

CITY OF OTTAWA, KANSAS

Financial Statements

For the Year Ended December 31, 2014

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CITY OF OTTAWA, KANSAS
 Financial Statements
 For the Year Ended December 31, 2014
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Ottawa, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Ottawa, Kansas, (the City), as of and for the year ended December 31, 2014 and the related notes to the financial statement. We did not audit the financial statements of the Ottawa Library, which is a related municipal entity and 2% and 2%, respectively, of the assets and regulatory basis receipts of the reporting entity.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

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

Other Matter

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas regulatory basis of accounting. Accordingly, such information should be read in conjunction with the City’s financial statements for the year ended December 31, 2013, from which such partial information was derived.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas
August 25, 2015

CITY OF OTTAWA, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General Fund	\$ 1,023,572	\$ -	\$ 9,070,684	\$ 8,631,444	\$ 1,462,812	\$ 283,029	\$ 1,745,841
Special Purpose Funds:							
Community Services Support Fund	4,162	-	147,625	146,352	5,435	-	5,435
Municipal Auditorium Fund	46,949	-	181,711	166,785	61,875	8,269	70,144
Airport Fund	5,144	-	85,534	81,361	9,317	2,552	11,869
Special Park and Recreation Fund	75,657	-	66,892	106,626	35,923	-	35,923
Special Alcohol Program Fund	-	-	23,073	-	23,073	-	23,073
Library Fund	-	-	781,851	781,851	-	-	-
Economic Development Fund	109,395	-	71,404	77,583	103,216	1,309	104,525
Special Streets Fund	104,487	-	543,224	186,027	461,684	774	462,458
Electric Power Supply Fund	956,350	-	411,436	683,144	684,642	-	684,642
Equipment Reserve Fund	515,333	-	1,208,876	1,138,444	585,765	-	585,765
Revolving Loan Fund	170,541	-	40,163	-	210,704	-	210,704
Risk Management Fund	218,896	-	807,269	885,715	140,450	12,626	153,076
Law Enforcement Trust Fund	-	-	11,712	-	11,712	-	11,712
Bond and Interest Funds:							
Bond and Interest Fund	501,781	-	1,070,430	1,083,311	488,900	-	488,900
WWTP Funding Fund	628,053	-	820,402	756,266	692,189	-	692,189
Capital Project Funds	252,108	-	14,216,271	11,638,683	2,829,696	132,787	2,962,483
Business Funds:							
Storm Water Utility Fund	-	-	445,556	79,351	366,205	2,234	368,439
Water Utility Fund	858,895	-	2,482,257	2,530,607	810,545	125,946	936,491
Wastewater Utility Fund	766,544	-	2,455,161	2,441,469	780,236	56,196	836,432
Electric Utility Fund	3,721,284	-	15,351,489	15,363,235	3,709,538	1,203,121	4,912,659
Utility Credit Fund	132,793	-	4,421	767	136,447	-	136,447
Health Insurance Fund	1,963,699	-	903,923	1,574,468	1,293,154	-	1,293,154
Total primary government	12,055,643	-	51,201,364	48,353,489	14,903,518	1,828,843	16,732,361
Related Municipal Entities:							
Ottawa Library	276,530	-	946,177	932,146	290,561	24,075	314,636
Total reporting entity [excluding agency funds]	\$ 12,332,173	\$ -	\$ 52,147,541	\$ 49,285,635	\$ 15,194,079	\$ 1,852,918	\$ 17,046,997

Composition of Cash:

Kansas State Bank	
Checking	\$ 2,214,092
Money Market	9,322,831
Bond Account	38,638
Certificate of Deposit	500,000
Peoples Bank	
Checking	23,698
Great Southern Bank	
Savings	617
Arvest Bank	
Certificate of Deposit	4,700,000
Petty Cash	3,070
Ottawa Library - Checking	43,820
Ottawa Library - Money Market	31,224
Ottawa Library - Equity Investments	239,452
Ottawa Library - Petty Cash	140
Total Cash	17,117,582
Less: Agency Funds per Schedule 3	[70,585]
Total Reporting Entity [Excluding Agency Funds]	\$ 17,046,997

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, 2014

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 2014 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 municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

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

The following types of funds comprise the financial activities of the City for the year ended December 31, 2014:

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

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

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

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

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

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

Budgetary Information

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

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

The statutes allow for the City Commission to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The 2014 budget was amended for the Airport and the Special Park and Recreation 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.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

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

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

NOTE 2 - Deposits

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

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

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, 2014, the City's carrying amount of deposits was \$16,802,946 and the bank balance was \$16,991,912. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$528,762 was covered by federal depository insurance and the balance of \$16,463,150 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 2 - Deposits (Continued)

The related municipal entity's carrying amount of deposits was \$75,184 and the bank balance was \$88,999. The difference between the bank balance and the carrying amount is the outstanding checks and deposits. Of the bank balance \$88,999 was covered by federal depository insurance. The related municipal entity also has investments in mutual funds under a 501 (c) 3 not for profit with a carrying value of \$239,452 and a market value of \$282,479.

NOTE 3 - Retirement Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS). KPERS is a part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

NOTE 4 - Long-Term Debt

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

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Series 2007	4.00 - 6.00%	\$ 8,735,000	\$ 9,900,000	08/18/07	10/01/28
Series 2009	3.50 - 4.10%	795,000	1,065,000	08/01/09	10/01/24
Series 2009A	3.00 - 4.20%	1,980,000	2,345,000	11/20/09	10/01/29
Series 2010A	2.00 - 3.30%	1,665,000	2,645,000	07/15/10	10/01/21
Series 2010B	3.00 - 3.625%	2,390,000	3,295,000	12/15/10	10/01/23
Series 2012A	0.55 - 2.30%	620,000	840,000	03/15/12	10/01/23
Series 2012B	0.75 - 2.65%	670,000	825,000	03/15/12	10/01/21
Series 2014A	2.00 - 3.50%	<u>7,855,000</u>	7,855,000	06/19/14	10/01/30
Total		<u>\$ 24,710,000</u>			

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

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>
2015	\$ 1,920,000	\$ 903,679	\$ 2,823,679
2016	1,900,000	795,624	2,695,624
2017	1,960,000	742,261	2,702,261
2018	2,035,000	677,311	2,712,311
2019	2,090,000	608,751	2,698,751
2020 - 2024	10,095,000	1,953,106	12,048,106
2025-2029	4,595,000	510,550	5,105,550
2030	<u>115,000</u>	<u>3,738</u>	<u>118,738</u>
Total	<u>\$ 24,710,000</u>	<u>\$ 6,195,021</u>	<u>\$ 30,905,021</u>

The City issued series 2014A general obligation refunding and improvement bonds in the amount of \$7,855,000 on June 19, 2014, to fully refund \$7,257,767 of the City's water supply and water pollution loans. The proceeds from the sale of the bonds will also be used to finance the cost of certain street, sidewalk and related improvements on various roads throughout the City. The refunding transaction resulted in an economic gain of \$322,013 and a reduction of \$308,241 in future debt payments. The interest rate on the bonds is 2.00% to 3.50% and has a final maturity of October 1, 2030.

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

<u>Temporary Notes</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Series 2014-1	1.00%	\$ 530,000	\$ 530,000	10/30/14	11/01/15
Series 2014-2	1.00%	<u>2,000,000</u>	2,000,000	11/19/14	11/01/16
		<u>\$ 2,530,000</u>			

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>
2015	\$ 530,000	\$ 25,300	\$ 555,300
2016	<u>2,000,000</u>	<u>20,000</u>	<u>2,020,000</u>
Total	<u>\$ 2,530,000</u>	<u>\$ 45,300</u>	<u>\$ 2,575,300</u>

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 4 - Long-Term Debt (Continued)

The City issued series 2014-1 temporary notes in the amount of \$530,000 on October 30, 2014, to pay the cost of certain public building improvements consisting of a municipally owned airport hangar. The interest rate on the notes is 1.00% and has a final maturity of November 1, 2015.

The City issued series 2014-2 temporary notes in the amount of \$2,000,000 on November 19, 2014, to acquire land for a new industrial park and pay the costs associated with the issuance of the notes. The interest rate on the notes is 1.00% and has a final maturity of November 1, 2016.

Loans. Loans outstanding at year end are as follows:

The City has entered into an agreement for a Kansas Water Pollution Control Loan for the East Side Interceptor project. Draws on the project are authorized up to \$4,707,513. As of December 31, 2014, draws total \$4,089,429. The debt service requirements to the maturity date will not be determinable until the final draws have been made.

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Broadband infrastructure	2.25%	\$ 23,963	30,000	06/10/13	6/10/2020
 Total		 <u>\$ 23,963</u>			

The debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,139	\$ 497	\$ 4,636
2016	4,234	403	4,636
2017	4,330	306	4,636
2018	4,428	208	4,636
2019	4,529	107	4,636
2020	<u>2,303</u>	<u>15</u>	<u>2,318</u>
 Total	 <u>\$ 23,963</u>	 <u>\$ 1,536</u>	 <u>\$ 25,498</u>

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 4 - Long-Term Debt (Continued)

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

<u>Capital Leases</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
2014 Platform Fire Truck Refinance	3.23%	\$ 492,732	\$ 539,165	01/05/09	01/10/24
2010 GMC Sweeper	3.25%	38,761	220,864	10/12/10	03/10/15
2011 Case Wheel Loader	3.14%	37,952	113,665	07/08/11	07/10/16
2014 Public Works Equipment	1.62%	<u>215,594</u>	238,595	06/25/14	06/25/19
		<u>\$ 785,040</u>			

The debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 157,090	\$ 20,383	\$ 177,473
2016	110,989	16,133	127,122
2017	99,244	13,628	112,872
2018	101,705	11,167	112,872
2019	79,296	8,722	88,018
2020 - 2023	<u>236,716</u>	<u>15,939</u>	<u>252,655</u>
	<u>\$ 785,040</u>	<u>\$ 85,972</u>	<u>\$ 871,012</u>

The City entered into a lease purchase agreement on January 6, 2014, to finance the balloon payment of the 2008 Platform Fire Truck in the amount of \$539,165. The interest rate of the lease is 3.23% and has a final maturity date of January 6, 2024.

The City entered into a lease purchase agreement on June, 25, 2014, to finance the purchase of public works equipment for a total of \$238,595. The lease has an interest rate of 1.62% with a final maturity date of June 25, 2019.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 4 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended December 31, 2014:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Restatement</u>	<u>Restated Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
General Obligation Bonds	\$ 18,105,000	\$ -	\$ 18,105,000	\$ 7,855,000	\$ 1,250,000	\$ 24,710,000
Temporary Notes	-	-	-	2,530,000	-	2,530,000
Loans	9,699,167	-	9,699,167	1,952,953	7,538,728	4,113,392
Capital Leases	<u>680,191</u>	<u>1,889</u>	<u>682,080</u>	<u>777,760</u>	<u>674,799</u>	<u>785,040</u>
Total	<u>\$ 28,484,358</u>	<u>\$ 1,889</u>	<u>\$ 28,486,247</u>	<u>\$ 13,115,713</u>	<u>\$ 9,463,528</u>	<u>\$ 32,138,432</u>

The City is subject to the municipal finance law of the State of Kansas which limits the net bonded debt the City may have outstanding up to 30 percent of the assessed value of all tangible personal property within the City, as certified to the County Clerk on the proceeding August 25. At December 31, 2014, the statutory limit for the City was \$24,273,346, providing a debt margin of \$10,688,346.

The City has entered into several conduit debt arrangements wherein the City issues industrial revenue bonds to finance a portion of the construction of facilities by private enterprises. In return, the private enterprises have executed mortgage notes or leases with the City. The City is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. At December 31, 2014, total outstanding conduit debt was \$4,525,000.

NOTE 5 - Compensated Absences

The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of 30 days vacation pay and 120 days of sick pay. Policies prohibit payment of vacation time in lieu of time-off and restrict sick pay compensation to a maximum of 60 days on date of employment termination. Unpaid vacation pay and unpaid sick pay amounts are not accrued in these financial statements. At December 31, 2014, the City estimates the total accumulated vacation and unpaid sick pay amounted to \$515,694 and \$680,754 respectively.

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 6 - Capital Projects

Capital projects often extend over two or more fiscal years. The following is a schedule, which compares the project authorization to total project expenditures from project inception to December 31, 2014:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Project Expenditures</u>
Levee Rehabilitation	\$ 149,960	\$ 28,953
Airport T Hanger Building	685,859	365,698

NOTE 7 - Deferred Compensation Plan

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

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

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

NOTE 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

	<u>2014</u>	<u>2013</u>
Unpaid claims, January 1	\$ 90,230	\$ 144,714
Incurred claims (including IBNRs)	962,653	950,045
Claim payments	<u>[899,528]</u>	<u>[1,004,529]</u>
Unpaid claims, December 31	<u>\$ 153,355</u>	<u>\$ 90,230</u>

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - Interfund Transfers

A reconciliation of transfers by fund type for 2014 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General Fund	19th St. Project Fund	\$ 1,761	K.S.A. 12-1,118
General Fund	Airport Fund	55,297	K.S.A. 12-197
General Fund	Airport Improvement Grants Fund	55	K.S.A. 12-1,118
General Fund	Community Services Support Fund	32,000	K.S.A. 12-197
General Fund	Equipment Reserve Fund	166,400	K.S.A. 12-197 & 12-1,117
General Fund	Library Fund	5,775	K.S.A. 12-1,118
General Fund	Risk Management Fund	150,000	K.S.A. 12-2615
General Fund	Neighborhood Stabilization Grant Fund	1,867	K.S.A. 12-1,118
General Fund	Special Streets Fund	96,000	K.S.A. 12-1,118
General Fund	WWTP Funding Fund	270,000	K.S.A. 12-1,118 & 12-197
Special Streets Fund	Bond and Interest Fund	20,000	K.S.A. 12-1,119
Special Streets Fund	Davis Rd Project Fund	14,134	K.S.A. 12-1,118
Special Streets Fund	Sidewalk Grant 15th Street Fund	13,988	K.S.A. 12-1,118
Special Streets Fund	Street Projects Fund	4,600	K.S.A. 12-1,118
Stormwater Utility Fund	Levee Improvement Fund	28,953	K.S.A. 12-1,118 & 12-825d
Electric Power Supply Fund	Substation/Electrician Construction Fund	240,000	K.S.A. 12-1,118 & 12-825d
WWTP Funding Fund	Street Construction Fund	395,238	K.S.A. 12-1,118 & 12-825d
US 59 Turnback Back	Special Streets Fund	12,675	K.S.A. 12-1,118
Water Utility Fund	Bond and Interest Fund	10,000	K.S.A. 12-1,118 & 12-825d
Water Utility Fund	Community Services Support Fund	38,500	K.S.A. 12-825d
Water Utility Fund	Equipment Reserve Fund	50,198	K.S.A. 12-1,117 & 12-825d
Water Utility Fund	General Fund	272,968	K.S.A. 12-825d
Water Utility Fund	Risk Management Fund	120,000	K.S.A. 12-2615 & 12-825d
Water Utility Fund	Water Construction Fund	179,774	K.S.A. 12-1,118 & 12-825d
Wastewater Utility Fund	Community Services Support Fund	38,500	K.S.A. 12-825d
Wastewater Utility Fund	Equipment Reserve Fund	75,000	K.S.A. 12-1,117 & 12-825d
Wastewater Utility Fund	General Fund	180,859	K.S.A. 12-825d
Wastewater Utility Fund	Risk Management Fund	120,000	K.S.A. 12-2615 & 12-825d
Wastewater Utility Fund	WWTP Funding Fund	550,000	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	Bond and interest Fund	420,000	K.S.A. 12-1,118 & 12-825d
Electric Utility Fund	Community Services Support Fund	38,500	K.S.A. 12-825d
Electric Utility Fund	Equipment Reserve Fund	97,475	K.S.A. 12-1,117 & 12-825d
Electric Utility Fund	General Fund	1,019,130	K.S.A. 12-825d
Electric Utility Fund	Risk Management Fund	350,000	K.S.A. 12-2615 & 12-825d
Electric Utility Fund	Substation/Electrician Construction Fund	110,000	K.S.A. 12-1,118 & 12-825d
		<u>\$ 5,179,647</u>	

Note 11 - Other Post Employment Benefits

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

CITY OF OTTAWA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 11 - Other Post Employment Benefits (Continued)

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

NOTE 12 - Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City at December 31, 2014.

SCHEDULE 1

CITY OF OTTAWA, KANSAS

Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014

<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	\$ 10,474,795	\$ -	\$ 10,474,795	\$ 8,631,444	\$ 1,843,351
Special Purpose Funds:					
Community Services Support Fund	148,198	-	148,198	146,352	1,846
Municipal Auditorium Fund	234,449	-	234,449	166,785	67,664
Airport Fund	90,700	-	90,700	81,361	9,339
Special Park and Recreation Fund	155,718	-	155,718	106,626	49,092
Special Alcohol Program Fund	24,000	-	24,000	-	24,000
Library Fund	789,573	-	789,573	781,851	7,722
Economic Development Fund	130,762	-	130,762	77,583	53,179
Special Streets Fund	428,718	-	428,718	186,027	242,691
Electric Power Supply Fund	1,352,872	-	1,352,872	683,144	669,728
Equipment Reserve Fund	1,456,098	-	1,456,098	1,138,444	317,654
Revolving Loan Fund	210,634	-	210,634	-	210,634
Risk Management Fund	1,177,944	-	1,177,944	885,715	292,229
Bond and Interest Funds:					
Bond and Interest Fund	2,102,623	-	2,102,623	1,083,311	1,019,312
WWTP Funding Fund	1,394,722	-	1,394,722	756,266	638,456
Business Funds:					
Storm Water Utility Fund	577,065	-	577,065	79,351	497,714
Water Utility Fund	3,412,715	-	3,412,715	2,530,607	882,108
Wastewater Utility Fund	3,442,955	-	3,442,955	2,441,469	1,001,486
Electric Utility Fund	21,893,287	-	21,893,287	15,363,235	6,530,052

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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,224,027	\$ 2,304,171	\$ 2,333,188	\$ [29,017]
Delinquent tax	140,348	92,471	110,000	[17,529]
Vehicle taxes	233,769	250,955	232,810	18,145
Local sales	2,218,856	2,334,225	2,236,232	97,993
County sales	999,275	1,054,283	1,003,678	50,605
Other taxes	783,455	822,512	811,790	10,722
Intergovernmental	39,047	32,568	33,000	[432]
Licenses, permits and fees	419,326	478,331	629,000	[150,669]
Charges and services	46,681	51,125	51,000	125
Leases and rentals	8,001	2,000	4,000	[2,000]
Interest	8,342	11,096	35,000	[23,904]
Miscellaneous	104,625	163,990	46,000	117,990
Refunds and reimbursements	-	-	100,000	[100,000]
Operating transfers	1,812,436	1,472,957	1,899,000	[426,043]
Total Receipts	<u>9,038,188</u>	<u>9,070,684</u>	<u>\$ 9,524,698</u>	<u>\$ [454,014]</u>
Expenditures				
City commission and manager	226,008	237,509	\$ 236,721	\$ [788]
City administration	448,838	304,428	243,249	[61,179]
Building mainenance	-	-	167,855	167,855
Nonoperating	318,567	329,707	767,248	437,541
Planning	473,202	439,304	481,050	41,746
Flood control	13,102	18,468	31,750	13,282
Fleet management	145,954	142,371	146,250	3,879
Finance department	-	126,900	-	[126,900]
Parks	260,065	261,985	299,950	37,965
Police department	2,032,142	2,117,617	2,135,078	17,461
Fire department	1,098,254	1,159,455	1,272,350	112,895
Public works	880,242	830,122	1,043,085	212,963
Highland cemetery	97,938	114,500	118,500	4,000
Human resources	181,979	101,868	130,928	29,060
Municipal court	135,886	144,437	165,318	20,881
Employee benefits	1,736,618	1,304,471	2,283,785	979,314
IT department	204,164	219,147	220,078	931
Operating transfers	750,489	779,155	731,600	[47,555]
Total Expenditures	<u>9,003,448</u>	<u>8,631,444</u>	<u>\$ 10,474,795</u>	<u>\$ 1,843,351</u>
Receipts Over [Under] Expenditures	34,740	439,240		
Unencumbered Cash, Beginning	<u>988,832</u>	<u>1,023,572</u>		
Unencumbered Cash, Ending	<u>\$ 1,023,572</u>	<u>\$ 1,462,812</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Operating transfers	\$ 142,000	\$ 147,500	\$ 147,500	\$ -
Miscellaneous revenues	-	75	-	75
Refunds and reimbursements	<u>1,178</u>	<u>50</u>	<u>-</u>	<u>50</u>
Total Receipts	<u>143,178</u>	<u>147,625</u>	<u>\$ 147,500</u>	<u>\$ 125</u>
Expenditures				
Contractual services	140,537	146,102	\$ 147,205	\$ 1,103
Contingency	<u>327</u>	<u>250</u>	<u>993</u>	<u>743</u>
Total Expenditures	<u>140,864</u>	<u>146,352</u>	<u>\$ 148,198</u>	<u>\$ 1,846</u>
Receipts Over [Under] Expenditures	2,314	1,273		
Unencumbered Cash, Beginning	<u>1,848</u>	<u>4,162</u>		
Unencumbered Cash, Ending	<u>\$ 4,162</u>	<u>\$ 5,435</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over (Under)
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 147,984	\$ 122,319	\$ 122,000	\$ 319
Delinquent tax	6,928	10,791	4,000	6,791
Vehicle taxes	12,341	16,607	15,512	1,095
Charges for services				
Auditorium rental	11,776	11,982	12,000	[18]
Concessions	1,596	1,578	2,579	[1,001]
Ticket sales	26,580	12,749	25,000	[12,251]
Interest	54	37	30	7
Donations	8,062	5,172	2,500	2,672
Reimbursements	20	476	200	276
Other	-	-	525	[525]
Total Receipts	<u>215,341</u>	<u>181,711</u>	<u>\$ 184,346</u>	<u>\$ [2,635]</u>
Expenditures				
Personal services	79,832	85,658	\$ 73,009	\$ [12,649]
Contractual services	83,519	50,810	74,580	23,770
Commodities	5,511	7,212	5,000	[2,212]
Capital outlay	35,111	23,105	54,188	31,083
Miscellaneous	-	-	20,000	20,000
Operating transfers	-	-	7,672	7,672
Total Expenditures	<u>203,973</u>	<u>166,785</u>	<u>\$ 234,449</u>	<u>\$ 67,664</u>
Receipts Over [Under] Expenditures	11,368	14,926		
Unencumbered Cash, Beginning	<u>35,581</u>	<u>46,949</u>		
Unencumbered Cash, Ending	<u>\$ 46,949</u>	<u>\$ 61,875</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Grants	\$ 750	\$ -	\$ -	\$ -
Misc. revenue	37,908	9,623	3,300	6,323
Reimbursements	161	20,614	-	20,614
Operating transfers	<u>48,722</u>	<u>55,297</u>	<u>82,548</u>	<u>[27,251]</u>
Total Receipts	<u>87,541</u>	<u>85,534</u>	<u>\$ 85,848</u>	<u>\$ [314]</u>
Expenditures				
Contractual services	58,307	76,213	\$ 80,000	\$ 3,787
Commodities	23,125	5,148	8,200	3,052
Operating transfers	<u>3,000</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Total Expenditures	<u>84,432</u>	<u>81,361</u>	<u>\$ 90,700</u>	<u>\$ 9,339</u>
Receipts Over [Under] Expenditures	3,109	4,173		
Unencumbered Cash, Beginning	<u>2,035</u>	<u>5,144</u>		
Unencumbered Cash, Ending	<u>\$ 5,144</u>	<u>\$ 9,317</u>		

CITY OF OTTAWA, KANSAS

Special Park and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ 99	\$ 16,047	\$ 15,255	\$ 792
Donations	33,659	20,347	20,344	3
Miscellaneous	-	-	5,000	[5,000]
Interest	-	20	-	20
Licenses, Permits, and Fees	23,590	7,405	7,405	-
Taxes				
Liquor selling tax	22,435	23,073	22,000	1,073
Total Receipts	<u>79,783</u>	<u>66,892</u>	<u>\$ 70,004</u>	<u>\$ [3,112]</u>
Expenditures				
Contractual services	2,611	6,445	\$ 4,000	\$ [2,445]
Commodities	-	-	1,500	1,500
Capital improvement	78,339	100,181	150,021	49,840
Miscellaneous	-	-	197	197
Total Expenditures	<u>80,950</u>	<u>106,626</u>	<u>\$ 155,718</u>	<u>\$ 49,092</u>
Receipts Over [Under] Expenditures	[1,167]	[39,734]		
Unencumbered Cash, Beginning	<u>76,824</u>	<u>75,657</u>		
Unencumbered Cash, Ending	<u>\$ 75,657</u>	<u>\$ 35,923</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Liquor selling tax	\$ 22,435	\$ 23,073	\$ 24,000	\$ [927]
Operating transfers	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>22,436</u>	<u>23,073</u>	<u>\$ 24,000</u>	<u>\$ [927]</u>
Expenditures				
Operating transfers	<u>22,436</u>	<u>-</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>
Total Expenditures	<u>22,436</u>	<u>-</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>
Receipts Over [Under] Expenditures	-	23,073		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 23,073</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 648,029	\$ 680,414	\$ 681,607	\$ [1,193]
Delinquent tax	43,620	22,317	40,000	[17,683]
Vehicle taxes	70,617	73,345	67,958	5,387
Operating transfers	-	5,775	-	5,775
Total Receipts	<u>762,266</u>	<u>781,851</u>	<u>\$ 789,565</u>	<u>\$ [7,714]</u>
Expenditures				
Appropriations to Library Board	<u>762,266</u>	<u>781,851</u>	<u>\$ 789,573</u>	<u>\$ 7,722</u>
Total Expenditures	<u>762,266</u>	<u>781,851</u>	<u>\$ 789,573</u>	<u>\$ 7,722</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 63	\$ 128	\$ 50	\$ 78
Reimbursements	-	8,704	3,000	5,704
Rental income	12,100	14,520	15,730	[1,210]
Building permits	1,754	48,052	10,000	38,052
Total Receipts	<u>13,917</u>	<u>71,404</u>	<u>\$ 28,780</u>	<u>\$ 42,624</u>
Expenditures				
Contractual services	21,223	77,583	\$ 41,000	\$ [36,583]
Contingency	-	-	2,000	2,000
Land purchase	-	-	87,762	87,762
Total Expenditures	<u>21,223</u>	<u>77,583</u>	<u>\$ 130,762</u>	<u>\$ 53,179</u>
Receipts Over [Under] Expenditures	[7,306]	[6,179]		
Unencumbered Cash, Beginning	<u>116,701</u>	<u>109,395</u>		
Unencumbered Cash, Ending	<u>\$ 109,395</u>	<u>\$ 103,216</u>		

CITY OF OTTAWA, KANSAS

Special Streets Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 317,410	\$ 324,268	\$ 328,760	\$ [4,492]
Charges for services	-	-	1,000	[1,000]
Interest	-	82	-	82
Reimbursements	125,909	110,199	20,000	90,199
Operating transfers	2,250	108,675	-	108,675
Total Receipts	<u>445,569</u>	<u>543,224</u>	<u>\$ 349,760</u>	<u>\$ 193,464</u>
Expenditures				
Contractual services	53,583	64,254	\$ 10,300	\$ [53,954]
Commodities	25,956	28,408	13,969	[14,439]
Capital outlay	158,030	16,933	240,000	223,067
Contingency	-	23,710	42,551	18,841
Operating transfers	169,565	52,722	121,898	69,176
Total Expenditures	<u>407,134</u>	<u>186,027</u>	<u>\$ 428,718</u>	<u>\$ 242,691</u>
Receipts Over [Under] Expenditures	<u>38,435</u>	<u>357,197</u>		
Unencumbered Cash, Beginning	63,052	104,487		
Prior period adjustment - prior year accounts payable	<u>3,000</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>66,052</u>	<u>104,487</u>		
Unencumbered Cash, Ending	<u>\$ 104,487</u>	<u>\$ 461,684</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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Reimbursements	\$ 410,640	\$ 410,640	\$ 410,640	\$ -
Interest	580	796	400	396
Total Receipts	<u>411,220</u>	<u>411,436</u>	<u>\$ 411,040</u>	<u>\$ 396</u>
Expenditures and Transfers Subject to Budget				
Contractual services	6,662	11,085	\$ 10,000	\$ [1,085]
Debt service	305,731	40,666	441,331	400,665
Capital outlay	-	391,393	901,541	510,148
Operating transfers	120,000	240,000	-	[240,000]
Total Expenditures and Transfers Subject to Budget	<u>432,393</u>	<u>683,144</u>	<u>\$ 1,352,872</u>	<u>\$ 669,728</u>
Receipts Over [Under] Expenditures	[21,173]	[271,708]		
Unencumbered Cash, Beginning	<u>977,523</u>	<u>956,350</u>		
Unencumbered Cash, Ending	<u>\$ 956,350</u>	<u>\$ 684,642</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 380	\$ 876	\$ 3,000	\$ [2,124]
Reimbursements	17,776	25,717	10,000	15,717
Loan proceeds	-	777,760	-	777,760
Lease proceeds	-	-	130,000	[130,000]
Miscellaneous	18,975	15,450	28,201	[12,751]
Operating transfers	<u>510,615</u>	<u>389,073</u>	<u>569,183</u>	<u>[180,110]</u>
Total Receipts	<u>547,746</u>	<u>1,208,876</u>	<u>\$ 740,384</u>	<u>\$ 468,492</u>
Expenditures				
Capital outlay	769,265	1,138,279	\$ 1,356,098	\$ 217,819
Miscellaneous	-	165	100,000	99,835
Total Expenditures	<u>769,265</u>	<u>1,138,444</u>	<u>\$ 1,456,098</u>	<u>\$ 317,654</u>
Receipts Over [Under] Expenditures	[221,519]	70,432		
Unencumbered Cash, Beginning	<u>736,852</u>	<u>515,333</u>		
Unencumbered Cash, Ending	<u>\$ 515,333</u>	<u>\$ 585,765</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, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Positive [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Lease payments	\$ 2,317	\$ 40,066	\$ -	\$ 40,066
Intergovernmental	-	-	21,191	[21,191]
Interest	<u>92</u>	<u>97</u>	<u>60</u>	<u>37</u>
Total Receipts	<u>2,409</u>	<u>40,163</u>	<u>\$ 21,251</u>	<u>\$ 18,912</u>
Expenditures				
Contractual services	-	-	\$ 210,634	\$ 210,634
Total Expenditures	-	-	<u>\$ 210,634</u>	<u>\$ 210,634</u>
Receipts Over [Under] Expenditures	2,409	40,163		
Unencumbered Cash, Beginning	<u>168,132</u>	<u>170,541</u>		
Unencumbered Cash, Ending	<u>\$ 170,541</u>	<u>\$ 210,704</u>		

CITY OF OTTAWA, KANSAS

Risk Management Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 96	\$ 189	\$ 100	\$ 89
Miscellaneous	4,252	368	20,000	[19,632]
Reimbursements	59,932	66,712	30,000	36,712
Operating transfers	<u>673,000</u>	<u>740,000</u>	<u>898,764</u>	<u>[158,764]</u>
Total Receipts	<u>737,280</u>	<u>807,269</u>	<u>\$ 948,864</u>	<u>\$ [141,595]</u>
Expenditures				
Personal services	-	79,090	\$ 83,094	\$ 4,004
Contractual services	745,469	788,591	871,842	83,251
Capital outlay	-	-	5,000	5,000
Commodities	23,535	18,034	26,130	8,096
Judgments and claims	-	-	120,200	120,200
Miscellaneous	-	-	71,678	71,678
Total Expenditures	<u>769,004</u>	<u>885,715</u>	<u>\$ 1,177,944</u>	<u>\$ 292,229</u>
Receipts Over [Under] Expenditures	[31,724]	[78,446]		
Unencumbered Cash, Beginning	<u>250,620</u>	<u>218,896</u>		
Unencumbered Cash, Ending	<u>\$ 218,896</u>	<u>\$ 140,450</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 Year Ended December 31, 2014

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

* - This fund is not required to be budgeted.

CITY OF OTTAWA, KANSAS

Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 502,614	\$ 507,633	\$ 508,535	\$ [902]
Delinquent tax	36,190	22,697	25,000	[2,303]
Vehicle taxes	57,916	57,005	52,714	4,291
Special assessments	22,952	32,927	50,000	[17,073]
Interest	421	168	300	[132]
Reimbursements	193	-	-	-
Operating transfers	190,000	450,000	982,112	[532,112]
Total Receipts	<u>810,286</u>	<u>1,070,430</u>	<u>\$ 1,618,661</u>	<u>\$ [548,231]</u>
Expenditures				
Principal	620,000	855,000	\$ 1,194,729	\$ 339,729
Interest	199,845	228,311	702,190	473,879
Contingency	-	-	55,704	55,704
Miscellaneous	-	-	150,000	150,000
Total Expenditures	<u>819,845</u>	<u>1,083,311</u>	<u>\$ 2,102,623</u>	<u>\$ 1,019,312</u>
Receipts Over [Under] Expenditures	[9,559]	[12,881]		
Unencumbered Cash, Beginning	<u>511,340</u>	<u>501,781</u>		
Unencumbered Cash, Ending	<u>\$ 501,781</u>	<u>\$ 488,900</u>		

See independent auditor's report on the financial statements.

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CITY OF OTTAWA, KANSAS

WWTP Funding Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest	\$ 317	\$ 402	\$ 250	\$ 152
Operating transfers	<u>764,588</u>	<u>820,000</u>	<u>782,600</u>	<u>37,400</u>
Total Receipts	<u>764,905</u>	<u>820,402</u>	<u>\$ 782,850</u>	<u>\$ 37,552</u>
Expenditures				
Fees	17,703	8,376	\$ 16,429	\$ 8,053
Principal	505,376	258,502	1,193,626	935,124
Interest	198,976	94,150	184,667	90,517
Operating transfers	-	<u>395,238</u>	-	<u>[395,238]</u>
Total Expenditures	<u>722,055</u>	<u>756,266</u>	<u>\$ 1,394,722</u>	<u>\$ 638,456</u>
Receipts Over [Under] Expenditures	42,850	64,136		
Unencumbered Cash, Beginning	<u>585,203</u>	<u>628,053</u>		
Unencumbered Cash, Ending	<u>\$ 628,053</u>	<u>\$ 692,189</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Capital Project Funds
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis

For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Substation/ Electric Construction	US 59 Turnback	Loves Granger TIF	Sidewalk Grant 15th Street	South Highway 59 TDD	East Side Interceptor	TIF Project Fund	Davis Rd Project	Swimming Pool Improvements	Neighborhood Stabilization Grant	Levee Improvement
Receipts											
Charges & services	\$ -	\$ -	\$ -	\$ -	\$ 56,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,571	-	21	-	-	-	3	-	-	-	-
Grants	-	15,500	37,831	-	-	-	6,880	-	-	76,949	-
Sale of bonds	-	-	-	-	-	-	-	-	-	-	-
Sale of temporary notes	-	-	-	-	-	-	-	-	-	-	-
Reimbursements & miscellaneous	-	-	-	-	14,726	1,952,952	-	12,674	-	-	-
Operating transfers	350,000	-	-	13,988	-	-	-	14,134	-	1,867	28,953
Total Receipts	351,571	15,500	37,852	13,988	71,077	1,952,952	6,883	26,808	-	78,816	28,953
Expenditures											
Contractual services	-	-	-	8,593	-	22,685	-	17,907	-	80,535	28,953
Commodities	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	311,295	-	40	-	-	-
Distribution	-	-	-	-	65,000	-	-	-	-	-	-
Principal	395,000	-	-	-	-	27,022	-	-	-	-	-
Interest	414,500	-	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Operating transfers	-	12,675	-	-	-	-	-	-	-	-	-
Total Expenditures	809,500	12,675	-	8,593	65,000	361,002	-	17,947	-	80,535	28,953
Receipts Over [Under] Expenditures	[457,929]	2,825	37,852	5,395	6,077	1,591,950	6,883	8,861	-	[1,719]	-
Unencumbered Cash, Beginning	1,313,953	-	114,240	[5,395]	45,876	[1,527,588]	307,694	[8,861]	404	1,719	-
Prior period adjustment - prior year accounts payable	-	-	-	-	-	-	-	-	-	-	-
Unencumbered Cash, Beginning, Restated	1,313,953	-	114,240	[5,395]	45,876	[1,527,588]	307,694	[8,861]	404	1,719	-
Unencumbered Cash, Ending	\$ 856,024	\$ 2,825	\$ 152,092	\$ -	\$ 51,953	\$ 64,362	\$ 314,577	\$ -	\$ 404	\$ -	\$ -

* - These funds are not required to be budgeted.

Airport Improvement Grants	Airport Hangars	Water Construction	19th Street Project	Street Construction	Street Projects	Industrial Park	Electric Construction In Progress	For the Year Ended	
								December 31, 2014	2013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,351	\$ 49,569
-	184	22	-	-	-	-	-	1,801	2,457
29,137	-	-	-	-	-	-	-	166,297	714,091
-	-	-	-	8,189,600	-	-	-	8,189,600	-
530,000	-	-	-	-	-	2,000,000	-	2,530,000	-
-	-	-	1,500	-	-	-	300,000	2,281,852	3,211,512
55	-	179,774	1,761	395,238	4,600	-	-	990,370	441,057
<u>559,192</u>	<u>184</u>	<u>179,796</u>	<u>3,261</u>	<u>8,584,838</u>	<u>4,600</u>	<u>2,000,000</u>	<u>300,000</u>	<u>14,216,271</u>	<u>4,418,686</u>
257,910	-	177,459	3,261	979,824	-	769	-	1,577,896	1,934,270
55	-	-	-	-	-	-	-	55	879
107,734	-	-	-	11,611	-	1,216,733	-	1,647,413	3,238,703
-	-	-	-	-	-	-	-	65,000	30,000
-	-	-	-	7,328,753	-	-	-	7,750,775	250,000
-	-	-	-	-	-	-	-	414,500	425,125
-	-	-	-	-	4,600	-	-	4,600	-
-	-	60	-	165,709	-	-	-	165,769	-
-	-	-	-	-	-	-	-	12,675	63,062
<u>365,699</u>	<u>-</u>	<u>177,519</u>	<u>3,261</u>	<u>8,485,897</u>	<u>4,600</u>	<u>1,217,502</u>	<u>-</u>	<u>11,638,683</u>	<u>5,942,039</u>
193,493	184	2,277	-	98,941	-	782,498	300,000	2,577,588	[1,523,353]
10,066	-	-	-	-	-	-	-	252,108	1,787,622
-	-	-	-	-	-	-	-	-	[12,161]
10,066	-	-	-	-	-	-	-	252,108	1,775,461
<u>\$ 203,559</u>	<u>\$ 184</u>	<u>\$ 2,277</u>	<u>\$ -</u>	<u>\$ 98,941</u>	<u>\$ -</u>	<u>\$ 782,498</u>	<u>\$ 300,000</u>	<u>\$ 2,829,696</u>	<u>\$ 252,108</u>

CITY OF OTTAWA, KANSAS

Storm Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Stormwater service charges	\$ 445,556	\$ 490,000	\$ [44,444]
Miscellaneous	-	50	[50]
Interest	-	15	[15]
Total Cash Receipts	<u>445,556</u>	<u>\$ 490,065</u>	<u>\$ [44,509]</u>
Expenditures			
Personnel services	-	\$ 64,448	\$ 64,448
Contractual services	49,978	59,192	9,214
Commodities	-	6,700	6,700
Capital outlay	420	415,725	415,305
Miscellaneous	-	31,000	31,000
Operating transfers	28,953	-	[28,953]
Total Expenditures	<u>79,351</u>	<u>\$ 577,065</u>	<u>\$ 497,714</u>
Receipts Over [Under] Expenditures	366,205		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 366,205</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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Water sales	\$ 2,444,282	\$ 2,451,496	\$ 2,588,660	\$ [137,164]
Lease and rentals	17,182	15,972	16,000	[28]
Miscellaneous and reimbursements	1,811	6,646	30,000	[23,354]
Interest	500	743	300	443
Other	6,717	7,400	91,195	[83,795]
Total Cash Receipts	<u>2,470,492</u>	<u>2,482,257</u>	<u>\$ 2,726,155</u>	<u>\$ [243,898]</u>
Expenditures				
Water Production				
Personal services	526,947	549,850	\$ 593,960	\$ 44,110
Contractual services	77,037	77,402	117,935	40,533
Commodities	151,410	126,925	205,390	78,465
Capital outlay	174,583	233,962	347,728	113,766
Water Distribution				
Personal services	363,337	311,943	453,588	141,645
Contractual services	97,686	172,925	128,010	[44,915]
Commodities	130,665	115,827	128,825	12,998
Capital improvement	147,604	169,781	194,000	24,219
Non-operating				
Contractual services	1,255	5,978	-	[5,978]
Commodities	3,890	-	-	-
Debt service	81,611	49,409	112,800	63,391
Reserves	16,297	45,165	-	[45,165]
Miscellaneous	-	-	312,380	312,380
Operating transfers	688,400	671,440	818,099	146,659
Total Expenditures	<u>2,460,722</u>	<u>2,530,607</u>	<u>\$ 3,412,715</u>	<u>\$ 882,108</u>
Receipts Over [Under] Expenditures	9,770	[48,350]		
Unencumbered Cash, Beginning	<u>849,125</u>	<u>858,895</u>		
Unencumbered Cash, Ending	<u>\$ 858,895</u>	<u>\$ 810,545</u>		

See independent auditor's report on the financial statements.

CITY OF OTTAWA, KANSAS

Wastewater Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 2,378,061	\$ 2,452,051	\$ 2,518,825	\$ [66,774]
Interest	532	997	500	497
Refunds and reimbursements	923	2,113	1,500	613
Miscellaneous	-	-	3,000	[3,000]
Total Receipts	<u>2,379,516</u>	<u>2,455,161</u>	<u>\$ 2,523,825</u>	<u>\$ [68,664]</u>
Expenditures				
Wastewater Treatment				
Personal services	362,649	401,602	\$ 436,119	\$ 34,517
Contractual services	332,443	363,688	390,900	27,212
Commodities	55,681	58,211	53,250	[4,961]
Capital outlay	-	5,388	5,614	226
Wastewater Collection				
Personal services	191,981	196,502	221,294	24,792
Contractual services	36,505	13,422	27,300	13,878
Commodities	102,060	106,700	128,000	21,300
Capital outlay	109	843	308,300	307,457
Capital improvements	311,907	254,642	-	[254,642]
Non-operating				
Contractual services	739	7,236	-	[7,236]
Reserves	26,375	68,876	-	[68,876]
Contingency	-	-	801,174	801,174
Operating transfers	<u>1,046,361</u>	<u>964,359</u>	<u>1,071,004</u>	<u>106,645</u>
Total Expenditures	<u>2,466,810</u>	<u>2,441,469</u>	<u>\$ 3,442,955</u>	<u>\$ 1,001,486</u>
Receipts Over [Under] Expenditures	[87,294]	13,692		
Unencumbered Cash, Beginning	<u>853,838</u>	<u>766,544</u>		
Unencumbered Cash, Ending	<u>\$ 766,544</u>	<u>\$ 780,236</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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Electric sales	\$ 14,556,533	\$ 14,893,028	\$ 16,426,866	\$ [1,533,838]
Fines and fees	195,346	162,979	315,000	[152,021]
Reimbursed expenses	71,721	79,767	75,000	4,767
Loan repayment	84,759	168,808	-	168,808
Interest	2,239	3,890	1,500	2,390
Sale of property	-	2,000	-	2,000
Other	13,626	41,017	279,692	[238,675]
Operating transfers	<u>60,812</u>	<u>-</u>	<u>10,000</u>	<u>[10,000]</u>
Total Receipts	<u>14,985,036</u>	<u>15,351,489</u>	<u>\$ 17,108,058</u>	<u>\$ [1,756,569]</u>
Expenditures				
Electric Production				
Personal services	881,992	827,631	\$ 1,030,644	\$ 203,013
Contractual services	475,668	357,000	786,000	429,000
Commodities	8,990,273	9,261,949	11,199,000	1,937,051
Capital outlay	179,691	186,630	323,500	136,870
Electric Distribution				
Personal services	762,399	746,352	835,037	88,685
Contractual services	77,304	63,901	74,120	10,219
Commodities	158,470	158,118	82,600	[75,518]
Capital outlay	83,797	113,607	472,000	358,393
Utility Warehouse				
Personal services	163,253	162,972	188,484	25,512
Contractual services	35,222	31,348	46,950	15,602
Commodities	5,319	5,562	9,280	3,718
Capital outlay	2,784	13,771	16,000	2,229
Utility Billing				
Personal services	560,601	576,094	612,379	36,285
Contractual services	223,484	262,373	280,400	18,027
Commodities	19,761	15,100	36,400	21,300
Capital outlay	41,711	26,083	43,763	17,680
Non-operating				
Contractual services	372,873	151,929	93,850	[58,079]
Commodities	-	-	400	400
Capital outlay	74,209	226,798	1,427,094	1,200,296
Broadband				
Contractual services	-	130,126	-	[130,126]
Capital outlay	-	10,786	-	[10,786]
Operating transfers	1,782,168	2,035,105	2,335,386	300,281
Miscellaneous	-	-	2,000,000	2,000,000
Total Expenditures	<u>14,890,979</u>	<u>15,363,235</u>	<u>\$ 21,893,287</u>	<u>\$ 6,530,052</u>
Receipts Over [Under] Expenditures	<u>94,057</u>	<u>[11,746]</u>		
Unencumbered Cash, Beginning	3,651,393	3,721,284		
Prior period adjustment - prior year accounts payable	<u>[24,166]</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>3,627,227</u>	<u>3,721,284</u>		
Unencumbered Cash, Ending	<u>\$ 3,721,284</u>	<u>\$ 3,709,538</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, 2014 and 2013

	<u>2013</u>	<u>2014</u>
Receipts		
Other income	\$ 22,798	\$ 4,421
Total Receipts	<u>22,798</u>	<u>4,421</u>
Expenditures		
Refunds	<u>2,232</u>	<u>767</u>
Total Expenditures	<u>2,232</u>	<u>767</u>
Receipts Over [Under] Expenditures	20,566	3,654
Unencumbered Cash, Beginning	<u>112,227</u>	<u>132,793</u>
Unencumbered Cash, Ending	<u>\$ 132,793</u>	<u>\$ 136,447</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, 2014 and 2013

	<u>2013</u>	<u>2014</u>
Cash Receipts		
Interest	\$ 2,366	\$ 1,752
Charges for services	<u>1,795,417</u>	<u>902,171</u>
Total Cash Receipts	<u>1,797,783</u>	<u>903,923</u>
Expenditures		
Cost of sales and services	<u>1,726,452</u>	<u>1,574,468</u>
Total Expenditures	<u>1,726,452</u>	<u>1,574,468</u>
Receipts Over [Under] Expenditures	71,331	[670,545]
Unencumbered Cash, Beginning	<u>1,892,368</u>	<u>1,963,699</u>
Unencumbered Cash, Ending	<u>\$ 1,963,699</u>	<u>\$ 1,293,154</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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Revolving Line of Credit	Fire Proceeds	Municipal Court Fines	Municipal Court Bonds
Receipts				
Payments on loan	\$ 18,874	\$ -	\$ -	\$ -
Fines and court fees	-	-	375,513	46,584
Withholdings from payroll	-	54,000	-	-
Interest	-	22	29	-
Total Receipts	<u>18,874</u>	<u>54,022</u>	<u>375,542</u>	<u>46,584</u>
Expenditures				
Payments to State	-	-	29,959	-
Payments to City	37,894	-	332,437	-
Restitution	-	-	8,404	-
Bond refunds	-	-	6,780	47,216
Cost of service	-	40,000	-	-
Total Expenditures	<u>37,894</u>	<u>40,000</u>	<u>377,580</u>	<u>47,216</u>
Receipts Over [Under] Expenditures	[19,020]	14,022	[2,038]	[632]
Unencumbered Cash, Beginning	<u>19,020</u>	-	<u>12,886</u>	<u>13,180</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 14,022</u>	<u>\$ 10,848</u>	<u>\$ 12,548</u>

* - These funds are not required to be budgeted.

Municipal Court Credit Card	Cafeteria Plan	Health Savings Account	Payroll	For the Year Ended December 31,	
				2014	2013
\$ -	\$ -	\$ -	\$ -	\$ 18,874	\$ 18,874
105,832	-	-	-	527,929	534,997
-	42,885	258,424	356	355,665	230,336
<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>	<u>34</u>
<u>105,838</u>	<u>42,885</u>	<u>258,424</u>	<u>356</u>	<u>902,525</u>	<u>784,241</u>
-	-	-	-	29,959	30,642
103,917	-	-	6,596	480,844	461,493
-	-	-	-	8,404	11,470
-	-	-	-	53,996	34,105
<u>-</u>	<u>46,555</u>	<u>257,807</u>	<u>-</u>	<u>344,362</u>	<u>277,868</u>
<u>103,917</u>	<u>46,555</u>	<u>257,807</u>	<u>6,596</u>	<u>917,565</u>	<u>815,578</u>
1,921	[3,670]	617	[6,240]	[15,040]	[31,337]
<u>737</u>	<u>33,562</u>	<u>-</u>	<u>6,240</u>	<u>85,625</u>	<u>116,962</u>
<u>\$ 2,658</u>	<u>\$ 29,892</u>	<u>\$ 617</u>	<u>\$ -</u>	<u>\$ 70,585</u>	<u>\$ 85,625</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, 2014 and 2013

	<u>2013</u>	<u>2014</u>
Receipts		
Appropriation from the City	\$ 762,266	\$ 781,851
Interest	9,464	6,499
State aid	5,077	4,513
Grants	26,220	27,005
Contribution	16,496	36,162
Miscellaneous	29,955	33,547
Gain on investments	-	9,415
Operating transfers	10,543	47,185
Total Receipts	<u>860,021</u>	<u>946,177</u>
Expenditures and Transfers		
Salaries and benefits	577,635	624,816
Materials, program, and services	111,677	111,761
Operating	113,649	138,083
Capital improvements	250	1,210
Miscellaneous	8,179	9,091
Loss on investments	261	-
Operating transfers	10,543	47,185
Total Expenditures and Transfers	<u>822,194</u>	<u>932,146</u>
Receipts Over [Under] Expenditures	37,827	14,031
Unencumbered Cash, Beginning	<u>238,703</u>	<u>276,530</u>
Unencumbered Cash, Ending	<u>\$ 276,530</u>	<u>\$ 290,561</u>

* - This fund is not required to be budgeted.