

CITY OF OTTAWA, KANSAS

Financial Statements

For the Year Ended December 31, 2020

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CITY OF OTTAWA, KANSAS
Financial Statements
For the Year Ended December 31, 2020
Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 13
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	14
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget and Actual Only	
General Fund	15
Community Services Support Fund	16
Municipal Auditorium Fund	17
Airport Fund	18
Special Park and Recreation Fund	19
Special Alcohol Program Fund	20
Library Fund	21
Economic Development Fund	22
Special Streets Fund	23
Electric Power Supply Fund	24
Equipment Reserve Fund	25
Revolving Loan Fund	26
Risk Management Fund	27
Law Enforcement Trust Fund	28
Governmental Grants Funds	29
Bond and Interest Fund	30
WWTP Funding Fund	31
Capital Project Funds	32
Storm Water Utility Fund	33
Water Utility Fund	34
Wastewater Utility Fund	35
Electric Utility Fund	36
Utility Credit Fund	37
Health Insurance Fund	38
SCHEDULE 3	
Summary of Receipts and Disbursements - Agency Funds	39
SCHEDULE 4	
Schedule of Receipts and Expenditures - Actual Only	
Related Municipal Entity - Ottawa Library	40

CITY OF OTTAWA, KANSAS
Financial Statements
For the Year Ended December 31, 2020
Table of Contents
(Continued)

	<u>Page Number</u>
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	41
Notes to the Schedule of Federal Awards	42
 Schedule of Findings and Questioned Costs	 43 - 44
 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"	 45 - 46
 Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by Uniform Guidance	 47 - 48

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, 2020 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 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*. 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, 2020, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, based on our audit and the report of the other auditors, 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, 2020, 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.

Other Matters

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*. 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 March 15, 2021, 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 Matter

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, 2019 (not presented herein) and have issued our report thereon dated May 29, 2020 which contained an unmodified opinion on the basic financial statement. The 2019 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 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2020 (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 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 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, 2019, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 13, 2021

CITY OF OTTAWA, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

<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	\$ 1,640,303	\$ -	\$ 10,632,035	\$ 9,702,997	\$ 2,569,341	\$ 192,643	\$ 2,761,984
Special Purpose Funds:							
Community Services Support Fund	1,417	-	166,520	140,649	27,288	-	27,288
Municipal Auditorium Fund	76,446	-	170,870	157,371	89,945	4,766	94,711
Airport Fund	35,288	-	233,355	187,143	81,500	2,581	84,081
Special Park and Recreation Fund	261,621	-	161,502	97,065	326,058	-	326,058
Special Alcohol Program Fund	7,911	-	28,172	27,200	8,883	-	8,883
Library Fund	17,669	-	1,031,334	1,049,003	-	-	-
Economic Development Fund	665,225	-	84,054	109,301	639,978	18,978	658,956
Special Streets Fund	698,171	-	566,225	455,215	809,181	8,561	817,742
Electric Power Supply Fund	2,122	-	-	-	2,122	-	2,122
Equipment Reserve Fund	99,987	-	103,237	111,704	91,520	-	91,520
Revolving Loan Fund	229,131	-	4,334	230,716	2,749	-	2,749
Risk Management Fund	75,513	-	1,079,223	867,101	287,635	2,164	289,799
Law Enforcement Trust Fund	5,560	-	1,769	5,239	2,090	-	2,090
Governmental Grants Funds	-	-	1,395,869	1,388,076	7,793	17,167	24,960
Bond and Interest Funds:							
Bond and Interest Fund	55,912	-	3,430,013	3,406,869	79,056	-	79,056
WWTP Funding Fund	283,824	-	717,645	823,370	178,099	-	178,099
Capital Project Funds	6,616,683	-	5,149,501	6,546,257	5,219,927	205,166	5,425,093
Business Funds:							
Storm Water Utility Fund	1,100,400	-	492,186	338,474	1,254,112	13,085	1,267,197
Water Utility Fund	1,118,910	-	2,966,211	2,511,061	1,574,060	66,806	1,640,866
Wastewater Utility Fund	1,279,554	-	3,180,060	2,302,115	2,157,499	23,979	2,181,478
Electric Utility Fund	1,826,075	-	13,939,884	12,253,317	3,512,642	342,769	3,855,411
Utility Credit Fund	134,537	-	2,876	-	137,413	-	137,413
Health Insurance Fund	<u>1,080,885</u>	<u>-</u>	<u>1,909,461</u>	<u>1,418,881</u>	<u>1,571,465</u>	<u>55,381</u>	<u>1,626,846</u>
Total primary government	17,313,144	-	47,446,336	44,129,124	20,630,356	954,046	21,584,402
Related municipal entities:							
Ottawa Library	<u>775,520</u>	<u>-</u>	<u>1,335,976</u>	<u>1,143,283</u>	<u>968,213</u>	<u>31,059</u>	<u>999,272</u>
Total reporting entity [excluding agency funds]	<u>\$ 18,088,664</u>	<u>\$ -</u>	<u>\$ 48,782,312</u>	<u>\$ 45,272,407</u>	<u>\$ 21,598,569</u>	<u>\$ 985,105</u>	<u>\$ 22,583,674</u>

Composition of Cash:

Kansas State Bank	
Checking	\$ 16,654,976
Money Market	11,877
Certificate of Deposit	500,000
Great Southern Bank	
Certificate of Deposit	2,500,839
Bank Midwest	
Checking	39,885
Certificate of Deposit	1,508,022
Arvest Bank	
Certificate of Deposit	500,189
Petty Cash	3,946
Ottawa Library - Checking	165,218
Ottawa Library - Money Market	266,675
Ottawa Library - Equity Investments	567,239
Ottawa Library - Petty Cash	<u>140</u>
Total Cash	22,719,006
Less: Agency Funds per Schedule 3	<u>[135,332]</u>
Total Reporting Entity [Excluding Agency Funds]	<u>\$ 22,583,674</u>

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, 2020

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 2020 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.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2020:

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.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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 during the year ended December 31, 2020 for the Library and Airport funds.

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.

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
Governmental Grants Funds
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.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 2 - Deposits and Investments

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.

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 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, 2020, the City's carrying amount of deposits was \$21,719,734 and the bank balance was \$21,955,681. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$3,000,000 was covered by federal depository insurance and \$17,724,453 was collateralized with securities held by the pledging financial institutions' agents in the City's name and the balance of \$1,231,228 was unsecured, which is a violation of K.S.A 9-1402.

At December 31, 2020, the carrying amount of the Ottawa Library's deposits was \$410,223 (which includes \$140 in cash on hand), and the bank balance was \$421,861. The bank balance was held by three banks, resulting in a concentration of credit risk. The entire bank balance 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 \$589,049 and a market value of \$704,562.

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.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 3 - Retirement Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for KPERS and 21.93% for KP&F for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$499,505 for KPERS and \$687,352 for KP&F for the year ended December 31, 2020. Contributions to the pension plan from the Library were \$44,069 for the year ended December 31, 2020.

Net Pension Liability. At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$5,275,509 and \$6,516,907 for KP&F and the Library's share was \$419,770. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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.

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 website at www.kpers.org or can be obtained as described above.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 4 - Long-Term Debt

Following is a summary of changes in long-term debt for the year ended December 31, 2020:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
General Obligation Bonds	\$ 22,640,000	\$ 1,617,000	\$ 2,645,000	\$ 21,612,000	\$ 762,063
Temporary Notes	2,015,000	-	2,015,000	-	52,784
Loans	6,196,376	-	310,384	5,885,992	117,295
Capital Leases	<u>1,316,614</u>	<u>414,000</u>	<u>204,698</u>	<u>1,525,916</u>	<u>41,143</u>
Total	<u>\$ 32,167,990</u>	<u>\$ 2,031,000</u>	<u>\$ 5,175,082</u>	<u>\$ 29,023,908</u>	<u>\$ 973,285</u>

General Obligation Bonds. 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%	\$ 5,690,000	\$ 9,900,000	08/18/07	10/01/28
Series 2009	3.50 - 4.10%	365,000	1,065,000	08/01/09	10/01/24
Series 2009A	3.00 - 4.20%	1,335,000	2,345,000	11/20/09	10/01/29
Series 2010A	2.00 - 3.30%	240,000	2,645,000	07/15/10	10/01/21
Series 2010B	3.00 - 3.625%	865,000	3,295,000	12/15/10	10/01/23
Series 2012A	0.55 - 2.30%	95,000	840,000	03/15/12	10/01/23
Series 2012B	0.75 - 2.65%	235,000	825,000	03/15/12	10/01/21
Series 2014A	2.00 - 3.50%	3,835,000	7,855,000	06/19/14	10/01/30
Series 2017A	2.00 - 2.50%	3,480,000	5,000,000	04/19/17	10/01/26
Series 2017B	1.75 - 3.15%	410,000	555,000	04/19/17	10/01/27
Series 2018A	2.375 - 4.00%	1,525,000	1,650,000	10/10/18	10/01/38
Series 2018B	2.75 - 3.375%	815,000	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%	<u>1,617,000</u>	1,617,000	10/05/20	10/05/50
Total		<u>\$ 21,612,000</u>			

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 4 - Long-Term Debt (Continued)

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

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,064,100	\$ 710,485	\$ 3,774,585
2022	2,814,931	606,416	3,421,347
2023	2,905,779	517,452	3,423,231
2024	2,916,559	425,323	3,341,882
2025	2,217,529	331,760	2,549,289
2026 - 2030	5,721,510	718,935	6,440,445
2031 - 2035	716,631	236,874	953,505
2036 - 2040	599,498	113,607	713,105
2041 - 2045	310,556	56,749	367,305
2046 - 2050	<u>344,907</u>	<u>22,304</u>	<u>367,211</u>
Total	<u>\$ 21,612,000</u>	<u>\$ 3,739,905</u>	<u>\$ 25,351,905</u>

On October 5, 2020, the City issued Series 2020-A General Obligation Refunding Bonds in the amount of \$1,617,000. Proceeds from the sale of the Series 2020-A Bonds will be used to refund a portion of the City's outstanding Temporary Notes, Series 2019-1. The 2020-A Bonds have an interest rate of 2.125% and a final maturity scheduled for October 5, 2050.

Revolving 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>\$ 3,022,794</u>	\$ 4,707,513	05/02/12	9/1/2034
Total		<u>\$ 3,022,794</u>			

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

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 185,176	\$ 68,763	\$ 253,939
2022	189,478	64,461	253,939
2023	193,881	60,059	253,939
2024	198,385	55,554	253,939
2025	202,994	50,945	253,939
2026 - 2030	1,087,945	181,752	1,269,697
2031 - 2034	<u>964,934</u>	<u>50,824</u>	<u>1,015,758</u>
Total	<u>\$ 3,022,794</u>	<u>\$ 532,359</u>	<u>\$ 3,555,152</u>

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 4 - Long-Term Debt (Continued)

Following is a listing of the City's Kansas Public Water Supply loans:

<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%	\$ 1,338,593	\$ 1,528,715	2/22/2016	2/1/2037
Public Water Supply	2.10%	<u>1,524,605</u>	1,804,010	2/21/2018	2/1/2039
Total		<u>\$ 2,863,198</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>
2021	\$ 132,163	\$ 59,834	\$ 191,997
2022	134,973	57,024	191,997
2023	137,843	54,154	191,997
2024	140,774	51,223	191,997
2025	143,767	48,230	191,997
2026 - 2030	766,007	193,977	959,984
2031 - 2035	850,979	109,005	959,984
2036 - 2040	<u>556,692</u>	<u>22,757</u>	<u>579,449</u>
Total	<u>\$ 2,863,198</u>	<u>\$ 596,202</u>	<u>\$ 3,459,401</u>

Capital Leases. 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%	\$ 180,369	\$ 539,165	01/05/09	01/10/24
2017 911 System Radio Equipment	2.30%	241,301	84,963	10/13/17	10/13/24
2017 Pierce Firetruck	3.46%	522,708	633,650	08/23/18	08/15/28
2018 Sewer Van	4.16%	167,538	201,559	10/15/18	10/15/28
2019 Vaccum Truck	1.20%	<u>414,000</u>	414,000	11/24/20	12/01/23
Total		<u>\$ 1,525,916</u>			

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 4 - Long-Term Debt (Continued)

The debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 328,740	\$ 40,655	\$ 369,395
2022	336,474	32,921	369,395
2023	344,327	25,067	369,395
2024	146,904	17,970	164,874
2025	87,605	13,435	101,040
2026 - 2028	<u>281,866</u>	<u>20,761</u>	<u>302,627</u>
Total	<u>\$ 1,525,916</u>	<u>\$ 150,808</u>	<u>\$ 1,676,725</u>

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. At December 31, 2020, the statutory limit for the City was \$29,457,099, providing a debt margin of \$14,400,099.

NOTE 5 - Statutory Violation

The City was in apparent violation of K.S.A. 10-130, which requires bond payments to be remitted to the Office of the State Treasurer no less than 20 days before the redemption of such bonds and the payment of the interest thereon. 13 bond payments were received by the Office of the State Treasurer less than 20 days before the redemption date.

NOTE 6 - 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, 2020, the City estimates the total accumulated vacation and unpaid sick pay amounted to \$664,918 and \$687,000 respectively.

NOTE 7 - 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, 2020:

<u>Project Name</u>	Project <u>Authorization</u>	Project <u>Expenditures</u>
Side Walk and Stormwater Improvements - Killough	\$ 186,569	\$ 223,510
Proximity Park Project - Site Rite	<u>2,147,088</u>	<u>2,274,920</u>
	<u>\$ 2,333,657</u>	<u>\$ 2,498,430</u>

NOTE 8 - 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.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 9 - 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 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.

	<u>2020</u>	<u>2019</u>
Unpaid claims, January 1	\$ 120,320	\$ 142,201
Incurred claims (including IBNRs)	1,130,790	1,268,897
Claim payments	<u>[1,141,734]</u>	<u>[1,290,778]</u>
Unpaid claims, December 31	<u>\$ 109,376</u>	<u>\$ 120,320</u>

NOTE 11 - 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, 2020.

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, 2020.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 13 - Interfund Transfers

A reconciliation of transfers by fund type for 2020 follows:

From	To	Amount	Regulatory Authority
General	Airport	\$ 52,887	K.S.A. 12-197
General	Community Services Support	41,005	K.S.A. 12-197
General	Equipment Reserve	23,000	K.S.A. 12-1,117
General	Risk Management	100,000	K.S.A. 12-2615
Electric Utility	Bond and Interest	906,379	K.S.A. 12-825d
Electric Utility	Community Services Support	39,915	K.S.A. 12-825d
Electric Utility	Equipment Reserve	20,000	K.S.A. 12-825d
Electric Utility	General	575,000	K.S.A. 12-825d
Electric Utility	Risk Management	332,000	K.S.A. 12-825d
Storm Water Utility	Bond and Interest	120,813	K.S.A. 12-825d
Water Utility	Bond and Interest	177,300	K.S.A. 12-825d
Water Utility	Community Services Support	41,500	K.S.A. 12-825d
Water Utility	Equipment Reserve	18,750	K.S.A. 12-825d
Water Utility	General	200,000	K.S.A. 12-825d
Water Utility	Risk Management	286,250	K.S.A. 12-825d
Wastewater Utility	Community Services Support	41,600	K.S.A. 12-825d
Wastewater Utility	Equipment Reserve	40,364	K.S.A. 12-825d
Wastewater Utility	General	191,250	K.S.A. 12-825d
Wastewater Utility	Risk Management	247,502	K.S.A. 12-825d
Wastewater Utility	WWTP Funding	400,792	K.S.A. 12-825d
Proximity Park Sales Tax	Bond and Interest	778,760	K.S.A. 12-1,118
Special Alcohol Program	General	27,200	K.S.A. 79-41a04
Special Steets	Bond and Interest	85,000	K.S.A. 12-1,119
WWTP Funding	Bond and Interest	696,400	K.S.A. 12-1,118
		<u>\$ 5,390,780</u>	

NOTE 14 - Related Party Transaction

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

NOTE 15 - Subsequent Events

On February 24, 2021, the City entered into an agreement to lease-purchase equipment. The agreement calls for yearly payments with the last payment scheduled for December 2023.

On April 8, 2021, the City issued General Obligation Refunding Bonds, Series 2021-A. The bonds carry an interest rate ranging from 1.10% to 3.00%. The bonds mature on October 1, 2039.

SCHEDULE 1

CITY OF OTTAWA, KANSAS

Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 11,720,068	\$ -	\$ 11,720,068	\$ 9,702,997	\$ 2,017,071
Special Purpose Funds:					
Community Services Support Fund	167,011	-	167,011	140,649	26,362
Municipal Auditorium Fund	241,857	-	241,857	157,371	84,486
Airport Fund	312,297	-	312,297	187,143	125,154
Special Park and Recreation Fund	144,000	-	144,000	97,065	46,935
Special Alcohol Program Fund	27,200	-	27,200	27,200	-
Library Fund	1,055,165	-	1,055,165	1,049,003	6,162
Economic Development Fund	233,550	-	233,550	109,301	124,249
Special Streets Fund	864,700	-	864,700	455,215	409,485
Electric Power Supply Fund	-	-	-	-	-
Equipment Reserve Fund	340,664	-	340,664	111,704	228,960
Revolving Loan Fund	232,592	-	232,592	230,716	1,876
Risk Management Fund	992,452	-	992,452	867,101	125,351
Bond and Interest Funds:					
Bond and Interest Fund	3,537,063	-	3,537,063	3,406,869	130,194
WWTP Funding Fund	823,770	-	823,770	823,370	400
Business Funds:					
Storm Water Utility Fund	822,026	-	822,026	338,474	483,552
Water Utility Fund	3,343,162	103,500	3,446,662	2,511,061	935,601
Wastewater Utility Fund	3,502,618	103,500	3,606,118	2,302,115	1,304,003
Electric Utility Fund	14,738,870	207,000	14,945,870	12,253,317	2,692,553

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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,797,717	\$ 2,944,334	\$ 3,065,781	\$ [121,447]
Delinquent tax	85,336	85,099	-	85,099
Vehicle taxes	321,062	326,562	312,158	14,404
Local sales	2,502,970	2,704,103	2,400,000	304,103
County sales	1,391,800	1,571,829	1,083,853	487,976
Other taxes	753,264	737,260	976,037	[238,777]
Intergovernmental	43,454	54,317	60,200	[5,883]
Licenses, permits and fees	503,084	432,415	493,000	[60,585]
Charges and services	44,050	38,765	46,000	[7,235]
Leases and rentals	376	1	1	-
Interest	25,758	26,306	27,000	[694]
Miscellaneous	76,825	717,594	22,720	694,874
Refunds and reimbursements	-	-	55,000	[55,000]
Operating transfers	1,589,132	993,450	1,709,717	[716,267]
Total Receipts	<u>10,134,828</u>	<u>10,632,035</u>	<u>\$ 10,251,467</u>	<u>\$ 380,568</u>
Expenditures				
City commission and manager	234,769	239,956	\$ 268,034	\$ 28,078
City administration	227,968	158,364	296,963	138,599
Nonoperating	374,289	294,994	733,177	438,183
Planning	483,014	490,404	527,311	36,907
Fleet management	151,336	169,072	187,345	18,273
Finance department	148,689	141,172	198,597	57,425
Parks	354,714	330,863	400,384	69,521
Police department	2,408,473	2,465,533	2,784,042	318,509
Fire department	1,401,781	1,526,965	1,768,199	241,234
Public works	984,068	841,610	1,017,091	175,481
Highland cemetery	107,348	103,677	146,057	42,380
Human resources	111,363	101,127	126,069	24,942
Municipal court	152,315	136,580	188,992	52,412
Employee benefits	2,198,043	2,192,000	2,481,087	289,087
IT department	253,595	293,788	329,298	35,510
Operating transfers	175,147	216,892	-	[216,892]
Cash forward	-	-	267,422	267,422
Total Expenditures	<u>9,766,912</u>	<u>9,702,997</u>	<u>\$ 11,720,068</u>	<u>\$ 2,017,071</u>
Receipts Over [Under] Expenditures	367,916	929,038		
Unencumbered Cash, Beginning	<u>1,272,387</u>	<u>1,640,303</u>		
Unencumbered Cash, Ending	<u>\$ 1,640,303</u>	<u>\$ 2,569,341</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ 11,001	\$ -	\$ -	\$ -
Miscellaneous	3,249	2,500	3,100	[600]
Operating transfers	<u>132,100</u>	<u>164,020</u>	<u>164,020</u>	<u>-</u>
Total Receipts	<u>146,350</u>	<u>166,520</u>	<u>\$ 167,120</u>	<u>\$ [600]</u>
Expenditures				
Contractual services	<u>154,140</u>	<u>140,649</u>	<u>\$ 167,011</u>	<u>\$ 26,362</u>
Total Expenditures	<u>154,140</u>	<u>140,649</u>	<u>\$ 167,011</u>	<u>\$ 26,362</u>
Receipts Over [Under] Expenditures	[7,790]	25,871		
Unencumbered Cash, Beginning	<u>9,207</u>	<u>1,417</u>		
Unencumbered Cash, Ending	<u>\$ 1,417</u>	<u>\$ 27,288</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 134,526	\$ 132,263	\$ 137,716	\$ [5,453]
Delinquent tax	4,427	4,282	5,960	[1,678]
Vehicle taxes	16,296	15,749	15,018	731
Charges for services				
Auditorium rental	10,999	4,795	9,500	[4,705]
Concessions	10,985	1,862	13,500	[11,638]
Ticket sales	19,232	7,263	17,000	[9,737]
Interest	1,622	1,110	600	510
Donations	6,970	3,142	11,500	[8,358]
Miscellaneous	597	404	200	204
Total Receipts	<u>205,654</u>	<u>170,870</u>	<u>\$ 210,994</u>	<u>\$ [40,124]</u>
Expenditures				
Personnel services	112,614	101,713	\$ 140,946	\$ 39,233
Contractual services	52,020	43,369	67,086	23,717
Commodities	5,787	3,618	6,150	2,532
Capital outlay	19,712	8,671	27,675	19,004
Total Expenditures	<u>190,133</u>	<u>157,371</u>	<u>\$ 241,857</u>	<u>\$ 84,486</u>
Receipts Over [Under] Expenditures	15,521	13,499		
Unencumbered Cash, Beginning	<u>60,925</u>	<u>76,446</u>		
Unencumbered Cash, Ending	<u>\$ 76,446</u>	<u>\$ 89,945</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 129,458	\$ 180,023	\$ 223,719	\$ [43,696]
Interest	147	445	403	42
Operating transfers	<u>55,647</u>	<u>52,887</u>	<u>52,887</u>	<u>-</u>
Total Receipts	<u>185,252</u>	<u>233,355</u>	<u>\$ 277,009</u>	<u>\$ [43,654]</u>
Expenditures				
Personnel services	66,943	66,587	\$ 65,261	\$ [1,326]
Contractual services	19,548	24,944	47,370	22,426
Commodities	71,630	93,726	198,728	105,002
Capital outlay	1,424	1,886	938	[948]
Operating transfers	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>162,545</u>	<u>187,143</u>	<u>\$ 312,297</u>	<u>\$ 125,154</u>
Receipts Over [Under] Expenditures	22,707	46,212		
Unencumbered Cash, Beginning	<u>12,581</u>	<u>35,288</u>		
Unencumbered Cash, Ending	<u>\$ 35,288</u>	<u>\$ 81,500</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Special Park and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Donations	\$ 21,007	\$ 130,051	\$ 19,740	\$ 110,311
Interest	2,699	3,353	2,500	853
Licenses, Permits, and Fees	-	-	600	[600]
Reimbursements	219	[75]	100	[175]
Miscellaneous	-	-	20,000	[20,000]
Taxes				
Liquor selling tax	30,413	28,173	27,500	673
Total Receipts	<u>54,338</u>	<u>161,502</u>	<u>\$ 70,440</u>	<u>\$ 91,062</u>
Expenditures				
Contractual services	7,925	1,762	\$ 4,000	\$ 2,238
Commodities	-	-	10,000	10,000
Capital improvement	<u>49,542</u>	<u>95,303</u>	<u>130,000</u>	<u>34,697</u>
Total Expenditures	<u>57,467</u>	<u>97,065</u>	<u>\$ 144,000</u>	<u>\$ 46,935</u>
Receipts Over [Under] Expenditures	[3,129]	64,437		
Unencumbered Cash, Beginning	<u>264,750</u>	<u>261,621</u>		
Unencumbered Cash, Ending	<u>\$ 261,621</u>	<u>\$ 326,058</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, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Liquor selling tax	\$ 30,414	\$ 28,172	\$ 27,200	\$ 972
Total Receipts	<u>30,414</u>	<u>28,172</u>	<u>\$ 27,200</u>	<u>\$ 972</u>
Expenditures				
Operating transfers	<u>27,000</u>	<u>27,200</u>	<u>\$ 27,200</u>	<u>\$ -</u>
Total Expenditures	<u>27,000</u>	<u>27,200</u>	<u>\$ 27,200</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	3,414	972		
Unencumbered Cash, Beginning	<u>4,497</u>	<u>7,911</u>		
Unencumbered Cash, Ending	<u>\$ 7,911</u>	<u>\$ 8,883</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes				
Ad valorem property tax	\$ 817,918	\$ 909,762	\$ 932,226	\$ [22,464]
Delinquent tax	19,199	25,859	26,497	[638]
Vehicle taxes	<u>105,374</u>	<u>95,713</u>	<u>78,774</u>	<u>16,939</u>
Total Receipts	<u>942,491</u>	<u>1,031,334</u>	<u>\$ 1,037,497</u>	<u>\$ [6,163]</u>
Expenditures				
Appropriations to Library Board	<u>924,822</u>	<u>1,049,003</u>	<u>\$ 1,055,165</u>	<u>\$ 6,162</u>
Total Expenditures	<u>924,822</u>	<u>1,049,003</u>	<u>\$ 1,055,165</u>	<u>\$ 6,162</u>
Receipts Over [Under] Expenditures	17,669	[17,669]		
Unencumbered Cash, Beginning	<u>-</u>	<u>17,669</u>		
Unencumbered Cash, Ending	<u>\$ 17,669</u>	<u>\$ -</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 9,547	\$ 8,346	\$ 7,500	\$ 846
Reimbursements	54,172	40,574	25,000	15,574
Fees	131,214	11,348	80,972	[69,624]
Grants	400,000	2,500	-	2,500
Rental income	15,972	21,286	-	21,286
Total Receipts	<u>610,905</u>	<u>84,054</u>	<u>\$ 113,472</u>	<u>\$ [29,418]</u>
Expenditures				
Contractual services	556,934	109,301	\$ 233,550	\$ 124,249
Operating transfers	233,361	-	-	-
Total Expenditures	<u>790,295</u>	<u>109,301</u>	<u>\$ 233,550</u>	<u>\$ 124,249</u>
Receipts Over [Under] Expenditures	[179,390]	[25,247]		
Unencumbered Cash, Beginning	<u>844,615</u>	<u>665,225</u>		
Unencumbered Cash, Ending	<u>\$ 665,225</u>	<u>\$ 639,978</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, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 466,587	\$ 556,870	\$ 465,600	\$ 91,270
Interest	10,066	9,161	3,000	6,161
Reimbursements	34,325	194	-	194
Miscellaneous	10,375	-	500	[500]
Total Receipts	<u>521,353</u>	<u>566,225</u>	<u>\$ 469,100</u>	<u>\$ 97,125</u>
Expenditures				
Contractual services	33,867	43,794	\$ 96,200	\$ 52,406
Commodities	21,940	21,054	27,000	5,946
Capital outlay	355,204	305,367	656,500	351,133
Operating transfers	85,000	85,000	85,000	-
Total Expenditures	<u>496,011</u>	<u>455,215</u>	<u>\$ 864,700</u>	<u>\$ 409,485</u>
Receipts Over [Under] Expenditures	25,342	111,010		
Unencumbered Cash, Beginning	<u>672,829</u>	<u>698,171</u>		
Unencumbered Cash, Ending	<u>\$ 698,171</u>	<u>\$ 809,181</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 5	\$ -	\$ -	\$ -
Total Receipts	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Operating transfers	-	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	5	-		
Unencumbered Cash, Beginning	<u>2,117</u>	<u>2,122</u>		
Unencumbered Cash, Ending	<u>\$ 2,122</u>	<u>\$ 2,122</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Equipment Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 2,571	\$ 1,123	\$ 1,000	\$ 123
Miscellaneous	1,807	-	3,000	[3,000]
Operating transfers	<u>203,750</u>	<u>102,114</u>	<u>130,114</u>	<u>[28,000]</u>
Total Receipts	<u>208,128</u>	<u>103,237</u>	<u>\$ 134,114</u>	<u>\$ [30,877]</u>
Expenditures				
Capital outlay	401,496	111,704	\$ 79,114	\$ [32,590]
Miscellaneous	-	-	261,550	261,550
Operating transfers	<u>12,743</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>414,239</u>	<u>111,704</u>	<u>\$ 340,664</u>	<u>\$ 228,960</u>
Receipts Over [Under] Expenditures	[206,111]	[8,467]		
Unencumbered Cash, Beginning	<u>306,098</u>	<u>99,987</u>		
Unencumbered Cash, Ending	<u>\$ 99,987</u>	<u>\$ 91,520</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Positive [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Lease payments	\$ 2,317	\$ 2,124	\$ 2,317	\$ [193]
Interest	<u>2,856</u>	<u>2,210</u>	<u>2,000</u>	<u>210</u>
Total Receipts	<u>5,173</u>	<u>4,334</u>	<u>\$ 4,317</u>	<u>\$ 17</u>
Expenditures				
Contractual services	-	230,716	\$ 232,592	\$ 1,876
Total Expenditures	<u>-</u>	<u>230,716</u>	<u>\$ 232,592</u>	<u>\$ 1,876</u>
Receipts Over [Under] Expenditures	5,173	[226,382]		
Unencumbered Cash, Beginning	<u>223,958</u>	<u>229,131</u>		
Unencumbered Cash, Ending	<u>\$ 229,131</u>	<u>\$ 2,749</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Risk Management Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 1,854	\$ 1,577	\$ 1,700	\$ [123]
Reimbursements	73,073	111,894	25,000	86,894
Operating transfers	<u>896,905</u>	<u>965,752</u>	<u>965,752</u>	<u>-</u>
Total Receipts	<u>971,832</u>	<u>1,079,223</u>	<u>\$ 992,452</u>	<u>\$ 86,771</u>
Expenditures				
Personnel services	113,786	86,698	\$ 119,649	\$ 32,951
Contractual services	778,629	778,548	779,303	755
Capital outlay	240	-	46,500	46,500
Commodities	3,664	1,855	8,000	6,145
Miscellaneous	<u>-</u>	<u>-</u>	<u>39,000</u>	<u>39,000</u>
Total Expenditures	<u>896,319</u>	<u>867,101</u>	<u>\$ 992,452</u>	<u>\$ 125,351</u>
Receipts Over [Under] Expenditures	75,513	212,122		
Unencumbered Cash, Beginning	<u>-</u>	<u>75,513</u>		
Unencumbered Cash, Ending	<u>\$ 75,513</u>	<u>\$ 287,635</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, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Seized assets	\$ 811	\$ -
Intergovernmental	-	1,711
Interest	<u>146</u>	<u>58</u>
Total Receipts	<u>957</u>	<u>1,769</u>
Expenditures		
Contractual services	<u>1,008</u>	<u>5,239</u>
Total Expenditures	<u>1,008</u>	<u>5,239</u>
Receipts Over [Under] Expenditures	[51]	[3,470]
Unencumbered Cash, Beginning	<u>5,611</u>	<u>5,560</u>
Unencumbered Cash, Ending	<u>\$ 5,560</u>	<u>\$ 2,090</u>

* - This fund is 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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Fire <u>Donations</u>	AEO Foundation <u>Grant</u>	CESF <u>Grant</u>	CDBG <u>Grant</u>	SPARK <u>Grant</u>	Back to Business <u>Grant</u>	For the Year Ended December 31,	
							2020	2019
Receipts								
Grants	\$ 1,000	\$ 50,000	\$ 125,079	\$ 62,363	\$ 905,872	\$ 249,865	\$ 1,394,179	\$ -
Reimbursements & miscellaneous	-	1,690	-	-	-	-	1,690	-
Total Receipts	<u>1,000</u>	<u>51,690</u>	<u>125,079</u>	<u>62,363</u>	<u>905,872</u>	<u>249,865</u>	<u>1,395,869</u>	<u>-</u>
Expenditures								
Contractual services	-	21,663	45,102	62,363	1,026,625	232,323	1,388,076	-
Total Expenditures	<u>-</u>	<u>21,663</u>	<u>45,102</u>	<u>62,363</u>	<u>1,026,625</u>	<u>232,323</u>	<u>1,388,076</u>	<u>-</u>
Receipts Over [Under] Expenditures	1,000	30,027	79,977	-	[120,753]	17,542	7,793	-
Unencumbered Cash, Beginning	-	-	-	-	-	-	-	-
Unencumbered Cash, Ending	<u>\$ 1,000</u>	<u>\$ 30,027</u>	<u>\$ 79,977</u>	<u>\$ -</u>	<u>\$ [120,753]</u>	<u>\$ 17,542</u>	<u>\$ 7,793</u>	<u>\$ -</u>

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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Taxes				
Ad valorem property tax	\$ 572,155	\$ 575,591	\$ 599,297	\$ [23,706]
Delinquent tax	19,071	18,444	-	18,444
Vehicle taxes	70,387	67,040	63,869	3,171
Special assessments	3,121	3,023	5,000	[1,977]
Interest	7,245	1,263	5,000	[3,737]
Operating transfers	2,199,841	2,764,652	2,764,652	-
Total Receipts	<u>2,871,820</u>	<u>3,430,013</u>	<u>\$ 3,437,818</u>	<u>\$ [7,805]</u>
Expenditures				
Debt service				
Principal	2,025,000	2,645,000	\$ 2,775,000	\$ 130,000
Interest	815,094	761,869	762,063	194
Total Expenditures	<u>2,840,094</u>	<u>3,406,869</u>	<u>\$ 3,537,063</u>	<u>\$ 130,194</u>
Receipts Over [Under] Expenditures	31,726	23,144		
Unencumbered Cash, Beginning	<u>24,186</u>	<u>55,912</u>		
Unencumbered Cash, Ending	<u>\$ 55,912</u>	<u>\$ 79,056</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

WWTP Funding Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 7,797	\$ 3,768	\$ 5,000	\$ [1,232]
Taxes	291,799	313,085	278,000	35,085
Operating transfers	<u>534,452</u>	<u>400,792</u>	<u>581,000</u>	<u>[180,208]</u>
Total Receipts	<u>834,048</u>	<u>717,645</u>	<u>\$ 864,000</u>	<u>\$ [146,355]</u>
Expenditures				
Debt service	126,970	126,970	\$ 823,770	\$ 696,800
Operating transfers	<u>696,400</u>	<u>696,400</u>	-	<u>[696,400]</u>
Total Expenditures	<u>823,370</u>	<u>823,370</u>	<u>\$ 823,770</u>	<u>\$ 400</u>
Receipts Over [Under] Expenditures	10,678	[105,725]		
Unencumbered Cash, Beginning	<u>273,146</u>	<u>283,824</u>		
Unencumbered Cash, Ending	<u>\$ 283,824</u>	<u>\$ 178,099</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Capital Project Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory BasisFor the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Substation/ Electric Construction	K-69 & Main Street	15th Street Sidewalk Grant	Loves Granger TIF	South Highway 59 TDD	TIF Project Fund	Swimming Pool Improvements	Neighborhood Stabilization Grant	Princeton Community Improvement	Southerlands Community Improvement	Airport Improvement Grants	Water Construction
Receipts												
Interest	\$ 10,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	-	-	-	-	41,049	-	-	-	-	-	-
Sale of temporary notes	-	-	-	-	-	-	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements & miscellaneous	-	-	-	223,542	-	-	-	-	-	-	74,864	-
Taxes	-	-	-	-	75,398	-	-	-	282,967	86,945	-	-
Operating transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	10,969	-	-	223,542	75,398	41,049	-	-	282,967	86,945	74,864	-
Expenditures												
Contractual services	-	-	-	101,248	-	-	-	-	-	-	17,200	8,501
Commodities	-	-	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-	56,762	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-	257,693	65,359	-	-
Debt service												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Operating transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	101,248	-	-	-	-	257,693	65,359	73,962	8,501
Receipts Over [Under] Expenditures	10,969	-	-	122,294	75,398	41,049	-	-	25,274	21,586	902	[8,501]
Unencumbered Cash, Beginning	882,867	19,161	3,452	754,061	46,625	195,107	404	283	144,796	-	33,888	26,759
Unencumbered Cash, Ending	\$ 893,836	\$ 19,161	\$ 3,452	\$ 876,355	\$ 122,023	\$ 236,156	\$ 404	\$ 283	\$ 170,070	\$ 21,586	\$ 34,790	\$ 18,258

Redemption Fund	Electric Construction In Progress	Proximity Park Sales Tax	Proximity Park Infrastructure	Proximity Park Sewer Loan	GO Bond 2018-A Storm Water	Air PaKS Grant	GO Bond 2019-A Proximity Park	Trail Grant	Holiday Inn TIF/ICID	For the Year Ended December 31,	
										2020	2019
\$ -	\$ 3,788	\$ 21,706	\$ 6,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,604	\$ 79,512
-	-	-	-	-	-	778,405	-	44,590	-	864,044	205,789
-	-	-	-	-	-	-	-	-	-	-	2,015,000
1,617,000	-	-	-	-	-	-	-	-	-	1,617,000	1,105,000
-	-	-	-	-	-	-	-	-	-	-	773,987
-	-	273,769	-	-	-	-	-	-	-	572,175	563,105
-	-	1,565,423	-	-	-	-	-	-	42,945	2,053,678	1,820,607
-	-	-	-	-	-	-	-	-	-	-	254,104
<u>1,617,000</u>	<u>3,788</u>	<u>1,860,898</u>	<u>6,141</u>	<u>-</u>	<u>-</u>	<u>778,405</u>	<u>-</u>	<u>44,590</u>	<u>42,945</u>	<u>5,149,501</u>	<u>6,817,104</u>
-	-	32,222	422,941	1,650,069	215,312	-	-	-	-	2,447,493	4,049,082
-	-	-	-	-	-	848,962	-	-	-	848,962	353
-	-	-	-	-	-	-	-	20,328	-	77,090	-
-	-	2,921	-	-	-	-	-	-	-	2,921	25,312
-	-	-	-	-	-	-	-	-	-	323,052	264,082
1,617,000	-	450,785	-	-	-	-	-	-	-	2,067,785	1,085,471
-	-	-	-	-	-	-	194	-	-	194	-
-	-	778,760	-	-	-	-	-	-	-	778,760	783,617
<u>1,617,000</u>	<u>-</u>	<u>1,264,688</u>	<u>422,941</u>	<u>1,650,069</u>	<u>215,312</u>	<u>848,962</u>	<u>194</u>	<u>20,328</u>	<u>-</u>	<u>6,546,257</u>	<u>6,207,917</u>
-	3,788	596,210	[416,800]	[1,650,069]	[215,312]	[70,557]	[194]	24,262	42,945	[1,396,756]	609,187
-	<u>304,918</u>	<u>1,579,187</u>	<u>581,589</u>	<u>1,650,069</u>	<u>314,164</u>	<u>79,159</u>	<u>194</u>	<u>-</u>	<u>-</u>	<u>6,616,683</u>	<u>6,007,496</u>
<u>\$ -</u>	<u>\$ 308,706</u>	<u>\$ 2,175,397</u>	<u>\$ 164,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,602</u>	<u>\$ -</u>	<u>\$ 24,262</u>	<u>\$ 42,945</u>	<u>\$ 5,219,927</u>	<u>\$ 6,616,683</u>

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Storm Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Stormwater service charges	\$ 485,061	\$ 477,995	\$ 474,800	\$ 3,195
Miscellaneous	128	60	-	60
Interest	<u>12,668</u>	<u>14,131</u>	<u>10,000</u>	<u>4,131</u>
Total Receipts	<u>497,857</u>	<u>492,186</u>	<u>\$ 484,800</u>	<u>\$ 7,386</u>
Expenditures				
Personnel services	42,249	43,524	\$ 78,491	\$ 34,967
Contractual services	98,810	84,887	176,335	91,448
Commodities	15,704	14,434	30,200	15,766
Capital outlay	158,226	74,816	391,187	316,371
Operating transfers	<u>152,000</u>	<u>120,813</u>	<u>145,813</u>	<u>25,000</u>
Total Expenditures	<u>466,989</u>	<u>338,474</u>	<u>\$ 822,026</u>	<u>\$ 483,552</u>
Receipts Over [Under] Expenditures	30,868	153,712		
Unencumbered Cash, Beginning	<u>1,069,532</u>	<u>1,100,400</u>		
Unencumbered Cash, Ending	<u>\$ 1,100,400</u>	<u>\$ 1,254,112</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Water sales	\$ 2,952,801	\$ 2,819,241	\$ 2,905,935	\$ [86,694]
Lease and rentals	16,105	18,448	-	18,448
Miscellaneous and reimbursements	1,361	7,897	2,500	5,397
Interest	13,079	14,607	13,000	1,607
Other	611	2,518	6,500	[3,982]
Lease proceeds	-	103,500	-	103,500
Total Receipts	<u>2,983,957</u>	<u>2,966,211</u>	<u>\$ 2,927,935</u>	<u>\$ 38,276</u>
Expenditures				
Water Production				
Personnel services	661,132	558,768	\$ 698,886	\$ 140,118
Contractual services	77,509	50,779	105,360	54,581
Commodities	132,463	151,329	182,280	30,951
Capital outlay	2,988	27,034	88,500	61,466
Water Distribution				
Personnel services	440,168	408,028	429,716	21,688
Contractual services	66,871	43,702	160,400	116,698
Commodities	55,105	61,983	184,675	122,692
Capital improvement	85,878	188,945	188,750	[195]
Non-operating				
Contractual services	591	862	100,000	99,138
Capital outlay	108,230	84,325	53,594	[30,731]
Debt service	118,405	211,506	227,201	15,695
Miscellaneous	-	-	27,300	27,300
Operating transfers	696,500	723,800	896,500	172,700
Adjustment for qualifying budget credit	-	-	103,500	103,500
Total Expenditures	<u>2,445,840</u>	<u>2,511,061</u>	<u>\$ 3,446,662</u>	<u>\$ 935,601</u>
Receipts Over [Under] Expenditures	538,117	455,150		
Unencumbered Cash, Beginning	<u>580,793</u>	<u>1,118,910</u>		
Unencumbered Cash, Ending	<u>\$ 1,118,910</u>	<u>\$ 1,574,060</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, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 2,976,115	\$ 3,056,576	\$ 3,114,016	\$ [57,440]
Interest	11,313	17,972	11,000	6,972
Refunds and reimbursements	34,013	2,012	-	2,012
Miscellaneous	3,593	-	2,300	[2,300]
Lease proceeds	-	103,500	-	103,500
Total Receipts	<u>3,025,034</u>	<u>3,180,060</u>	<u>\$ 3,127,316</u>	<u>\$ 52,744</u>
Expenditures				
Wastewater Treatment				
Personnel services	475,379	396,707	\$ 535,321	\$ 138,614
Contractual services	228,054	268,820	289,550	20,730
Commodities	74,110	67,075	149,500	82,425
Capital outlay	5,435	-	37,000	37,000
Capital improvements	-	-	145,000	145,000
Wastewater Collection				
Personnel services	257,778	301,023	400,674	99,651
Contractual services	25,400	48,874	68,300	19,426
Commodities	32,599	55,047	97,400	42,353
Capital outlay	-	103,731	8,500	[95,231]
Capital improvements	93,726	11,632	250,000	238,368
Non-operating				
Contractual services	4,502	728	26,437	25,709
Capital outlay	-	-	125,000	125,000
Debt service	126,970	126,970	126,970	-
Operating transfers	1,116,707	921,508	1,242,966	321,458
Adjustment for qualifying budget credit	-	-	103,500	103,500
Total Expenditures	<u>2,440,660</u>	<u>2,302,115</u>	<u>\$ 3,606,118</u>	<u>\$ 1,304,003</u>
Receipts Over [Under] Expenditures	584,374	877,945		
Unencumbered Cash, Beginning	<u>695,180</u>	<u>1,279,554</u>		
Unencumbered Cash, Ending	<u>\$ 1,279,554</u>	<u>\$ 2,157,499</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, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Electric sales	\$ 12,945,067	\$ 13,456,072	\$ 14,141,824	\$ [685,752]
Fines and fees	156,196	172,628	-	172,628
Reimbursed expenses	41,615	34,902	-	34,902
Interest	34,767	27,371	38,853	[11,482]
Other	48,039	41,911	211,310	[169,399]
Lease proceeds	-	207,000	-	207,000
Total Receipts	<u>13,225,684</u>	<u>13,939,884</u>	<u>\$ 14,391,987</u>	<u>\$ [452,103]</u>
Expenditures				
Electric Production				
Personnel services	946,843	826,670	\$ 1,026,625	\$ 199,955
Contractual services	189,137	110,728	527,500	416,772
Commodities	6,558,277	6,540,006	7,422,000	881,994
Capital outlay	26,428	124,888	145,400	20,512
Electric Distribution				
Personnel services	794,364	731,032	813,876	82,844
Contractual services	38,773	33,565	104,100	70,535
Commodities	158,436	156,058	366,500	210,442
Capital outlay	164,084	260,723	376,000	115,277
Utility Warehouse				
Personnel services	319,033	285,888	307,170	21,282
Contractual services	81,780	86,730	59,750	[26,980]
Commodities	5,237	5,333	29,400	24,067
Capital outlay	8,095	2,565	19,500	16,935
Utility Billing				
Personnel services	464,377	537,436	615,893	78,457
Contractual services	388,189	427,181	318,263	[108,918]
Commodities	18,083	15,646	24,500	8,854
Capital outlay	4,222	2,796	28,600	25,804
Non-operating				
Contractual services	1,920	2,644	50,000	47,356
Capital outlay	55,746	94,388	100,000	5,612
Broadband				
Personnel services	32,143	26,129	25,999	[130]
Contractual services	88,176	97,561	111,500	13,939
Capital outlay	3,482	12,056	68,000	55,944
Operating transfers	1,884,456	1,873,294	2,198,294	325,000
Adjustment for qualifying budget credit	-	-	207,000	207,000
Total Expenditures	<u>12,231,281</u>	<u>12,253,317</u>	<u>\$ 14,945,870</u>	<u>\$ 2,692,553</u>
Receipts Over [Under] Expenditures	994,403	1,686,567		
Unencumbered Cash, Beginning	<u>831,672</u>	<u>1,826,075</u>		
Unencumbered Cash, Ending	<u>\$ 1,826,075</u>	<u>\$ 3,512,642</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, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Other income	\$ -	\$ 2,876
Total Receipts	<u>-</u>	<u>2,876</u>
Expenditures		
Refunds	<u>9,206</u>	<u>-</u>
Total Expenditures	<u>9,206</u>	<u>-</u>
Receipts Over [Under] Expenditures	[9,206]	2,876
Unencumbered Cash, Beginning	<u>143,743</u>	<u>134,537</u>
Unencumbered Cash, Ending	<u>\$ 134,537</u>	<u>\$ 137,413</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, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Interest	\$ 1,167	\$ 723
Charges for services	<u>1,825,077</u>	<u>1,908,738</u>
Total Receipts	<u>1,826,244</u>	<u>1,909,461</u>
Expenditures		
Cost of sales and services	<u>1,722,456</u>	<u>1,418,881</u>
Total Expenditures	<u>1,722,456</u>	<u>1,418,881</u>
Receipts Over [Under] Expenditures	103,788	490,580
Unencumbered Cash, Beginning	<u>977,097</u>	<u>1,080,885</u>
Unencumbered Cash, Ending	<u>\$ 1,080,885</u>	<u>\$ 1,571,465</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, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Municipal Court Fines and Credit Card	Municipal Court Bonds	Federal Seized Assets
Receipts			
Fines and court fees	\$ 276,762	\$ 29,789	\$ -
Miscellaneous	-	-	2
Interest	26	-	9
Total Receipts	<u>276,788</u>	<u>29,789</u>	<u>11</u>
Expenditures			
Payments to State	18,744	-	-
Payments to City	282,525	-	-
Bond refunds	-	16,263	-
Miscellaneous	5,832	-	-
Total Expenditures	<u>307,101</u>	<u>16,263</u>	<u>-</u>
Receipts Over [Under] Expenditures	[30,313]	13,526	11
Unencumbered Cash, Beginning	<u>54,572</u>	<u>5,000</u>	<u>21,325</u>
Unencumbered Cash, Ending	<u>\$ 24,259</u>	<u>\$ 18,526</u>	<u>\$ 21,336</u>

* - These funds are not required to be budgeted.

Westwood 3 Escrow	Fire Proceeds	Lincoln Lots	Holiday Inn TIF/CID Escrow	For the Year Ended December 31,	
				2020	2019
\$ -	\$ -	\$ -	\$ -	\$ 306,551	\$ 402,050
-	12,282	99,050	40,000	151,334	32,451
<u>3</u>	<u>2</u>	<u>11</u>	<u>-</u>	<u>51</u>	<u>183</u>
<u>3</u>	<u>12,284</u>	<u>99,061</u>	<u>40,000</u>	<u>457,936</u>	<u>434,684</u>
-	-	-	-	18,744	31,065
-	-	-	-	282,525	341,832
-	-	-	-	16,263	28,325
-	12,284	77,856	-	95,972	69,736
<u>-</u>	<u>12,284</u>	<u>77,856</u>	<u>-</u>	<u>413,504</u>	<u>470,958</u>
3	-	21,205	40,000	44,432	[36,274]
<u>10,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,900</u>	<u>127,174</u>
<u>\$ 10,006</u>	<u>\$ -</u>	<u>\$ 21,205</u>	<u>\$ 40,000</u>	<u>\$ 135,332</u>	<u>\$ 90,900</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, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Appropriation from the City	\$ 924,822	\$ 1,049,003
Interest	912	854
State aid	3,734	5,030
Grants	42,224	55,896
Contribution	199,136	42,779
Miscellaneous	51,715	50,355
Gain on investments	26,066	18,897
Operating transfers	<u>465,000</u>	<u>113,162</u>
Total Receipts	<u>1,713,609</u>	<u>1,335,976</u>
Expenditures		
Salaries and benefits	689,390	722,501
Materials, program, and services	135,574	139,338
Operating	147,343	117,379
Capital improvements	340,800	44,731
Miscellaneous	4,765	6,172
Operating transfers	<u>465,000</u>	<u>113,162</u>
Total Expenditures	<u>1,782,872</u>	<u>1,143,283</u>
Receipts Over [Under] Expenditures	[69,263]	192,693
Unencumbered Cash, Beginning	<u>844,783</u>	<u>775,520</u>
Unencumbered Cash, Ending	<u>\$ 775,520</u>	<u>\$ 968,213</u>

* - This fund is not required to be budgeted.

CITY OF OTTAWA, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Passed Through Kansas Department of Commerce:		
CDBG-Entitlement Grants Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	\$ 62,363
Total CDBG-Entitlement Grants Cluster		62,363
Total U.S. Department of Housing and Urban Development		62,363
<u>U.S. Department of Homeland Security</u>		
Assistance to Firefighters Grant	97.044	766,650
Passed Through Kansas Adjutant General:		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	70,124
Total U.S. Department of Homeland Security		836,774
<u>U.S. Department of Justice</u>		
Passed Through Crime Victims Compensation Board:		
Crime Victim Assistance	16.575	300
Passed Through Kansas Governor's Office:		
Coronavirus Emergency Supplemental Funding Program	16.034	45,102
Total U.S. Department of Justice		45,402
<u>U.S. Department of the Treasury</u>		
Passed Through Franklin County, Kansas:		
Coronavirus Relief Fund	21.019	1,026,625
Passed Through Kansas Department of Commerce:		
Coronavirus Relief Fund	21.019	232,323
Total U.S. Department of the Treasury		1,258,948
<u>U.S. Department of Transportation</u>		
Airport Improvement Program	20.106	30,000
Passed Through Kansas Department of Transportation:		
Discretionary Safety Grants and Cooperative Agreements	20.614	3,021
Passed Through Kansas Department of Wildlife, Parks and Tourism:		
Highway Planning and Construction Cluster:		
Highway Planning and Construction	20.205	20,328
Total Highway Planning and Construction Cluster		20,328
Total U.S. Department of Transportation		53,349
Total Expenditures of Federal Awards		\$ 2,256,836

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, 2020

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 at December 31, 2020.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants at December 31, 2020.

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, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
97.044	Assistance to Firefighters Grant

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

CITY OF OTTAWA, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2020

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

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 Commissioners
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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 15, 2021.

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 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

May 13, 2021

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

Mayor and City Commissioners
City of Ottawa, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Ottawa, Kansas (the City), with the types of compliance requirements described 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, 2020. The City's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Kansas Municipal Audit and Accounting Guide. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 13, 2021