CITY OF OTTAWA, KANSAS

Financial Statements

For the Year Ended December 31, 2023

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CITY OF OTTAWA, KANSAS
Financial Statements
For the Year Ended December 31, 2023
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Ottawa, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
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, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse and Unmodified Opinions" section of our report, the accompanying 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, 2023, or the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying 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, 2023, 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.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City 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.

Responsibilities of Management for the Financial Statement

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; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. We did not audit the financial statements of the Ottawa Library, which is a related municipal entity and 3.61% and 2.20%, 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. 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.

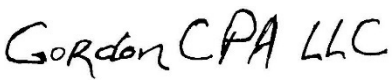
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated April 25, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Matters

The 2022 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Ottawa, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated May 20, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 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 https://admin.ks.gov/offices/oar/municipalservices. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.



Certified Public Accountant
Lawrence, Kansas

April 25, 2024

CITY OF OTTAWA, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 2,478,844	$ -	$ 13,188,520	$ 12,565,713	$ 3,101,651	$ 315,563	$ 3,417,214
Special Purpose Funds:							
Community Services Support	61,768	-	184,000	176,030	69,738	-	69,738
Municipal Auditorium	95,429	-	351,794	385,323	61,900	8,864	70,764
Airport	180,780	-	104,415	98,877	186,318	2,822	189,140
Special Park and Recreation	380,165	-	73,331	72,853	380,643	2,736	383,379
Special Alcohol Program	7,497	-	41,921	35,000	14,418	-	14,418
Library	-	-	1,129,662	1,129,662	-	-	-
Economic Development	574,790	-	102,389	96,368	580,811	30,577	611,388
Special Streets	817,090	-	811,932	750,939	878,083	6,185	884,268
Equipment Reserve	607,270	-	323,949	144,810	786,409	-	786,409
Risk Management	713,612	-	1,135,354	968,156	880,810	3,694	884,504
Land Bank	10,303	-	-	-	10,303	-	10,303
Proximity Park Sales Tax	2,806,717	-	2,035,516	2,055,279	2,786,954	-	2,786,954
Golf Course	3,453	-	28,548	10,683	21,318	44	21,362
Non-Budgeted Special Purpose Funds	2,341,615	-	1,181,065	632,009	2,890,671	69,486	2,960,157
Governmental Grants Funds	4,498,660	-	3,917,395	6,609,378	1,806,677	214,305	2,020,982
Bond and Interest Funds:							
Bond and Interest	408,569	-	4,053,149	4,262,133	199,585	-	199,585
WWTP Funding	441,326	-	992,467	816,011	617,782	-	617,782
Redemption	-	-	770,116	770,116	-	-	-
Capital Project Funds	4,112,669	-	1,427,392	1,488,442	4,051,619	65,948	4,117,567
Business Funds:							
Storm Water Utility	1,508,516	-	528,657	406,772	1,630,401	15,462	1,645,863
Water Utility	1,049,044	-	3,186,905	3,428,189	807,760	153,819	961,579
Wastewater Utility	2,552,287	-	3,375,938	3,443,356	2,484,869	59,005	2,543,874
Electric Utility	5,235,051	-	18,349,550	16,693,268	6,891,333	860,938	7,752,271
Utility Credit	132,210	-	1,209	-	133,419	57,855	191,274
Health Insurance	1,623,500	-	1,820,716	2,012,125	1,432,091	4,062	1,436,153
Total primary government	32,641,165	-	59,115,890	59,051,492	32,705,563	1,871,365	34,576,928
Related municipal entities:							
Ottawa Library	1,244,518	-	1,502,946	1,417,613	1,329,851	39,310	1,369,161
Total reporting entity [excluding agency funds]	$ 33,885,683	$ -	$ 60,618,836	$ 60,469,105	$ 34,035,414	$ 1,910,675	$ 35,946,089

Composition of Cash:

Kansas State Bank	
Checking	$ 14,583,857
Certificates of Deposit	1,000,000
Kansas Municipal Investment Pool	
OMIP Overnight Pool	10,369,448
Bank Midwest	
Checking	18,562
OakStar Bank	
Certificates of Deposit	7,750,000
GSSB Bank	
Certificates of Deposit	1,000,000
Petty Cash	3,644
Ottawa Library - Checking	120,747
Ottawa Library - Money Market	440,409
Ottawa Library - Equity Investments	807,865
Ottawa Library - Petty Cash	140
Total Cash	36,094,672
Less: Agency Funds per Schedule 3	[148,583]
Total Reporting Entity [Excluding Agency Funds]	$ 35,946,089

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

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 Ottawa Library. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and its constituents.

The Ottawa Library provides library services to the area. The seven-member Library board is appointed by the City. The City appropriates and tax monies to the Library. The Library's 2023 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 Library'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 City to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2023:

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 Project Funds - 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.).

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing during the current year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory 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 original budget was amended for the Library, Golf Course, and Proximity Park Sales Tax funds during the year ended December 31, 2023.

The statutes permit transferring budgeted amounts between line items 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's 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. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project funds, Agency Funds, and the following special purpose and business funds:

- Southerlands CID Fund
- Law Enforcement Trust Fund
- Holiday Inn TIF/CID Fund
- South Highway 59 TIF Fund
- South Highway 59 TDD Fund
- K-68 TIF Fund
- Princeton CID Fund
- AEO Foundation Grant Fund
- ARPA Grant Fund
- Police Department Grants Fund
- BASE Grant Fund
- ARPA Housing Grant Fund
- State Grant Fund
- Opioid Settement Fund
- Utility Credit Fund
- Health Insurance Fund
- Redemption 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 and Investments

As of December 31, 2023, the City had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1 - 2	Rating U.S.
Kansas Municipal Investment Pool	$ 10,369,448	$ 10,369,448	$ -	N/A

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. The rating of the City's investments is noted above.

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. The City's allocation of investments as of December 31, 2023, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

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 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." The City's deposits were fully secured at December 31, 2023.

At December 31, 2023, the City's carrying amount of deposits was $24,356,063 and the bank balance was $23,343,080. The bank balance was held four banks. Of the bank balance, $1,000,000 was covered by federal depository insurance and $22,343,080 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

As of December 31, 2023, the carrying amount of the Ottawa Library's deposits was $561,296 (which includes $140 in cash on hand), and the bank balance was $686,897. The bank balance was held by four banks. Of the bank balance, $657,259 was covered by federal depository insurance. The Library also has investments in mutual funds under a 501(c)3 not for profit organization with a carrying value of $807,865 and a market value of $886,225.

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.

As of December 31, 2023, the City had invested $10,369,448 in the State's municipal investment pool. 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 up to four years. No more than ten 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.

NOTE 3 - Compensated Absences

The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of 30 days of 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, 2023, the City estimates the total accumulated vacation and unpaid sick pay amounted to $801,414 and $790,687 respectively.

NOTE 4 - 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 5 - 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 6 - Defined Benefit Pension 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 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 for the Death and Disability Program) and the statutory contribution rate was 8.43% for KPERS and 22.86% for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $639,597 for KPERS and $817,381 for KP&F for the year ended December 31, 2023. Contributions to the pension plan from the Library were $56,106.

Net Pension Liability. As of December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $6,454,261 and $8,771,441 for KP&F. The Library's proportionate share of the collective net pension liability was $551,938. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. 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 this financial statement.

NOTE 6 - Defined Benefit Pension 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 publicly available on the KPERS website at www.kpers.org or can be obtained as described above.

NOTE 7 - Other Long-Term Obligations from Operations

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City 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 City 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 City under this program.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

NOTE 8 - Long-Term Debt

The following table summarizes changes in the City's long-term debt for the year ended December 31, 2023:

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
General Obligation Bonds	$ 24,242,970	$ -	$ 3,610,778	$ 20,632,192	$ 651,354
Finance Leases	1,172,084	740,116	504,864	1,407,336	31,978
Total	$ 25,415,054	$ 740,116	$ 4,115,642	$ 22,039,528	$ 683,332

General Obligation Bonds. The following table details the City's outstanding general obligation debt at December 31, 2023:

General Obligation Bonds	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
Series 2009	3.50 - 4.10%	$ 95,000	$ 1,065,000	08/01/09	10/01/24
Series 2009A	3.00 - 4.20%	945,000	2,345,000	11/20/09	10/01/29
Series 2014A	2.00 - 3.50%	1,585,000	7,855,000	06/19/14	10/01/30
Series 2017A	2.00 - 2.50%	1,795,000	5,000,000	04/19/17	10/01/26
Series 2017B	1.75 - 3.15%	245,000	555,000	04/19/17	10/01/27
Series 2018A	2.375 - 4.00%	1,325,000	1,650,000	10/10/18	10/01/38
Series 2018B	2.75 - 3.375%	430,000	1,050,000	10/10/18	10/01/26
Series 2019A	3.00%	1,105,000	1,105,000	08/07/19	10/01/27
Series 2020A	2.125%	1,497,192	1,617,000	10/05/20	10/05/50
Series 2021A	1.10 - 3.00%	4,765,000	5,540,000	04/08/21	10/01/39
Series 2021B	2.00%	3,855,000	5,925,000	09/30/21	10/01/28
Series 2022	4.00%	2,990,000	3,280,000	11/16/22	10/01/32
Total		$ 20,632,192			

NOTE 8 - Long-Term Debt (Continued)

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

Year Ending December 31,	Principal	Interest	Total
2024	$ 3,601,559	$ 570,500	$ 4,172,059
2025	2,912,529	467,987	3,380,516
2026	2,988,433	386,937	3,375,370
2027	2,079,356	303,160	2,382,516
2028	1,890,221	242,913	2,133,134
2029 - 2033	4,541,268	621,960	5,163,228
2034 - 2038	1,768,027	210,145	1,978,172
2039 - 2043	377,754	71,151	448,905
2044 - 2048	330,765	36,540	367,305
2049 - 2050	142,280	4,552	146,832
Total	$ 20,632,192	$ 2,915,845	$ 23,548,037

Finance Leases. The following table details the City's outstanding finance lease obligations at December 31, 2023:

Finance Leases	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
2014 Platform Fire Truck Refinance	3.23%	$ 5,250	$ 539,165	01/05/09	01/10/24
2017 911 System Radio Equipment	2.30%	62,398	408,406	10/13/17	10/13/24
2017 Pierce Firetruck	3.46%	343,458	633,650	08/23/18	08/15/28
2018 Sewer Van	3.83%	111,735	201,559	10/15/18	10/15/28
2021 Ford SUV	4.38%	41,577	54,373	04/01/22	03/31/27
2021 Ford SUV	4.38%	43,025	52,543	04/01/22	03/31/27
2021 Bucket Truck	4.62%	148,353	166,897	04/01/22	03/29/32
2022 Pierce Pumper Fire Truck	5.00%	651,540	740,116	05/08/23	07/01/32
Total		$ 1,407,336			

Annual debt service requirements to maturity for the finance lease obligations are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 244,425	$ 61,810	$ 306,235
2025	184,468	52,670	237,138
2026	192,373	44,764	237,137
2027	200,626	36,511	237,137
2028	186,353	27,957	214,310
2029- 2032	399,091	51,099	450,190
Total	$ 1,407,336	$ 274,811	$ 1,682,147

On May 8, 2024, the City entered into a finance lease agreement to purchase a fire truck for $740,116. Terms of the lease call for annual principal and interest payments. The lease carries a 5.00% interest rate and is scheduled to mature on July 1, 2032.

NOTE 8 - Long-Term Debt (Continued)

Legal Debt Margin. 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. As of December 31, 2023, the statutory limit for the City was $36,614,282, providing a debt margin of $15,982,092.

NOTE 9 – 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 as of December 31, 2023.

The City is a party to various claims, none of which is expected to have material financial impact on the City.

NOTE 10 - 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.

	2023	2022
Unpaid claims, January 1	$ 87,371	$ 174,736
Incurred claims (including IBNRs)	2,395,997	1,601,284
Claim payments	[2,248,425]	[1,688,649]
Unpaid claims, December 31	$ 234,943	$ 87,371

NOTE 11 - Interfund Transfers

Operating transfers were as follows during the year ended December 31, 2023:

From	To	Amount	Regulatory Authority
General Fund	Community Services Support Fund	$ 45,500	K.S.A. 12-197
General Fund	Airport Fund	57,685	K.S.A. 12-197
General Fund	Equipment Reserve Fund	204,656	K.S.A. 12-1,117
General Fund	Risk Management Fund	123,600	K.S.A. 12-2615
General Fund	Capital Improvement Plan Fund	25,000	K.S.A. 12-1,118
General Fund	Golf Course Fund	25,000	K.S.A. 12-1,118
General Fund	Sidewalk Capital Project Fund	100,000	K.S.A. 12-1,118
Special Alcohol Program Fund	General Fund	35,000	K.S.A. 79-41a04
Special Streets Fund	Bond and Interest Fund	84,530	K.S.A. 12-1,119
Proximity Park Sales Tax Fund	Bond and Interest Fund	854,909	K.S.A. 12-6a16
Proximity Park Sales Tax Fund	BASE Grant	1,200,000	Grant Agreement
WWTP Funding Fund	Bond and Interest Fund	816,011	K.S.A. 12-1,118
Park Grant Fund	Special Parks & Recreation Fund	5,762	Grant Agreement
Airport Fund	Airport Improvement Fund	9,850	K.S.A. 12-1,118
Storm Water Utility Fund	Equipment Reserve Fund	25,000	K.S.A. 12-825d
Storm Water Utility Fund	Bond and Interest Fund	218,193	K.S.A. 12-825d
Water Utility Fund	General Fund	400,000	K.S.A. 12-825d
Water Utility Fund	Community Services Support Fund	45,500	K.S.A. 12-825d
Water Utility Fund	Risk Management Fund	337,025	K.S.A. 12-825d
Water Utility Fund	Bond and Interest Fund	323,857	K.S.A. 12-825d
Wastewater Utility Fund	General Fund	382,500	K.S.A. 12-825d
Wastewater Utility Fund	Community Services Support Fund	45,500	K.S.A. 12-825d
Wastewater Utility Fund	Risk Management Fund	280,850	K.S.A. 12-825d
Wastewater Utility Fund	Bond and Interest Fund	121,111	K.S.A. 12-825d
Wastewater Utility Fund	WWTP Funding Fund	590,956	K.S.A. 12-825d
Electric Utility Fund	General Fund	900,000	K.S.A. 12-825d
Electric Utility Fund	Community Services Support Fund	45,500	K.S.A. 12-825d
Electric Utility Fund	Risk Management Fund	381,950	K.S.A. 12-825d
Electric Utility Fund	Bond and Interest Fund	1,181,250	K.S.A. 12-825d
		$ 8,866,695	

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SCHEDULE 1

CITY OF OTTAWA, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over [Under]
General Funds:					
General	$ 14,494,779	$ -	$ 14,494,779	$ 12,565,713	$ [1,929,066]
Special Purpose Funds:					
Community Services Support	183,530	-	183,530	176,030	[7,500]
Municipal Auditorium	448,675	-	448,675	385,323	[63,352]
Airport	208,700	-	208,700	98,877	[109,823]
Special Park and Recreation	199,000	-	199,000	72,853	[126,147]
Special Alcohol Program	35,000	-	35,000	35,000	-
Library	1,184,330	-	1,184,330	1,129,662	[54,668]
Economic Development	412,050	-	412,050	96,368	[315,682]
Special Streets	856,030	-	856,030	750,939	[105,091]
Equipment Reserve	502,000	-	502,000	144,810	[357,190]
Risk Management	1,297,970	-	1,297,970	968,156	[329,814]
Land Bank	-	-	-	-	-
Proximity Park Sales Tax	2,075,000	-	2,075,000	2,055,279	[19,721]
Golf Course	20,000	-	20,000	10,683	[9,317]
Bond and Interest Funds:					
Bond and Interest	4,282,411	-	4,282,411	4,262,133	[20,278]
WWTP Funding	916,011	-	916,011	816,011	[100,000]
Business Funds:					
Storm Water Utility	981,268	-	981,268	406,772	[574,496]
Water Utility	4,095,416	-	4,095,416	3,428,189	[667,227]
Wastewater Utility	4,271,738	-	4,271,738	3,443,356	[828,382]
Electric Utility	19,189,185	-	19,189,185	16,693,268	[2,495,917]

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	$ 3,340,180	$ 3,832,191	$ 3,965,608	$ [133,417]
Delinquent tax	121,064	82,438	70,000	12,438
Vehicle taxes	329,813	321,980	349,055	[27,075]
Sales and compensating use tax	5,393,206	5,950,945	5,522,000	428,945
Franchise tax	356,248	412,449	296,000	116,449
Liquor tax	36,006	41,921	35,000	6,921
Intergovernmental	54,278	54,280	54,500	[220]
Licenses, permits and fees	509,706	523,778	438,000	85,778
Charges and services	44,264	57,445	39,500	17,945
Interest	12,778	83,373	12,000	71,373
Miscellaneous	8,613	43,570	7,775	35,795
Refunds and reimbursements	85,151	66,650	77,000	[10,350]
Operating transfers	1,792,420	1,717,500	1,717,500	-
Total Receipts	12,083,727	13,188,520	$ 12,583,938	$ 604,582
Expenditures				
City commission and manager	204,169	217,021	$ 230,749	$ [13,728]
City administration	258,883	297,637	325,150	[27,513]
Nonoperating	408,245	523,559	685,405	[161,846]
Neighborhood services	527,743	489,834	611,800	[121,966]
Fleet management	232,866	257,140	262,350	[5,210]
Building maintenance	189,564	210,200	229,250	[19,050]
Parks	490,366	512,856	577,700	[64,844]
Police department	2,811,388	3,088,814	3,473,940	[385,126]
Fire department	1,677,701	2,023,743	2,052,100	[28,357]
Streets department	962,975	993,249	1,203,050	[209,801]
Highland cemetery	208,601	174,358	234,550	[60,192]
Human resources	114,219	130,804	166,350	[35,546]
Municipal court	155,319	168,525	172,050	[3,525]
Employee benefits	2,491,094	2,552,094	3,150,850	[598,756]
IT department	331,338	344,438	373,450	[29,012]
Operating transfers	748,035	581,441	361,785	219,656
Cash basis reserve	-	-	384,250	[384,250]
Total Expenditures	11,812,506	12,565,713	$ 14,494,779	$ [1,929,066]
Receipts Over [Under] Expenditures	271,221	622,807		
Unencumbered Cash, Beginning	2,207,623	2,478,844		
Unencumbered Cash, Ending	$ 2,478,844	$ 3,101,651		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 2

CITY OF OTTAWA, KANSAS
Community Services Support Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Donations	$ 2,000	$ 2,000	$ 3,000	$ [1,000]
Operating transfers	167,000	182,000	182,000	-
Total Receipts	169,000	184,000	$ 185,000	$ [1,000]
Expenditures				
Contractual services	140,242	$ 176,030	$ 183,530	$ [7,500]
Total Expenditures	140,242	176,030	$ 183,530	$ [7,500]
Receipts Over [Under] Expenditures	28,758	7,970		
Unencumbered Cash, Beginning	33,010	61,768		
Unencumbered Cash, Ending	$ 61,768	$ 69,738		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes				
Ad valorem property tax	$ 159,016	$ 179,497	$ 185,695	$ [6,198]
Delinquent tax	6,032	3,936	4,000	[64]
Vehicle taxes	16,702	15,365	16,630	[1,265]
Charges for services	126,144	132,441	114,500	17,941
Interest	383	2,509	500	2,009
Donations	3,666	699	8,000	[7,301]
Miscellaneous	17,684	17,347	21,750	[4,403]
Total Receipts	329,627	351,794	$ 351,075	$ 719
Expenditures				
Personnel services	145,195	174,684	$ 184,525	$ [9,841]
Contractual services	145,691	170,959	125,700	45,259
Commodities	12,597	10,330	12,700	[2,370]
Capital outlay	33,334	29,350	30,250	[900]
Cash basis reserve	-	-	95,500	[95,500]
Total Expenditures	336,817	385,323	$ 448,675	$ [63,352]
Receipts Over [Under] Expenditures	[7,190]	[33,529]		
Unencumbered Cash, Beginning	102,619	95,429		
Unencumbered Cash, Ending	$ 95,429	$ 61,900		

CITY OF OTTAWA, KANSAS
Airport Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Fuel sales	$ 3,359	$ 2,749	$ 12,000	$ [9,251]
Rental income	33,428	38,359	28,645	9,714
Miscellaneous	8,171	2,500	-	2,500
Interest	486	3,122	250	2,872
Operating transfers	57,685	57,685	57,685	-
Total Receipts	103,129	104,415	$ 98,580	$ 5,835
Expenditures				
Contractual services	80,489	82,443	$ 92,700	$ [10,257]
Commodities	14,309	4,320	5,000	[680]
Capital outlay	36,860	2,264	11,000	[8,736]
Operating transfers	-	9,850	-	9,850
Cash basis reserve	-	-	100,000	[100,000]
Total Expenditures	131,658	98,877	$ 208,700	$ [109,823]
Receipts Over [Under] Expenditures	[28,529]	5,538		
Unencumbered Cash, Beginning	209,309	180,780		
Unencumbered Cash, Ending	$ 180,780	$ 186,318		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Liquor tax	$ 36,006	$ 41,921	$ 35,000	$ 6,921
Donations	91,733	16,745	18,500	[1,755]
Licenses and permits	10	-	-	-
Interest	931	8,903	1,500	7,403
Operating transfers	-	5,762	-	5,762
Total Receipts	128,680	73,331	$ 55,000	$ 18,331
Expenditures				
Contractual services	6,589	12,480	$ 38,000	$ [25,520]
Commodities	2,207	1,345	5,000	[3,655]
Capital improvement	8,255	59,028	156,000	[96,972]
Operating transfers	40,000	-	-	-
Total Expenditures	57,051	72,853	$ 199,000	$ [126,147]
Receipts Over [Under] Expenditures	71,629	478		
Unencumbered Cash, Beginning	308,536	380,165		
Unencumbered Cash, Ending	$ 380,165	$ 380,643		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Liquor tax	$ 36,008	$ 41,921	$ 35,000	$ 6,921
Total Receipts	36,008	41,921	$ 35,000	$ 6,921
Expenditures				
Operating transfers	35,000	35,000	$ 35,000	$ -
Total Expenditures	35,000	35,000	$ 35,000	$ -
Receipts Over [Under] Expenditures	1,008	6,921		
Unencumbered Cash, Beginning	6,489	7,497		
Unencumbered Cash, Ending	$ 7,497	$ 14,418		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	$ 951,278	$ 1,013,627	$ 1,024,330	$ [10,703]
Delinquent tax	36,949	24,100	45,000	[20,900]
Vehicle taxes	100,886	91,935	115,000	[23,065]
Total Receipts	1,089,113	1,129,662	$ 1,184,330	$ [54,668]
Expenditures				
Appropriations to Library Board	1,095,059	1,129,662	$ 1,184,330	$ [54,668]
Total Expenditures	1,095,059	1,129,662	$ 1,184,330	$ [54,668]
Receipts Over [Under] Expenditures	[5,946]	-		
Unencumbered Cash, Beginning	5,946	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF OTTAWA, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Licenses, permits and fees	$ 24,759	$ 19,615	$ 22,000	$ [2,385]
Rental income	17,569	19,569	17,500	2,069
Grants	-	7,500	-	7,500
Reimbursements	41,077	17,913	25,000	[7,087]
Miscellaneous	-	24,020	-	24,020
Interest	1,477	13,772	2,000	11,772
Operating transfers	10,000	-	-	-
Total Receipts	94,882	102,389	$ 66,500	$ 35,889
Expenditures				
Contractual services	145,229	95,920	$ 212,050	$ [116,130]
Capital improvement	1,137	448	-	448
Cash basis reserve	-	-	200,000	[200,000]
Total Expenditures	146,366	96,368	$ 412,050	$ [315,682]
Receipts Over [Under] Expenditures	[51,484]	6,021		
Unencumbered Cash, Beginning	626,274	574,790		
Unencumbered Cash, Ending	$ 574,790	$ 580,811		

CITY OF OTTAWA, KANSAS
Special Streets Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Intergovernmental	$ 497,704	$ 794,848	$ 500,700	$ 294,148
Interest	2,152	17,084	1,500	15,584
Total Receipts	499,856	811,932	$ 502,200	$ 309,732
Expenditures				
Contractual services	31,812	417,946	$ 64,500	$ 353,446
Commodities	23,955	5,397	27,000	[21,603]
Capital outlay	309,440	243,066	430,000	[186,934]
Operating transfers	156,500	84,530	84,530	-
Operating reserve	-	-	250,000	[250,000]
Total Expenditures	521,707	750,939	$ 856,030	$ [105,091]
Receipts Over [Under] Expenditures	[21,851]	60,993		
Unencumbered Cash, Beginning	838,941	817,090		
Unencumbered Cash, Ending	$ 817,090	$ 878,083		

CITY OF OTTAWA, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Interest	$ -	$ 12,416	$ 1,000	$ 11,416
Miscellaneous	28,976	81,877	-	81,877
Loan proceeds	106,916	-	-	-
Operating transfers	336,000	229,656	160,000	69,656
Total Receipts	471,892	323,949	$ 161,000	$ 162,949
Expenditures				
Capital outlay	230,124	144,810	$ 200,000	$ [55,190]
Cash basis reserve	-	-	302,000	[302,000]
Total Expenditures	230,124	144,810	$ 502,000	$ [357,190]
Receipts Over [Under] Expenditures	241,768	179,139		
Unencumbered Cash, Beginning	365,502	607,270		
Unencumbered Cash, Ending	$ 607,270	$ 786,409		

CITY OF OTTAWA, KANSAS
Risk Management Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Interest	$ -	$ 8,851	$ 1,700	$ 7,151
Reimbursements	38,349	3,078	65,000	[61,922]
Operating transfers	1,123,425	1,123,425	1,123,425	-
Total Receipts	1,161,774	1,135,354	$ 1,190,125	$ [54,771]
Expenditures				
Personnel services	105,216	100,413	$ 151,030	$ [50,617]
Contractual services	785,117	862,300	1,077,440	[215,140]
Commodities	3,188	4,926	8,000	[3,074]
Capital outlay	20,398	517	61,500	[60,983]
Total Expenditures	913,919	968,156	$ 1,297,970	$ [329,814]
Receipts Over [Under] Expenditures	247,855	167,198		
Unencumbered Cash, Beginning	465,757	713,612		
Unencumbered Cash, Ending	$ 713,612	$ 880,810		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS
Land Bank Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Sale of property	$ 308,000	$ -	$ -	$ -
Total Receipts	308,000	-	$ -	$ -
Expenditures				
Contractual services	55,311	-	$ -	$ -
Operating transfers	375,360	-	-	-
Total Expenditures	430,671	-	$ -	$ -
Receipts Over [Under] Expenditures	[122,671]	-		
Unencumbered Cash, Beginning	132,974	10,303		
Unencumbered Cash, Ending	$ 10,303	$ 10,303		

CITY OF OTTAWA, KANSAS
Proximity Park Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Sales and compensating use tax	$ 1,794,977	$ 1,959,351	$ 1,875,000	$ 84,351
Reimbursements	4,000	[8,000]	-	[8,000]
Interest	6,706	84,165	75,000	9,165
Total Receipts	1,805,683	2,035,516	$ 1,950,000	$ 85,516
Expenditures				
Contractual services	-	120	$ 20,000	$ [19,880]
Capital outlay	-	250	-	250
Operating transfers	1,956,670	2,054,909	2,055,000	[91]
Total Expenditures	1,956,670	2,055,279	$ 2,075,000	$ [19,721]
Receipts Over [Under] Expenditures	[150,987]	[19,763]		
Unencumbered Cash, Beginning	2,957,704	2,806,717		
Unencumbered Cash, Ending	$ 2,806,717	$ 2,786,954		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS
Golf Course Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Donations	$ 7,200	$ 3,521	$ -	$ 3,521
Interest	-	27	-	27
Operating transfers	118,800	25,000	20,000	5,000
Total Receipts	126,000	28,548	$ 20,000	$ 8,548
Expenditures				
Contractual services	122,547	10,683	$ 20,000	$ [9,317]
Total Expenditures	122,547	10,683	$ 20,000	$ [9,317]
Receipts Over [Under] Expenditures	3,453	17,865		
Unencumbered Cash, Beginning	-	3,453		
Unencumbered Cash, Ending	$ 3,453	$ 21,318		

See independent auditor's report on the financial statements.

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CITY OF OTTAWA, KANSAS
Non-Budgeted Special Purpose Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Southerlands CID	Law Enforcement Trust	Holiday Inn TIF/CID	South Highway 59 TIF	South Highway 59 TDD	K-68 TIF	Princeton CID	For the Year Ended December 31, 2023	2022
Receipts									
Taxes	$ 101,058	$ -	$ 286,563	$ 260,145	$ 303	$ 115,036	$ 354,281	$ 1,117,386	$ 1,180,705
Intergovernmental	-	1,265	-	-	-	-	-	1,265	748
Interest	254	125	513	33,438	6,169	13,896	8,019	62,414	-
Total Receipts	101,312	1,390	287,076	293,583	6,472	128,932	362,300	1,181,065	1,181,453
Expenditures									
Contractual services	-	-	-	-	-	-	416	416	16,866
Commodities	-	-	-	2,724	-	-	-	2,724	2,839
Distribution	101,058	-	271,500	-	-	-	256,311	628,869	725,986
Total Expenditures	101,058	-	271,500	2,724	-	-	256,727	632,009	745,691
Receipts Over [Under] Expenditures	254	1,390	15,576	290,859	6,472	128,932	105,573	549,056	435,762
Unencumbered Cash, Beginning	-	11,877	7,174	1,272,302	280,446	524,609	245,207	2,341,615	1,905,853
Unencumbered Cash, Ending	$ 254	$ 13,267	$ 22,750	$ 1,563,161	$ 286,918	$ 653,541	$ 350,780	$ 2,890,671	$ 2,341,615

* - These fund are not required to be budgeted.

CITY OF OTTAWA, KANSAS
Governmental Grant Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	AEO Foundation Grant	ARPA Grant	Police Department Grants	BASE Grant	ARPA Housing Grant	State Grant	Opioid Settlement	For the Year Ended December 31, 2023	2022
Receipts									
Grants	$ -	$ -	$ 89,668	$ 2,500,000	$ -	$ 37,500	$ 34,426	$ 2,661,594	$ 4,119,197
Miscellaneous	4,775	-	-	-	-	-	-	4,775	32,672
Interest	-	25,792	-	24,909	-	-	325	51,026	-
Operating transfers	-	-	-	1,200,000	-	-	-	1,200,000	1,250,000
Total Receipts	4,775	25,792	89,668	3,724,909	-	37,500	34,751	3,917,395	5,401,869
Expenditures									
Personnel services	-	-	21,373	-	-	-	-	21,373	57,691
Contractual services	-	71,525	10,900	3,626,381	1,509,230	37,500	-	5,255,536	1,717,175
Commodities	-	-	-	34,469	-	-	-	34,469	-
Capital outlay	-	1,290,356	7,644	-	-	-	-	1,298,000	-
Operating transfers	-	-	-	-	-	-	-	-	74,920
Total Expenditures	-	1,361,881	39,917	3,660,850	1,509,230	37,500	-	6,609,378	1,849,786
Receipts Over [Under] Expenditures	4,775	[1,336,089]	49,751	64,059	[1,509,230]	-	34,751	[2,691,983]	3,552,083
Unencumbered Cash, Beginning	16,188	1,822,152	[37,395]	1,185,454	1,509,230	-	3,031	4,498,660	946,577
Unencumbered Cash, Ending	$ 20,963	$ 486,063	$ 12,356	$ 1,249,513	$ -	$ -	$ 37,782	$ 1,806,677	$ 4,498,660

* - These fund are not required to be budgeted.

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	$ 352,199	$ 397,427	$ 411,195	$ [13,768]
Delinquent tax	21,034	11,610	10,000	1,610
Vehicle taxes	53,301	34,566	36,810	[2,244]
Special assessments	56,564	2,731	-	2,731
Interest	1,178	6,954	775	6,179
Operating transfers	3,272,320	3,599,861	3,532,036	67,825
Total Receipts	3,756,596	4,053,149	$ 3,990,816	$ 62,333
Expenditures				
Debt service				
Principal	3,229,931	3,610,779	$ 3,320,779	$ 290,000
Interest	620,016	651,354	566,532	84,822
Cash basis reserve	-	-	395,100	[395,100]
Total Expenditures	3,849,947	4,262,133	$ 4,282,411	$ [20,278]
Receipts Over [Under] Expenditures	[93,351]	[208,984]		
Unencumbered Cash, Beginning	501,920	408,569		
Unencumbered Cash, Ending	$ 408,569	$ 199,585		

CITY OF OTTAWA, KANSAS
WWTP Funding Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Sales and compensating use tax	$ 358,995	$ 391,870	$ 351,500	$ 40,370
Interest	-	9,641	1,100	8,541
Operating transfers	574,597	590,956	550,000	40,956
Total Receipts	933,592	992,467	$ 902,600	$ 89,867
Expenditures				
Operating transfers	815,261	816,011	$ 816,011	$ -
Cash basis reserve	-	-	100,000	[100,000]
Total Expenditures	815,261	816,011	$ 916,011	$ [100,000]
Receipts Over [Under] Expenditures	118,331	176,456		
Unencumbered Cash, Beginning	322,995	441,326		
Unencumbered Cash, Ending	$ 441,326	$ 617,782		

CITY OF OTTAWA, KANSAS
Redemption Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023
Receipts		
Debt proceeds	$ -	$ 770,116
Total Receipts	-	770,116
Expenditures		
Capital outlay	-	770,116
Operating transfers	5,015	-
Total Expenditures	5,015	770,116
Receipts Over [Under] Expenditures	[5,015]	-
Unencumbered Cash, Beginning	5,015	-
Unencumbered Cash, Ending	$ -	$ -

* - This fund is not required to be budgeted.

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CITY OF OTTAWA, KANSAS
Capital Project Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Airport Improvement	Electric Construction In Progress	Proximity Park Infrastructure	Fire Department Grants
Receipts				
Interest	$ -	$ 25,151	$ 2,952	$ -
Grants	-	-	-	28,749
Bond proceeds	-	-	-	-
Reimbursements & miscellaneous	56,070	1,000,000	14,000	4,379
Operating transfers	9,850	-	-	-
Total Receipts	65,920	1,025,151	16,952	33,128
Expenditures				
Contractual services	186,338	11,741	4,668	-
Commodities	-	-	-	23,190
Capital outlay	-	-	-	-
Operating transfers	-	-	-	-
Total Expenditures	186,338	11,741	4,668	23,190
Receipts Over [Under] Expenditures	[120,418]	1,013,410	12,284	9,938
Unencumbered Cash, Beginning	[2,660]	1,000,177	129,262	102
Unencumbered Cash, Ending	$ [123,078]	$ 2,013,587	$ 141,546	$ 10,040

* - These funds are not required to be budgeted.

Parks Grants	GO Bond 2022-A	Sidewalk Capital Project	Capital Improvement Plan	For the Year Ended December 31, 2023	2022
$ -	$ 46,572	$ 1,500	$ 2,444	$ 78,619	$ 415
84,725	-	-	-	113,474	12,770
-	-	-	-	-	3,386,533
26,000	-	-	-	1,100,449	699,715
-	-	100,000	25,000	134,850	664,500
110,725	46,572	101,500	27,444	1,427,392	4,763,933
-	347,874	-	-	550,621	1,441,009
18,777	-	-	-	41,967	22,042
62,350	718,971	104,771	4,000	890,092	475,723
5,762	-	-	-	5,762	40,476
86,889	1,066,845	104,771	4,000	1,488,442	1,979,250
23,836	[1,020,273]	[3,271]	23,444	[61,050]	2,784,683
[9,956]	2,711,744	170,000	114,000	4,112,669	1,327,986
$ 13,880	$ 1,691,471	$ 166,729	$ 137,444	$ 4,051,619	$ 4,112,669

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CITY OF OTTAWA, KANSAS
Storm Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Stormwater service charges	$ 479,453	$ 491,057	$ 474,200	$ 16,857
Interest	3,468	37,600	4,000	33,600
Total Receipts	482,921	528,657	$ 478,200	$ 50,457
Expenditures				
Personnel services	-	-	$ 94,950	$ [94,950]
Contractual services	121,181	120,651	176,750	[56,099]
Commodities	18,478	37,890	34,200	3,690
Capital outlay	38,692	5,038	30,000	[24,962]
Operating transfers	141,912	243,193	145,368	97,825
Cash basis reserve	-	-	500,000	[500,000]
Total Expenditures	320,263	406,772	$ 981,268	$ [574,496]
Receipts Over [Under] Expenditures	162,658	121,885		
Unencumbered Cash, Beginning	1,345,858	1,508,516		
Unencumbered Cash, Ending	$ 1,508,516	$ 1,630,401		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Water sales	$ 2,769,645	$ 3,139,277	$ 3,258,070	$ [118,793]
Lease and rentals	19,326	12,520	19,400	[6,880]
Reimbursements	2,635	2,226	1,500	726
Miscellaneous	2,228	5,814	-	5,814
Interest	4,022	27,068	4,000	23,068
Total Receipts	2,797,856	3,186,905	$ 3,282,970	$ [96,065]
Expenditures				
Water Production				
Personnel services	724,530	798,591	$ 832,130	$ [33,539]
Contractual services	134,174	138,594	367,265	[228,671]
Commodities	219,012	275,413	298,460	[23,047]
Capital outlay	115,686	140,533	234,315	[93,782]
Water Distribution				
Personnel services	416,822	451,999	493,800	[41,801]
Contractual services	75,854	148,281	178,564	[30,283]
Commodities	69,558	61,178	129,500	[68,322]
Capital improvement	320,108	165,964	194,000	[28,036]
Non-operating				
Contractual services	7,515	18,567	26,000	[7,433]
Capital outlay	105,264	99,504	235,000	[135,496]
Debt service	17,219	23,183	-	23,183
Operating transfers	1,099,882	1,106,382	1,106,382	-
Total Expenditures	3,305,624	3,428,189	$ 4,095,416	$ [667,227]
Receipts Over [Under] Expenditures	[507,768]	[241,284]		
Unencumbered Cash, Beginning	1,546,093	1,049,044		
Prior Period Adjustment	10,719	-		
Unencumbered Cash, Beginning, Restated	1,556,812	1,049,044		
Unencumbered Cash, Ending	$ 1,049,044	$ 807,760		

CITY OF OTTAWA, KANSAS
Wastewater Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for services	$ 3,186,144	$ 3,308,551	$ 3,221,920	$ 86,631
Interest	7,187	66,148	6,300	59,848
Refunds and reimbursements	1,134	1,208	-	1,208
Miscellaneous	372	31	-	31
Total Receipts	3,194,837	3,375,938	$ 3,228,220	$ 147,718
Expenditures				
Wastewater Treatment				
Personnel services	441,675	547,503	$ 524,860	$ 22,643
Contractual services	237,744	241,192	392,052	[150,860]
Commodities	62,869	97,311	188,000	[90,689]
Capital outlay	56,541	106,603	75,000	31,603
Sewer Maintenance				
Personnel services	303,812	331,866	371,100	[39,234]
Contractual services	43,100	58,039	95,300	[37,261]
Commodities	81,640	74,516	118,900	[44,384]
Capital outlay	234,306	554,464	599,065	[44,601]
Non-operating				
Contractual services	415	10,945	27,500	[16,555]
Operating transfers	1,551,008	1,420,917	1,379,961	40,956
Cash basis reserve	-	-	500,000	[500,000]
Total Expenditures	3,013,110	3,443,356	$ 4,271,738	$ [828,382]
Receipts Over [Under] Expenditures	181,727	[67,418]		
Unencumbered Cash, Beginning	2,370,560	2,552,287		
Unencumbered Cash, Ending	$ 2,552,287	$ 2,484,869		

CITY OF OTTAWA, KANSAS
Electric Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Electric charges	$ 17,671,961	$ 17,623,174	$ 16,329,205	$ 1,293,969
Broadband charges	157,143	150,784	164,000	[13,216]
Fines and fees	278,397	325,335	267,600	57,735
Reimbursed expenses	73,613	28,745	35,000	[6,255]
Interest	16,272	173,491	8,000	165,491
Other	208,281	48,021	30,000	18,021
Debt proceeds	166,897	-	-	-
Total Receipts	18,572,564	18,349,550	$ 16,833,805	$ 1,515,745
Expenditures				
Electric Production				
Personnel services	939,133	916,813	$ 1,042,920	$ [126,107]
Contractual services	292,039	415,771	602,265	[186,494]
Commodities	9,532,646	8,457,119	8,765,000	[307,881]
Capital outlay	70,521	338,396	273,000	65,396
Electric Distribution				
Personnel services	881,766	948,702	1,029,975	[81,273]
Contractual services	161,958	170,926	323,965	[153,039]
Commodities	484,759	595,021	793,500	[198,479]
Capital outlay	468,836	270,942	480,000	[209,058]
Utility Warehouse				
Personnel services	317,947	344,095	336,335	7,760
Contractual services	57,388	67,118	83,550	[16,432]
Commodities	10,308	15,437	16,100	[663]
Capital outlay	13,372	110,825	76,000	34,825
Utility Administration				
Personnel services	636,063	706,528	762,950	[56,422]
Contractual services	393,548	435,992	456,700	[20,708]
Commodities	22,277	22,946	31,100	[8,154]
Capital outlay	1,098	1,188	3,600	[2,412]
Electric Project				
Contractual services	58,520	51,605	50,000	1,605
Commodities	79,450	100,000	100,000	-
Capital outlay	-	78,025	-	78,025
Broadband				
Personnel services	27,679	28,822	31,825	[3,003]
Contractual services	85,661	91,398	121,500	[30,102]
Commodities	1,156	-	15,000	[15,000]
Capital outlay	1,198	5,144	53,000	[47,856]
Non-operating				
Contractual services	13,222	11,755	6,000	5,755
Debt service	666,137	-	726,200	[726,200]
Operating transfers	2,326,710	2,508,700	2,508,700	-
Cash basis reserve	-	-	500,000	[500,000]
Total Expenditures	17,543,392	16,693,268	$ 19,189,185	$ [2,495,917]
Receipts Over [Under] Expenditures	1,029,172	1,656,282		
Unencumbered Cash, Beginning	4,189,629	5,235,051		
Prior Period Adjustment	16,250	-		
Unencumbered Cash, Beginning, Restated	4,205,879	5,235,051		
Unencumbered Cash, Ending	$ 5,235,051	$ 6,891,333		

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, 2023 and 2022

	2022	2023
Receipts		
Other income	$ 1,649	$ 1,209
Total Receipts	1,649	1,209
Expenditures		
Refunds	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	1,649	1,209
Unencumbered Cash, Beginning	130,561	132,210
Unencumbered Cash, Ending	$ 132,210	$ 133,419

* - 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, 2023 and 2022

	2022	2023
Receipts		
Interest	$ 539	$ 13,566
Charges for services	1,814,037	1,807,150
Total Receipts	1,814,576	1,820,716
Expenditures		
Cost of sales and services	1,991,237	2,012,125
Total Expenditures	1,991,237	2,012,125
Receipts Over [Under] Expenditures	[176,661]	[191,409]
Unencumbered Cash, Beginning	1,800,161	1,623,500
Unencumbered Cash, Ending	$ 1,623,500	$ 1,432,091

* - This fund is not required to be budgeted.

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SCHEDULE 3

CITY OF OTTAWA, KANSAS
Agency Funds
Summary of Receipts and Disbursements - Actual*
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Municipal Court Fines and Credit Card	Municipal Court Bonds	Federal Seized Assets	Escrow Accounts
Receipts				
Fines and court fees	$ 362,568	$ 32,325	$ -	$ -
Miscellaneous	-	-	-	-
Interest	8	-	3	75
Total Receipts	362,576	32,325	3	75
Expenditures				
Payments to State	22,981	-	-	-
Payments to City	346,012	-	-	-
Bond refunds	-	28,288	-	-
Miscellaneous	1,092	-	7,648	9,724
Total Expenditures	370,085	28,288	7,648	9,724
Receipts Over [Under] Expenditures	[7,509]	4,037	[7,645]	[9,649]
Unencumbered Cash, Beginning	27,930	21,596	12,559	47,375
Unencumbered Cash, Ending	$ 20,421	$ 25,633	$ 4,914	$ 37,726

* - These funds are not required to be budgeted.

Fire Proceeds	Lincoln Lots	Flex Spending	For the Year Ended December 31, 2023	2022
$ -	$ -	$ -	$ 394,893	$ 375,431
32,003	-	58,476	90,479	118,468
19	15	-	120	76
32,022	15	58,476	485,492	493,975
-	-	-	22,981	23,544
-	-	-	346,012	278,867
-	-	-	28,288	38,640
10,913	-	58,994	88,371	117,580
10,913	-	58,994	485,652	458,631
21,109	15	[518]	[160]	35,344
10,906	9,210	19,167	148,743	113,399
$ 32,015	$ 9,225	$ 18,649	$ 148,583	$ 148,743

SCHEDULE 4

CITY OF OTTAWA, KANSAS
Schedule of Receipts and Expenditures - Actual*
Related Municipal Entity - Ottawa Library
Regulatory Basis
Year Ended December 31, 2023 and 2022

	2022	2023
Receipts		
Appropriation from the City	$ 1,095,059	$ 1,129,661
Interest	1,639	10,575
State aid	3,865	3,977
Grants	50,381	58,393
Contribution	41,809	73,750
Miscellaneous	54,003	85,100
Gain on investments	23,630	68,683
Operating transfers	109,506	72,807
Total Receipts	1,379,892	1,502,946
Expenditures		
Salaries and benefits	819,936	905,671
Materials, program, and services	218,575	253,364
Operating	148,138	170,347
Capital improvements	28,246	15,424
Miscellaneous	636	-
Operating transfers	109,506	72,807
Total Expenditures	1,325,037	1,417,613
Receipts Over [Under] Expenditures	54,855	85,333
Unencumbered Cash, Beginning	1,189,663	1,244,518
Unencumbered Cash, Ending	$ 1,244,518	$ 1,329,851

* - This fund is not required to be budgeted.

CITY OF OTTAWA, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Justice		
Bulletproof Vest Partnership Program	16.607	$ 4,706
Body Worn Camera Policy and Implementation	16.835	7,644
Passed Through Kansas Governor's Office:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	35,834
Total U.S. Department of Justice		48,184
U.S. Department of Homeland Security		
Assistance to Firefighters Grant	97.044	21,280
Total U.S. Department of Homeland Security		21,280
U.S. Department of the Treasury		
Passed Through Kansas Governor's Office:		
Coronavirus State & Local Fiscal Recovery Funds Cluster:		
Coronavirus State & Local Fiscal Recovery Funds	21.027	6,531,961
Total Coronavirus State & Local Fiscal Recovery Funds Cluster		6,531,961
Total U.S. Department of the Treasury		6,531,961
U.S. Department of Transportation		
Passed Through Kansas Department of Transportation:		
State and Community Highway Safety Cluster:		
State and Community Highway Safety	20.600	3,439
Total State and Community Highway Safety Cluster		3,439
Airport Improvement Program	20.106	18,384
Total U.S. Department of Transportation		21,823
Total Expenditures of Federal Awards		$ 6,623,248

The accompanying notes are an integral part of this schedule.

CITY OF OTTAWA, KANSAS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

1. Organization

The City of Ottawa, Kansas, (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2023.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2023.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

CITY OF OTTAWA, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)		
Internal control over financial reporting:			
Material weakness(es) identified?		Yes X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes X	None reported
Noncompliance material to financial statements noted?		Yes X	No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?		Yes X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?		Yes X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?		Yes X	No

CITY OF OTTAWA, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2023

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

Prior Year Findings

None Noted.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Mayor and City Commission
City of Ottawa, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Ottawa, Kansas (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 25, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 25, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Commission
City of Ottawa, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Ottawa, Kansas (the City), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies, and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended December 31, 2023, and have issued our report thereon dated April 25, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 25, 2024