Ending	<u>\$ 426,601</u>	<u>\$ 683,880</u>

\* - This fund is not required to be budgeted.