

City Of Ottawa
LaSalle County, Illinois

Annual Financial Report

Year Ended April 30, 2016

ANNUAL FINANCIAL REPORT
City Of Ottawa, Illinois
Year Ended April 30, 2016

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CITY OF OTTAWA, ILLINOIS

CITY COUNCIL

Robert M. Eschbach, *Mayor*

COMMISSIONERS

Daniel F. Aussem
Public Property

Wayne A. Eichelkraut, Jr.
Accounts & Finance

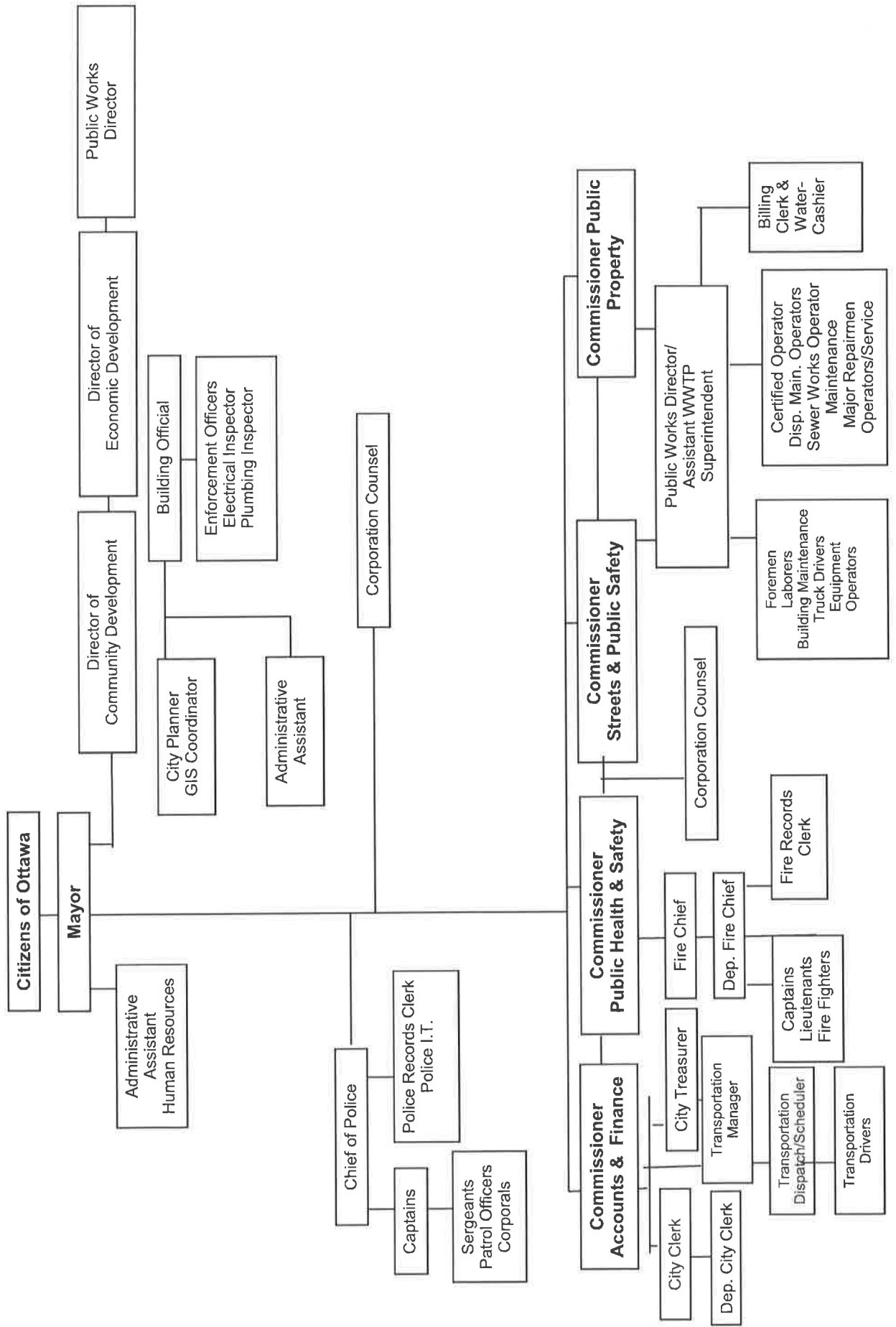
James J. Less
Public Improvements

Thomas G. Ganiere
Public Health & Safety

CITY CLERK
Shelly Munks

CITY OF OTTAWA

Organizational Chart - April 30, 2016



ROENFELDT & LOCKAS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD L. ROENFELDT, C.P.A.
DUANE K. LOCKAS, C.P.A.

610 CLINTON STREET
OTTAWA, ILLINOIS 61350

TEL. (815) 433-0464
FAX (815) 433-6464

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
and City Council
City of Ottawa, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ottawa, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighters' Pension Fund, which represents 39 percent of the assets of the fiduciary fund types. Those financial statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund, is based solely on the report of the other auditor. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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.

The Honorable Mayor
and City Council

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 statements.

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

Basis for Qualified Opinion

The City has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

The City does not record compensated absences in the general fund or the waterworks and sewerage funds. It was not practicable for us to extend our auditing procedures sufficiently to satisfy ourselves as to the amounts which should be reported, and the effect of such on the financial statements is not known.

The City does not record and disclose the actuarial information as required by accounting principles generally accepted in the United States of America for the Police and Firefighters' Pension Funds. The actuarial information that the City discloses is provided by the State of Illinois Department of Insurance and does not comply, in all respects, with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, based upon our audit and the report of the other auditor, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ottawa, Illinois, as of April 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund other than the General Fund and the Waterworks and Sewerage Fund, and the aggregate remaining fund information of the City of Ottawa, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the

The Honorable Mayor
and City Council

year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Pension Plan Funding Progress, and budgetary comparison information on pages 10-22 and 70-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ottawa, Illinois' basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2016, on our consideration of the City of Ottawa, Illinois' internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government*

The Honorable Mayor
and City Council

Auditing Standards in considering the City of Ottawa, Illinois' internal control over financial reporting and compliance.

Rosenfeldt & Koska, P.C.

Ottawa, Illinois
December 30, 2016

ROENFELDT & LOCKAS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD L. ROENFELDT, C.P.A.

DUANE K. LOCKAS, C.P.A.

610 CLINTON STREET

OTTAWA, ILLINOIS 61350

TEL. (815) 433-0464

FAX (815) 433-6464

**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***

The Honorable Mayor
and City Council
City of Ottawa, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ottawa, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Ottawa, Illinois' basic financial statements and have issued our report thereon dated December 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Ottawa, Illinois' internal control over financial reporting (internal control) to determine the 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 of Ottawa, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ottawa, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a

The Honorable Mayor
and City Council

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

As is common in small operations, the City has chosen not to employ personnel with the qualifications and training needed to prepare its financial statements, complete with notes, in accordance with accounting principles generally accepted in the United States of America. Accordingly, the City is unable to, and has not established internal controls over the financial reporting process.

Recently issued Statement on Auditing Standards (SAS) require that we report this deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive.

We agree with the objective of SAS, to inform an organization of all the conditions in its internal control that interfere with its ability to record financial data reliably and issue financial statements free of material misstatement. Communication of the control deficiencies above helps to emphasize that the responsibility for financial reporting rests entirely with the organization and not the auditor. In other words, if an organization is not able to issue, without the auditors' involvement, complete financial statements with notes, in accordance with generally accepted accounting principles, and free of material misstatement, that inability is a symptom of material deficiencies in internal control.

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS. Accordingly, you may decide that curing the deficiencies described above would not be cost effective and take no action.

The City of Ottawa, Illinois agrees with the above and will consider training current personnel, if cost effective.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether City of Ottawa, Illinois' 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 determination of financial statement amounts. 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

The Honorable Mayor
and City Council

instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Ottawa, Illinois' Response to Findings

City of Ottawa, Illinois' response to the findings identified in our audit is described previously. City of Ottawa, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Ottawa, Illinois
December 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

The following discussion and analysis is intended as a review of significant factors affecting the financial condition and results of financial activities of the City of Ottawa for the fiscal year ending April 30, 2016. The discussion should be read in conjunction with the City's financial statements which are presented herein, and begin on page 23.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 23-26) provide information about the activities of the City as a whole and present an overall view of the City's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short-term as well as what funds remain for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 10. These statements are intended to clearly represent the current status of the City's finances and the change in assets from the prior fiscal year ended April 30, 2015 to the current fiscal year ended April 30, 2016. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. One can consider the City's net position – the difference between assets and liabilities – as one way to measure the City's financial health. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. However, one should also consider both financial and non-financial factors such as changes in the City's equalized assessed valuation (EAV) and the condition of the City's infrastructure to assess the overall health of the City. The City's general management practices particularly relating the budgetary process, management of its debt burden and consequent impact to future budgets, ability to manage through various economic cycles, its pension funding ratios and postemployment benefit

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

liabilities, ability to attract new business, and diversification of employment sectors are all factors one might reasonably consider when assessing the City's financial health, some of which are in the City's direct control, and some which are not.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities.

- Governmental activities – Most of the City's basic services are reported here, including the police, fire and ambulance, general administration, streets and parks. Real estate and other taxes, franchise fees, fines and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and wastewater treatment systems are reported here. In prior audits, wastewater treatment was referred to as sewer, or the sewerage treatment function.

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 13. The fund financial statements begin on page 27 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

- **Proprietary funds** – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's waterworks and sewerage fund is included in the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

The City as Trustee - Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for its employees' pension plans. It is also responsible for other assets that because of a trust arrangement can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 36 and 37. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

	<i>Net Position (\$000s)</i>					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$23,851	\$21,739	\$2,612	\$2,507	\$26,463	\$24,245
Capital assets, net	47,007	47,259	29,989	30,346	76,996	77,605
Total assets	\$70,858	\$68,998	\$32,601	\$32,853	\$103,459	\$101,850
Long-term liabilities	\$4,483	\$3,918	\$ 9,955	\$11,303	\$14,438	\$15,221
Other liabilities	3,041	2,867	909	1,083	3,950	3,950
Total liabilities	\$7,524	\$6,785	\$10,864	\$12,386	\$18,388	\$19,171
Net position:						
Invested in capital assets						
net of related debt	\$41,740	\$42,568	\$18,686	\$17,706	\$60,426	\$60,275
Restricted	78	78	0	0	78	78
Unrestricted	21,516	19,567	3,051	2,761	24,567	22,327
Total net position	\$63,334	\$62,213	\$21,737	\$20,467	\$85,071	\$82,680

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

Beginning net position	\$62,213	\$58,905	\$20,467	\$19,975	\$82,680	\$78,880
Increase in net position	1,121	3,308	1,270	492	2,391	3,800
Ending net position	<u>\$63,334</u>	<u>\$62,213</u>	<u>\$21,737</u>	<u>\$20,467</u>	<u>\$85,071</u>	<u>\$82,680</u>

The City's net assets increased by \$2.4 million for the fiscal year ended April 30, 2016 compared to April 30, 2015, with ending assets of \$85.1 million and \$82.7 million, respectively. Total liabilities decreased by \$ 0.8 million as of April 30, 2016 when compared to April 30, 2015, with total assets increasing by \$1.6 million over the same period.

The following tables reflect the costs of the City's largest programs. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	(\$000s)			
	Total Cost of Services		Net (Cost) of Services	
	2016	2015	2016	2015
General Government	\$6,022	\$5,414	(\$4,007)	(\$3,357)
Public Safety	7,498	7,320	(5,780)	(5,683)
Transportation	3,756	4,285	(2,727)	(3,271)
Cultural, Parks & Recreation	2,057	2,058	(1,948)	(1,928)
Community Development	5,321	5,777	(4,652)	(1,988)
Interest On Long-Term Debt	215	236	(152)	(174)
Capital Outlay	-	-	-	-
Totals	<u>\$24,869</u>	<u>\$25,090</u>	<u>(\$19,266)</u>	<u>(\$16,401)</u>

Operationally, the *total* cost of all governmental activities for the fiscal year ended 2016 declined by approximately 0.9%, however the *net* cost of service increased by 17.5%. In fiscal year ended 2015, total cost increased by 7.8% over the prior year, and net cost declined by 4.6%. These variances are predominately the result of grant awards and receipts, primarily for community development. In fiscal year 2016, the City was awarded \$0.4 million in community development grants, as contrasted to fiscal year 2015 in which it was awarded \$3.6 million in various community development grants. The community development grants received in 2016 were \$180 thousand for the Ottawa Industrial Park received from the Economic Development Administration, \$102 thousand for purchasing flood vulnerable properties from Community Development Assistance Program (CDAP), and \$58 thousand from the U.S. Environmental

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

Protection Agency (EPA) for the Brownfield's program. The major components of the 2015 community development grants were \$1.6 million Economic Development Administration grant for the Ottawa Industrial Park, a State of Illinois site preparation grant of \$1.0 million, \$194 thousand CDAP grant for the Ottawa flats flood buyout program, and \$176 thousand from the U.S. EPA Brownfield's grant.

The total cost of transportation for the City of Ottawa declined by 12.3% in 2016 contrasted to 2015, and the net cost of transportation declined in fiscal year 2016 as contrasted to fiscal year 2015 by 16.6%. In 2016 expenditures for streets were \$2.8 million with no offsetting grant receipts, as contrasted to 2015 when expenditures were \$3.2 million, partially offset by \$163 thousand in grant receipts. Also as a component of transportation, the NCAT, Mini Bus, and Taxicab program operated at a \$94 thousand profit in fiscal year 2016, receiving \$878 thousand in grants, as contrasted to a \$187 thousand deficit in 2015, with \$806 thousand in grants.

Public Safety is the largest expense category within governmental activities. Total costs increased by 2.4% contrasting fiscal year 2016 to fiscal year 2015, with general wage increases representing a significant portion of increase. Charges for services, however, increased as well primarily due to additional non-emergency transfer volume, with overall receipts in the fire department increasing by 6.5%.

General government expenses increased by \$608 thousand, 11.2%, comparing fiscal year ended April 30, 2016 to April 30, 2015, while charges for general government services decreased modestly with a \$44 thousand reduction. Of the overall increase in government expenses, \$241 thousand was attributable to an increased cost of health insurance and claims. Overall, normal salary and wages paid increased by \$126 thousand which represents a 1.8% increase, however, total wages paid in general government increased by \$166 thousand, or 2.3%, due to a \$40 thousand increase in overtime pay.

The health plan direct and variable expenses, net of employee contributions and stop loss reimbursements, was \$2.6 million for the period ending April 30, 2016, as contrasted to \$2.3 million for the period ending April 30, 2015, and \$1.8 million for the period ending April 30, 2014. The 2016 expense represents a 14.2% increase in net expense compared to 2015. The City's self-insured health plan utilizes a third-party for administrative services, and direct re-insurance placement to protect against unusually high individual or aggregate claims. Therefore, the City incurs fixed costs which include stop-loss premiums and administrative fees, as well as variable costs, the claims expense, which is the most significant element of the overall expense. The self-insured program is intended to allow the City to reduce its expenses in years in which claims are less than expected or customary. The City has the cash flow capacity to effectively

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

manage the fluctuations in claim expense from year to year, and the re-insurance protection from excessive outflows in any particular plan year, thereby retaining the financial benefit when claim expenses are favorable. The City has also attempted to control this expense and align the interests of the City and its employees through direct employee contributions, which for the respective periods noted above was 20% of conventionally equivalent medical rate, or premium equivalent for employee coverage as well as employee plus dependant coverage.

The City has continually funded its various pension fund obligations at the levels recommended by actuarial analysis. The sources of funding for each are City contributions, direct participant contributions, and investment performance. The plan year valuations for the Police and Firefighters' pension are as of April 30 of each year, and for the Illinois Municipal Retirement Fund (IMRF), December 31 of each year. The funding ratio of Police and Firefighters pension funds are as follows: the Police Pension Fund as of April 30, 2015 was funded at 69.5% compared to 70.9% as of April 30, 2014, and 73.8% as of April 30, 2013; and the Firefighter's Pension Fund had a funding level of 48.0% as of April 30, 2015, 51.0% at April 30, 2014, and 51.5% April 30, 2013. Effective in fiscal year 2016 the Governmental Accounting Standards Board (GASB) promulgated a new reporting format for the IMRF fund to be compliant with generally accepted accounting principles (GAAP). The required disclosure now provides for a range of liabilities calculated using a single rate as well as a rate both 1% greater and 1% lower than the single standard rate. The resulting range of funding levels projected by this methodology is 74.9% to 97.0% funded as of December 31, 2015. Under the prior method the IMRF funding levels were: 74.4% as of December 31, 2014 and 79.6% as of December 31, 2013; The City's employees have contributed at the required amounts to each of the applicable pension funds. The dollar amount of the City's contributions to the three plans was \$573 thousand to the IMRF for the calendar year ending December 31, 2015, \$691 thousand to the Police Pension for fiscal year ending April 30, 2016, and \$970 thousand to the Firefighters' Pension during the fiscal year ending April 30, 2016.

General revenues to support governmental activities, which includes taxes, intergovernmental transfers (excluding City inter-fund transfers), and investment income, increased by 3.3% for the fiscal period ending April 30, 2016 when compared to the fiscal period ending April 30, 2015, \$20.5 million and \$19.8 million respectively.

Property taxes and sales and use taxes are the largest sources of general revenue for the City, in combination accounting for 75.4% of total general revenues from governmental activities (exclusive of City inter-fund transfers) for the fiscal year ended April 30, 2016, and 74.2% for the period ended April 30, 2015. Overall, property tax revenues increased by \$567 thousand or 6.4% in fiscal year ending April 30, 2016 compared to an increase of \$308 thousand, or 3.6%, in

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

2015, which is contrasted to a \$360 thousand, 4.0% decline in 2014 from 2013. The City's equalized assessed valuation (EAV) of the property subject to the City's annual tax levy, which is more fully discussed hereafter, increased for the second straight year after previous declines. The overall ratio of property tax revenue to total revenue (exclusive of City inter-fund transfers), increased to 46.3% for the period ended April 30, 2016, from 44.9% for the period ended April 30, 2015. Sales and use taxes increased as well, though more modestly, by \$69 thousand, or 1.2%. Sales and use taxes represented 29.1% of general revenues for governmental activities (exclusive of City inter-fund transfers), and 29.8% for the fiscal year ended April 30, 2015. Property tax receipts include general corporate revenues, as well as revenues allocable to various Tax Increment Financing District (TIF) funds, and other governmental funds. Property taxes are attributable to both new development as well as existing properties. The property tax extension directly attributable to the local property tax extension and levy increased by 4.9% for levy year 2015. The levy rate for 2015 applied to each \$100 of assessed valuation, however, increased 3.5%, or 6.6 cents. The disparity between the rate of extension increase and rate of levy rate increase is the result of an increased equalized assessed valuation (EAV) base. In prior year over year comparison, the amount extended increased 3.0% in 2014, and levy rate increased by 5.0 cents; in 2013, 0.4% and 6.7 cents respectively; and in 2012 0.4% and 6.7 cents. The EAV, which is the basis upon which property taxes are levied, increased modestly in levy year 2014, for taxes to be paid in fiscal year ending April 30, 2015. The total increase in the 2015 EAV was \$3.6 million. This represents the second consecutive increase after a modest \$25 thousand increase in 2014, following four prior years of declining EAV.

Newly developed and incorporated properties helped to mitigate the consequences to the changes to the values of existing properties, and lessen the tax burden on existing property owners. The various amounts levied for the employee pensions including Social Security have progressively consumed an increasing share of the property tax levy, although declined modestly for taxes received in 2016, representing 47.3% of the total amount levied, despite increasing in dollars by \$18 thousand. Historically the tax levies for IMRF, Police, Firefighter, and Social Security collectively represented: 49.3% in levy year 2014 for use in the fiscal year ended April 30, 2015, 47.9% in 2013, 47.5% in 2012, and 46.9% in 2011. In fiscal year 2016 the levy for non-pension funds in aggregate increased by \$226 thousand, to a total of \$2.8 million. The prior year non-pension aggregates were: \$2.5 million (2015); \$2.5 million (2014), \$2.6 million (2013), \$2.7 million (2012), and \$2.7 million (2011). The City responsibly fulfills its obligations pursuant to actuarial assessments of the amounts necessary to appropriately fund its pensions, affording to the covered employees the benefits to which they are entitled, while prudently managing other expenses and levy requests to properly control the impact to local taxpayers.

Sales and use taxes, which are a general indication of the overall vitality of retail operations

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

within the taxing limits of the City increased by \$69 thousand for fiscal year 2016, with prior increases of \$199 thousand in 2015, and \$277 thousand in 2014. This represents a 1.2% for 2016, a 3.5% increase in fiscal year ending April 30, 2015, and a 5.1% increase for the fiscal year ended April 30, 2014.

Business-Type Activities (Primarily Water and Wastewater Treatment)

	(\$000s)			
	Total Cost of Services		Net (Cost) of Services	
	2016	2015	2016	2015
Water and Wastewater Treatment	\$5,768	\$6,042	\$1,224	\$488
Swimming Pool	138	154	(93)	(116)
Canal Rental and Purchase	0	0	0	0
Events	276	373	46	(4)
Totals	<u>\$6,182</u>	<u>\$6,569</u>	<u>\$1,177</u>	<u>\$368</u>

Program revenues from business-type activities were very similar to the prior year, increasing by \$6 thousand, with total revenues of \$6.8 million, in fiscal year ended April 30, 2016. Revenues increased by \$158 thousand to a total of \$6.8 million in the prior year ended April 30, 2015.

For fiscal year ended April 30, 2016, the business-type activities overall operated at a profit of \$1.2 million, compared to year ending April 30, 2015 in which these activities operated at a profit of \$368 thousand – however, in 2016 the City received \$524 thousand in grants and other for water and sewer, and a \$107 thousand grant in 2015. The City's municipal swimming pool operated at a deficit of \$93 thousand in 2016, following a deficit in fiscal year ending April 30, 2015 of \$116 thousand. The City's Events Fund generated a gain of \$47 thousand in fiscal year 2016 after a modest loss of \$4 thousand for year ending April 30, 2015. The overall net assets attributable to business-type activities increased by \$1.3 million to a total of \$21.7 million due primarily to the profit noted above. At fiscal year-end 2015 total business-type assets were \$20.5 million, representing a \$492 increase from the prior year.

THE CITY'S FUNDS

The following schedule presents a summary of general, special revenue, capital project, debt service, and permanent fund revenues and expenditures for the fiscal year ending April 30, 2016 as compared with the fiscal year ending April 30, 2015.

(\$000s)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

Revenues:	2016		2015	
	Amount	% of Total	Amount	% of Total
Taxes	\$19,628	75.99%	\$18,914	67.02%
Intergovernmental	1,649	6.38%	4,960	17.58%
Charges for Services	649	2.51%	581	2.06%
Fines & Forfeitures	433	1.68%	354	1.25%
Licenses & Permits	908	3.51%	927	3.28%
Investment Income	5	0.02%	5	0.02%
Miscellaneous	2,559	9.91%	2,478	8.78%
Total Revenues	<u>\$25,831</u>	<u>100.00%</u>	<u>\$28,221</u>	<u>100.00%</u>

(\$000s)

Expenditures:	2016		2015	
	Amount	% of Total	Amount	% of Total
General Government	\$5,945	23.37%	\$5,326	18.06%
Public Safety	6,934	27.25%	6,721	22.80%
Transportation	3,437	13.51%	3,969	13.46%
Cultural, Parks & Recreation	1,749	6.88%	1,727	5.86%
Community/Economic Develop.	4,766	18.73%	5,237	17.76%
Debt Service	1,003	3.94%	1,040	3.53%
Capital Outlay	1,608	6.32%	5,464	18.53%
Total Expenditures	<u>\$25,442</u>	<u>100.00%</u>	<u>\$29,484</u>	<u>100.00%</u>

Revenues from taxes increased by \$714 thousand for the period ending April 30, 2016 and represented 76.0% of total revenues for governmental funds. In 2015 there was a \$159 thousand increase in revenues from taxes, which represented 67.0% of total governmental funds revenues. In fiscal year ended April 30, 2014, taxes represented 73.7% of total revenues. Revenues exclusive of taxes and intergovernmental receipts were approximately \$4.6 million for the period ended April 30, 2016, \$4.3 million for the period ended April 30, 2015, and \$4.3 million for the period ended April 30, 2014. Revenue from intergovernmental sources declined to \$1.6 million for the period ended April 30, 2016, compared to \$5.0 million for the year earlier period. Licenses and permits declined slightly to \$908 for the period ended April 30, 2016 compared to \$927 thousand for the period ended April 30, 2015. Fines and forfeitures increased to \$433

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

thousand for the year ended April 30, 2016 from \$354 thousand for the year ended April 30, 2015.

Expenditures for governmental funds in total decreased to \$25.4 million for the fiscal year ending April 30, 2016 from the \$29.5 million in the period ended April 30, 2015. The most significant change in expenditures comparing the fiscal year ended April 30, 2016 to the fiscal year ended April 30, 2015 was a decrease of \$3.9 million in capital outlay. Total governmental fund balances, in aggregate, increased \$1.7 million for the fiscal year ending April 30, 2016 after declining by \$1.1 million for the fiscal year ended April 30, 2015. The General Fund declined by \$110 thousand, with all other funds increasing by \$1.8 million in the aggregate. This increase includes \$1.4 million of bond proceeds from a general obligation issuance in February, 2016. The General Fund balance at the end of year, April 30, 2016 was \$2.4 million, compared to an ending balance as of April 30, 2015 of \$2.6 million, and an ending balance as of April 30, 2014 of \$2.9 million. The General Fund is the City's main operating account. This General Fund ending balance represents approximately 59 days of average General Fund expenditures for the fiscal year ended April 30, 2016, which is identical to the 59 days of average expenditures as of April 30, 2015. Prior years were 79 days as of April 30, 2014, 55 days as of April 30, 2013, and 42 days as of April 30, 2012.

General Fund Budgetary Highlights

The City Council passed a budget based upon expectations of revenues and expenses. In July, 2015 the budget was amended to increase the expenditures in Enterprise Zone Land and Options by \$50 thousand. In all other respects the City was able to adhere to the budget without amendment. Current year resources available for appropriation to the General Fund were \$649 thousand less than was budgeted; with actual revenues collected of 95.8% of the amount budgeted. The most significant differences were receipts of \$660 thousand less in grants than was budgeted – with a consequent similar reduction in expenditures. Taxes received were 100.4% of the amount budgeted. The most significant divergence from expectations was the receipt of \$282 thousand less in utility taxes, and \$215 thousand less in personal property replacement taxes than were budgeted, primarily offset by the receipt of \$492 thousand more in State income taxes than was budgeted.

Overall expenditures were \$384 thousand less than budgeted. Primary areas in which expenditures exceeded the amounts that were budgeted was an additional \$176 thousand in contractual repairs for the police and fire stations and \$127 thousand more in legal fees expended. Mitigating these deviations were expenses less than budgeted in professional and

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

contractual services in community development of \$472 thousand, \$145 thousand less in Fire Department expenditures, and \$39 thousand less in health insurance expenses than was budgeted.

A total of \$100 thousand was transferred from the General Fund to other City funds, and \$369 thousand from other funds was transferred into the General Fund. The fund balance in the General Fund decreased as of April 30, 2016 to \$2.4 million to cover deficiencies in revenues as contrasted to expenses after increasing to \$2.6 million as of April 30, 2015 from \$2.9 million as of April 30, 2014. The General Fund is the main operational fund utilized to conduct the City's business. Additionally, the General Fund is the most significant accounting mechanism to record the City's activities, including all activity other than that which is required or appropriate to be recorded in other, specially identified, funds. To the extent that expenditures exceed revenues, it is necessary to utilize the City's reserves. The City's other governmental funds, exclusive of the General Fund, and including the various TIF funds, had balances in the aggregate of \$9.1 million as of April 30, 2016, \$7.3 million as of April 30, 2015, and \$8.0 million as of April 30, 2014. The property taxes collected and allocated to the various Tax Increment Financing Districts (TIFs) are primarily generated from new development that would likely not have occurred but for the creation of the TIF districts and the utilization of this mechanism as an economic development tool.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of April 30, 2016 the City has \$77.0 million, net of depreciation, invested in capital assets which include land, buildings, improvements, machinery, equipment, and general infrastructure, and more specifically including, but not limited to, roads, bridges, water and wastewater treatment facilities, administration, storage, police, and fire station buildings, water and wastewater treatment lines, parks, and streets, police, fire, and emergency medical care vehicles and equipment. As of April 30, 2015, the City had \$77.6 million invested in capital assets, net of depreciation.

This year's major additions included:

- Street and byway resurfacing, construction, repair, and improvements
- General infrastructure improvements
- Water and wastewater treatment upgrades, extensions, and repairs
- Continued combined wastewater and storm water separation progress
- Machinery and equipment upgrades

More detailed information about the City's capital assets is presented in Note 6 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

DEBT

At April 30, 2016, the City has \$16.6 million in bonds and notes outstanding versus \$17.3 million as of April 30, 2015, and \$19.3 million as of April 30, 2014. Principal payments were paid as scheduled. The City serviced its debt as scheduled for fiscal year ended April 30, 2016, but did not refinance any of the debt. In fiscal year ended April 30, 2016 the City did issue \$1.4 million of general obligation bonds providing for periodic serving and retirement of the debt through 2020 at rates of 1.35% to 1.70%. More detailed information about the City's debt is presented in Note 7 to the financial statements.

The City has no bond rating. All bond issues have been purchased and funded by local financial institutions. The City's outstanding general obligation debt is significantly below the state-imposed limit.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2016-2017 budget, tax rates and fees that will be charged for the business-type activities. The City has experienced more recent increases in the assessed valuation of properties subject to taxation after a period of stable valuations. The City Council has endeavored to minimize necessary increases in tax rates while prudently managing the City's human and capital resources, and to fulfill the obligations to maintain an effective, efficiently operating, municipal enterprise providing public safety services through its police, fire, and emergency medical professionals, as well as maintaining, supporting, and improving when possible, its essential infrastructure. Emphasis has been focused on mitigating the fiscal burdens to local taxpayers by securing payment for services for those directly utilizing them, as appropriate, aggressively seeking and acting upon full and matching grant opportunities, and exploring alternative revenue sources in the effort to reduce reliance on local property tax revenue. In some circumstances priorities are affected by grant opportunities that are available from which the City can benefit. Financing rates are reviewed to take advantage of opportunities when present to better leverage the City's resources and limit servicing costs, while contractually ensuring that flexibility remains at the City's option for future opportunities to be realized. The City Council has attempted to responsibly manage the City's affairs, while providing a consistent, professional level of service, recognizing that the City's infrastructure is continually needful of repair and maintenance to ensure that it is effective and of benefit both to current residents and businesses. Further, the City has committed to a proactive effort to encourage economic development and attract business enterprises to the community as evidenced by its development and expansion of the Ottawa Industrial Park, its extensive use of Tax Increment

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2016

Financing Districts (TIFs), and utilization of enterprise zone incentives. These efforts benefit and provide opportunities for existing taxpayers, while providing and developing a vibrant and attractive community for new, prospective, taxpayers.

These indications were taken into account when adopting the General Fund budget for 2017. Amounts available for appropriation in the General Fund budget, including fund reserves, are \$18.2 million for fiscal year ending April 30, 2017, compared to \$18.3 million for fiscal year 2016, and \$18.0 million for fiscal year 2015. General budgeted expenses were similar to fiscal year 2016, with controlled general wage increases relating to longevity and negotiated collective bargaining agreements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact Shelly Munks, City Clerk, at 301 West Madison Street, Ottawa, Illinois 61350, 815-433-0161.

City Of Ottawa, Illinois
Statement Of Net Position
April 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 10,038,378.22	\$ 2,738,998.07	\$ 12,777,376.29
Investments	327,543.43	31,581.80	359,125.23
Accounts Receivable (Net)	-	1,030,876.40	1,030,876.40
Prepaid Expense	-	19,147.08	19,147.08
Property Taxes Receivable	9,602,390.24	-	9,602,390.24
Receivable From Other Governments	42,712.46	-	42,712.46
Notes Receivable	8,394.31	-	8,394.31
Other Taxes And Fees Receivable	2,497,034.07	-	2,497,034.07
Due From Other Funds	1,208,171.80	(1,208,171.80)	-
Total Current Assets	<u>\$ 23,724,624.53</u>	<u>\$ 2,612,431.55</u>	<u>\$ 26,337,056.08</u>
Noncurrent Assets:			
Special Assessments Receivable	\$ 4,804.80	\$ -	\$ 4,804.80
Notes Receivable	43,824.11	-	43,824.11
Restricted Assets:			
Cash	-	-	-
Investments	77,599.98	-	77,599.98
Capital Assets (Net)	47,007,423.42	29,988,776.01	76,996,199.43
Total Noncurrent Assets	<u>\$ 47,133,652.31</u>	<u>\$ 29,988,776.01</u>	<u>\$ 77,122,428.32</u>
Total Assets	<u>\$ 70,858,276.84</u>	<u>\$ 32,601,207.56</u>	<u>\$ 103,459,484.40</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Cash Overdraft	\$ 656,037.13	\$ -	\$ 656,037.13
Accounts Payable	457,750.26	286,701.07	744,451.33
Wages Payable	212,237.03	26,851.84	239,088.87
Accrued Interest Payable	98,463.54	79,966.80	178,430.34
Loans Payable	81,438.32	400,074.47	481,512.79
Debt Certificates Payable	572,924.10	948,075.90	1,521,000.00
Bonds Payable	130,000.00	-	130,000.00
Due To Other Funds	832,317.68	(832,317.68)	-
Total Current Liabilities	<u>\$ 3,041,168.06</u>	<u>\$ 909,352.40</u>	<u>\$ 3,950,520.46</u>
Noncurrent Liabilities:			
Loans Payable	\$ 125,214.83	\$ 5,029,705.46	\$ 5,154,920.29
Debt Certificates Payable	772,805.54	4,925,121.66	5,697,927.20
Bonds Payable	3,585,000.00	-	3,585,000.00
Total Noncurrent Liabilities	<u>\$ 4,483,020.37</u>	<u>\$ 9,954,827.12</u>	<u>\$ 14,437,847.49</u>
Total Liabilities	<u>\$ 7,524,188.43</u>	<u>\$ 10,864,179.52</u>	<u>\$ 18,388,367.95</u>

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Net Position
April 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>NET POSITION</u>			
Invested In Capital Assets, Net Of Related Debt	\$ 43,090,040.63	\$ 18,685,798.52	\$ 61,775,839.15
Restricted For:			
Riverwalk	77,599.98	-	77,599.98
Unrestricted	20,166,447.80	3,051,229.52	23,217,677.32
Total Net Position	<u>\$ 63,334,088.41</u>	<u>\$ 21,737,028.04</u>	<u>\$ 85,071,116.45</u>

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Activities
Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities:					
General Government:					
Mayor	\$ 164,417.23	\$ -	\$ -	\$ -	\$ (164,417.23)
General Government	5,857,129.92	2,002,189.56	12,003.50	-	(3,842,936.86)
Total General Government	\$ 6,021,547.15	\$ 2,002,189.56	\$ 12,003.50	\$ -	\$ (4,007,354.09)
Public Safety:					
Police	\$ 4,051,560.28	\$ 320,604.41	-	\$ -	\$ (3,730,955.87)
Fire	3,007,652.02	1,396,780.90	-	-	(1,610,871.12)
Public Health And Safety	438,808.99	490.00	-	-	(438,318.99)
Total Public Safety	\$ 7,498,021.29	\$ 1,717,875.31	\$ -	\$ -	\$ (5,780,145.98)
Transportation:					
Streets	\$ 2,821,221.05	82.86	\$ -	\$ -	\$ (2,821,138.19)
Mini Bus, Taxicab, NCAT	935,239.36	151,119.51	878,245.41	-	94,125.56
Total Transportation	\$ 3,756,460.41	\$ 151,202.37	\$ 878,245.41	\$ -	\$ (2,727,012.63)
Cultural, Parks And Recreation:					
Parks And Public Buildings	\$ 1,422,206.17	\$ -	\$ -	\$ -	\$ (1,422,206.17)
Tourism	324,012.49	6,090.53	23,667.00	-	(294,254.96)
Recreation	311,495.34	77,833.81	2,500.00	-	(231,161.53)
Total Cultural, Parks And Recreation	\$ 2,057,714.00	\$ 83,924.34	\$ 26,167.00	\$ -	\$ (1,947,622.66)
Community/Economic Development:					
Community Development	\$ 5,320,724.48	\$ 275,568.98	\$ -	\$ 393,776.19	\$ (4,651,379.31)
Interest On Long-Term Debt	\$ 214,716.14	\$ 62,585.80	\$ -	\$ -	\$ (152,130.34)
Total Governmental Activities	\$ 24,869,183.47	\$ 4,293,346.36	\$ 916,415.91	\$ 393,776.19	\$ (19,265,645.01)
Business-Type Activities:					
Water And Sewer	\$ 5,767,876.52	\$ 6,467,551.97	\$ -	\$ 524,151.42	\$ 1,223,826.87
Swimming Pool	137,920.10	44,913.33	-	-	(93,006.77)
Canal Rental And Purchase	-	-	-	-	-
Events	276,603.07	323,186.11	-	-	46,583.04
Total Business-Type Activities	\$ 6,182,399.69	\$ 6,835,651.41	\$ -	\$ 524,151.42	\$ 1,177,403.14
Total	\$ 31,051,583.16	\$ 11,128,997.77	\$ 916,415.91	\$ 917,927.61	\$ (18,088,241.87)

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Activities
Year Ended April 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Net Expense/Revenue</u>	\$ (19,265,645.01)	\$ 1,177,403.14	\$ (18,088,241.87)
General Revenues:			
Taxes:			
Property Taxes	\$ 9,477,430.62	\$ -	\$ 9,477,430.62
Sales And Use Taxes	5,968,985.31	-	5,968,985.31
Utility Taxes	1,154,075.47	-	1,154,075.47
Hotel/Motel Taxes	377,624.69	-	377,624.69
Intergovernmental	3,256,483.08	-	3,256,483.08
Investment Income	4,877.70	1,196.36	6,074.06
Miscellaneous	237,830.73	-	237,830.73
Gain on Sale of Property	991.16	-	991.16
Transfers	(91,700.00)	91,700.00	-
Total General Revenues And Transfers	\$ 20,386,598.76	\$ 92,896.36	\$ 20,479,495.12
Change In Net Position	\$ 1,120,953.75	\$ 1,270,299.50	\$ 2,391,253.25
Net Position - Beginning	62,213,134.66	20,466,728.54	82,679,863.20
Net Position - Ending	\$ 63,334,088.41	\$ 21,737,028.04	\$ 85,071,116.45

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Balance Sheet
Governmental Funds
April 30, 2016

	General Fund	North TIF Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 2,024,597.31	\$ 2,231,307.95	\$ 5,782,472.96	\$ 10,038,378.22
Investments	77,599.98	-	327,543.43	405,143.41
Property Taxes Receivable	1,656,487.05	2,806,503.55	5,139,399.64	9,602,390.24
Receivable From Other Governments	-	-	42,712.46	42,712.46
Notes Receivable	-	-	52,218.42	52,218.42
Special Assessments Receivable	-	-	4,804.80	4,804.80
Other Taxes And Fees Receivable And Other	1,677,845.18	-	357,137.78	2,034,982.96
Due From Other Funds	18,626.00	-	1,258,171.80	1,276,797.80
TOTAL ASSETS	\$ 5,455,155.52	\$ 5,037,811.50	\$12,964,461.29	\$ 23,457,428.31
<u>LIABILITIES</u>				
Cash Overdraft	\$ -	\$ -	\$ 656,037.13	\$ 656,037.13
Accounts Payable	304,949.72	8,808.00	143,992.54	457,750.26
Wages Payable	199,759.85	-	12,477.18	212,237.03
Due To Other Funds	768,978.09	-	131,965.59	900,943.68
Total Liabilities	\$ 1,273,687.66	\$ 8,808.00	\$ 944,472.44	\$ 2,226,968.10
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue	\$ 1,733,046.82	\$ 2,806,503.55	\$ 5,144,204.44	\$ 9,683,754.81
Total Deferred Inflows Of Resources	\$ 1,733,046.82	\$ 2,806,503.55	\$ 5,144,204.44	\$ 9,683,754.81
<u>FUND BALANCES</u>				
Nonspendable:				
Riverwalk Endowment	\$ 77,599.98	\$ -	\$ -	\$ 77,599.98
Noncurrent Receivables - Special Revenue	-	-	41,824.11	41,824.11
Noncurrent Receivables - Capital Projects	-	-	4,804.80	4,804.80
Assigned:				
Special Revenue	-	-	2,597,503.29	2,597,503.29
Debt Service	-	-	196,102.85	196,102.85
Capital Projects	-	2,222,499.95	4,657,126.00	6,879,625.95
Unassigned:	2,370,821.06	-	(621,576.64)	1,749,244.42
Total Fund Balances	\$ 2,448,421.04	\$ 2,222,499.95	\$ 6,875,784.41	\$ 11,546,705.40
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,455,155.52	\$ 5,037,811.50	\$12,964,461.29	

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Balance Sheet
Governmental Funds
April 30, 2016

		Total Governmental <u>Funds</u>
Amounts Reported For Governmental Activities In The Statement Of Net Position Are Different Because:		
Modified Accrual Basis Of Accounting For Revenues		
Due At Year-End Does Not Recognize Revenues		
Received Beyond 60 Days Of Year-End		462,051.11
Capital Assets Used In Governmental Activities		
Are Not Financial Resources And, Therefore,		
Are Not Reported In The Funds, Net Of		
Accumulated Depreciation Of \$20,368,023.00		47,007,423.42
Other Long-Term Assets Are Not Available		
To Pay For Current Period Expenditures		
And, Therefore, Are Deferred In The Funds:		
Property Taxes, Special Assessments, and		
Liquor Licenses Receivable		9,683,754.81
Long-Term Liabilities Are Not Due And Payable		
In The Current Period And, Therefore, Are Not		
Reported In The Funds:		
Interest Payable	\$ (98,463.54)	
Bonds, Debt Certificates, And Note Payable	<u>(5,267,382.79)</u>	
		<u>(5,365,846.33)</u>
Net Position Of Governmental Activities		<u><u>\$ 63,334,088.41</u></u>

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
Year Ended April 30, 2016

	General Fund	North TIF Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 11,386,360.46	\$ 2,703,036.42	\$ 5,538,193.95	\$ 19,627,590.83
Intergovernmental	468,810.42	-	1,180,533.08	1,649,343.50
Charges For Services	186,142.00	-	463,234.94	649,376.94
Fines, Fees, and Expense Reimbursements	138,887.76	-	294,606.65	433,494.41
Licenses And Permits	397,614.43	-	510,110.79	907,725.22
Investment Income	573.19	685.72	3,618.79	4,877.70
Miscellaneous	2,260,781.34	-	297,872.69	2,558,654.03
Total Revenues	\$ 14,839,169.60	\$ 2,703,722.14	\$ 8,288,170.89	\$ 25,831,062.63
EXPENDITURES				
Current:				
General Government				
Mayor	\$ 164,417.23	\$ -	\$ -	\$ 164,417.23
Liquor Commissioner	5,900.18	-	-	5,900.18
Fire And Police Commission	4,212.36	-	-	4,212.36
Civil Service Commission	2,947.35	-	-	2,947.35
General Administration	3,955,988.81	-	1,794,249.34	5,750,238.15
Accounts And Finance Commissioner	17,044.88	-	-	17,044.88
Total General Government	\$ 4,150,510.81	\$ -	\$ 1,794,249.34	\$ 5,944,760.15
Public Safety				
Police	\$ 3,945,588.23	\$ -	\$ -	\$ 3,945,588.23
Fire	2,725,666.05	-	-	2,725,666.05
Public Health And Safety	16,908.07	-	245,792.98	262,701.05
Total Public Safety	\$ 6,688,162.35	\$ -	\$ 245,792.98	\$ 6,933,955.33
Transportation				
Streets	\$ 1,648,112.26	\$ -	\$ 737,896.22	\$ 2,386,008.48
Vehicle Maintenance	104,926.23	-	-	104,926.23
Public Improvements	15,725.34	-	-	15,725.34
Mini Bus And Taxicab	-	-	930,674.36	930,674.36
Total Transportation	\$ 1,768,763.83	\$ -	\$ 1,668,570.58	\$ 3,437,334.41
Cultural, Parks And Recreation				
Public Property	\$ 15,768.34	\$ -	\$ -	\$ 15,768.34
Parks And Public Buildings	1,148,044.31	-	267,973.12	1,416,017.43
Tourism	-	-	317,222.49	317,222.49
Total Cultural, Parks And Recreation	\$ 1,163,812.65	\$ -	\$ 585,195.61	\$ 1,749,008.26
Community/Economic Development				
Community Development	\$ 892,642.92	\$ 2,153,580.74	\$ 1,719,884.77	\$ 4,766,108.43
Economic Development	-	-	-	-
Total Community/Economic Development	\$ 892,642.92	\$ 2,153,580.74	\$ 1,719,884.77	\$ 4,766,108.43
Debt Service				
Principal	\$ 79,833.63	\$ -	\$ 692,924.10	\$ 772,757.73
Interest And Other Charges	4,957.17	-	225,032.56	229,989.73
Total Debt Service	\$ 84,790.80	\$ -	\$ 917,956.66	\$ 1,002,747.46
Capital Outlay				
	\$ 469,425.11	\$ 282,291.74	\$ 856,479.63	\$ 1,608,196.48
Total Expenditures	\$ 15,218,108.47	\$ 2,435,872.48	\$ 7,788,129.57	\$ 25,442,110.52

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
Year Ended April 30, 2016

	General Fund	North TIF Fund	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) Of Revenues Over Expenditures	\$ (378,938.87)	\$ 267,849.66	\$ 500,041.32	\$ 388,952.11
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 369,076.05	\$ -	\$ 1,207,556.66	\$ 1,576,632.71
Transfers Out	(100,000.00)	(290,270.00)	(1,278,062.71)	(1,668,332.71)
Sale of Property	-	-	37,013.46	37,013.46
Bond Proceeds	-	-	1,350,000.00	1,350,000.00
Total Other Financing Sources (Uses)	\$ 269,076.05	\$ (290,270.00)	\$ 1,316,507.41	\$ 1,295,313.46
Net Change In Fund Balances	\$ (109,862.82)	\$ (22,420.34)	\$ 1,816,548.73	\$ 1,684,265.57
Fund Balances - Beginning	2,558,283.86	2,244,920.29	5,059,235.68	9,862,439.83
Fund Balances - Ending	\$ 2,448,421.04	\$ 2,222,499.95	\$ 6,875,784.41	\$ 11,546,705.40
Reconciliation Of The Change In Fund Balances - Total Governmental Funds To The Change In Net Position Of Governmental Activities:				
Net Change In Fund Balances - Total Governmental Funds Amounts Reported For Governmental Activities In The Statement Of Activities Are Different Because:				\$ 1,684,265.57
Governmental Funds Report Capital Outlays As Expenditures While Governmental Activities Report Depreciation Expense To Allocate Those Expenditures Over The Life Of The Assets:				
Capital Asset Purchases Capitalized				\$ 1,416,327.73
Cost of Property Sold				(36,022.30)
Depreciation Expense				(1,631,432.00)
				\$ (251,126.57)
Revenues In The Statement Of Activities That Do Not Provide Current Financial Resources Are Not Reported As Revenues In The Funds:				
Full Accrual Receivables (Net Decreased Revenue)				\$ (344,745.56)
Long-Term Receivables (Decreased Revenue)				594,528.99
				\$ 249,783.43
Issuance of Debt Is A Financial Resource In The Governmental Funds While The Statement Of Net Assets Reports Proceeds As Liabilities				\$ (1,350,000.00)
Repayment Of Debt Principal Is An Expenditure In The Governmental Funds, But The Repayment Reduces Long-Term Liabilities In The Statement Of Net Position:				
Long-Term Debt Obligation Principal Payments				\$ 772,757.73
Some Expenditures Reported In The Governmental Funds Do Not Include Amounts Reported Currently In The Statement Of Activities:				
Reduction In Interest Payable				\$ 15,273.59
Change In Net Position Of Governmental Activities				\$ 1,120,953.75

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois
Statement Of Net Position
Proprietary Funds
April 30, 2016

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 2,595,625.03	\$ 143,373.04	\$ 2,738,998.07
Investments	5,435.44	26,146.36	31,581.80
Water And Sewer Receivable	1,030,876.40	-	1,030,876.40
Prepaid Expense	-	19,147.08	19,147.08
Due From General Corporate Fund	768,978.09	-	768,978.09
Due From Growth Impact Fee Fund	63,339.59	-	63,339.59
Total Current Assets	<u>\$ 4,464,254.55</u>	<u>\$ 188,666.48</u>	<u>\$ 4,652,921.03</u>
Noncurrent Assets:			
Restricted Assets:			
Cash - Unspent Debt Proceeds	\$ -	\$ -	\$ -
Total Restricted Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets:			
Property And Equipment, Net	\$ 29,188,253.87	\$ 336,119.97	\$ 29,524,373.84
Construction In Progress	464,402.17	-	464,402.17
Total Capital Assets	<u>\$ 29,652,656.04</u>	<u>\$ 336,119.97</u>	<u>\$ 29,988,776.01</u>
Total Noncurrent Assets	<u>\$ 29,652,656.04</u>	<u>\$ 336,119.97</u>	<u>\$ 29,988,776.01</u>
TOTAL ASSETS	<u>\$ 34,116,910.59</u>	<u>\$ 524,786.45</u>	<u>\$ 34,641,697.04</u>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois
Statement Of Net Position
Proprietary Funds
April 30, 2016

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 283,014.71	\$ 3,686.36	\$ 286,701.07
Accrued Salaries	26,851.84	-	26,851.84
Interest Payable	79,966.80	-	79,966.80
Current Portion - EPA Loans Payable	363,533.87	-	363,533.87
Current Portion - Debt Certificates	948,075.90	-	948,075.90
Current Portion - Vactor Truck Loan	36,540.60	-	36,540.60
Due To EZ Capital Improvement Fund	1,208,171.80	-	1,208,171.80
Total Current Liabilities	<u>\$ 2,946,155.52</u>	<u>\$ 3,686.36</u>	<u>\$ 2,949,841.88</u>
Noncurrent Liabilities:			
EPA Loans Payable	\$ 5,020,329.58	\$ -	\$ 5,020,329.58
Debt Certificates	4,925,121.66	-	4,925,121.66
Vactor Truck Loan	9,375.88	-	9,375.88
Total Noncurrent Liabilities	<u>\$ 9,954,827.12</u>	<u>\$ -</u>	<u>\$ 9,954,827.12</u>
TOTAL LIABILITIES	<u>\$ 12,900,982.64</u>	<u>\$ 3,686.36</u>	<u>\$ 12,904,669.00</u>
<u>NET POSITION</u>			
Invested In Capital Assets, Net Of Related Debt	\$ 18,349,678.55	\$ 336,119.97	\$ 18,685,798.52
Restricted	-	-	-
Unrestricted	2,866,249.40	184,980.12	3,051,229.52
TOTAL NET POSITION	<u>\$ 21,215,927.95</u>	<u>\$ 521,100.09</u>	<u>\$ 21,737,028.04</u>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois
Statement Of Revenues, Expenses, And Changes in Fund Net Position
Proprietary Funds
Year Ended April 30, 2016

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
Operating Revenues:			
Charges For Services	\$ 6,453,951.89	\$ -	\$ 6,453,951.89
Gate Receipts And Concessions	-	44,913.33	44,913.33
Rents	-	-	-
Events Revenues	-	323,186.11	323,186.11
Grants And Other	537,751.50	-	537,751.50
Total Operating Revenues	<u>\$ 6,991,703.39</u>	<u>\$ 368,099.44</u>	<u>\$ 7,359,802.83</u>
Operating Expenses:			
Payroll And Benefits	\$ 1,025,342.16	\$ 78,434.57	\$ 1,103,776.73
Plant And Operations	3,110,347.23	334,614.00	3,444,961.23
Administration And Other	89,463.42	1,474.60	90,938.02
Depreciation	1,324,009.00	-	1,324,009.00
Total Operating Expenses	<u>\$ 5,549,161.81</u>	<u>\$ 414,523.17</u>	<u>\$ 5,963,684.98</u>
Net Operating Income (Loss)	<u>\$ 1,442,541.58</u>	<u>\$ (46,423.73)</u>	<u>\$ 1,396,117.85</u>
Non-Operating Income (Expense):			
Investment Income	\$ 796.81	\$ 399.55	\$ 1,196.36
Interest Expense	(218,714.71)	-	(218,714.71)
Total Non-Operating Income (Expense)	<u>\$ (217,917.90)</u>	<u>\$ 399.55</u>	<u>\$ (217,518.35)</u>
Transfers In (Out)	<u>\$ (8,300.00)</u>	<u>\$ 100,000.00</u>	<u>\$ 91,700.00</u>
Change In Net Position	\$ 1,216,323.68	\$ 53,975.82	\$ 1,270,299.50
Net Position - Beginning Of Year	<u>19,999,604.27</u>	<u>467,124.27</u>	<u>20,466,728.54</u>
Net Position - End Of Year	<u>\$ 21,215,927.95</u>	<u>\$ 521,100.09</u>	<u>\$ 21,737,028.04</u>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois
Statement of Cash Flows
Proprietary Funds
Year Ended April 30, 2016

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 6,473,257.69	\$ 368,099.44	\$ 6,841,357.13
Payments To Suppliers	(3,248,025.80)	(334,053.80)	(3,582,079.60)
Payments To Employees	(1,018,774.14)	(78,434.57)	(1,097,208.71)
Other Receipts	537,751.50	(15,347.08)	522,404.42
Net Cash Provided (Used) By Operating Activities	<u>\$ 2,744,209.25</u>	<u>\$ (59,736.01)</u>	<u>\$ 2,684,473.24</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers In (Out)	\$ (8,300.00)	\$ -	\$ (8,300.00)
Purchases Of Capital Assets	(966,513.08)	100,000.00	(866,513.08)
Proceeds Of EZ Capital Improvement Fund Loan	150,810.06	-	150,810.06
Loans To Other Funds	(134,125.66)	-	(134,125.66)
Principal Paid On Capital Debt	(1,336,989.04)	-	(1,336,989.04)
Interest Paid On Capital Debt	(229,690.54)	-	(229,690.54)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>\$ (2,524,808.26)</u>	<u>\$ 100,000.00</u>	<u>\$ (2,424,808.26)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	<u>\$ 796.81</u>	<u>\$ 399.55</u>	<u>\$ 1,196.36</u>
Net Cash Provided By Investing Activities	<u>\$ 796.81</u>	<u>\$ 399.55</u>	<u>\$ 1,196.36</u>
Net Increase In Cash	\$ 220,197.80	\$ 40,663.54	\$ 260,861.34
Balances - Beginning Of Year	<u>2,380,862.67</u>	<u>128,855.86</u>	<u>2,509,718.53</u>
Balances - End Of Year	<u>\$ 2,601,060.47</u>	<u>\$ 169,519.40</u>	<u>\$ 2,770,579.87</u>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois
Statement of Cash Flows
Proprietary Funds
Year Ended April 30, 2016

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
Consisting Of:			
Cash	\$ 2,595,625.03	\$ 143,373.04	\$ 2,738,998.07
Cash - Restricted	-	-	-
Investments	5,435.44	26,146.36	31,581.80
	<u>\$ 2,601,060.47</u>	<u>\$ 169,519.40</u>	<u>\$ 2,770,579.87</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,442,541.58	\$ (46,423.73)	\$ 1,396,117.85
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities			
Cash Flows Reported In Other Categories			
Depreciation	1,324,009.00	-	1,324,009.00
Change In Assets And Liabilities			
Increase In Prepaid Expense	-	(15,347.08)	(15,347.08)
Decrease In Receivables	19,305.80	-	19,305.80
Increase (Decrease) In Accounts Payable	(48,215.15)	2,034.80	(46,180.35)
Increase In Accrued Salaries	6,568.02	-	6,568.02
Net Cash Provided (Used) By Operating Activities	<u>\$ 2,744,209.25</u>	<u>\$ (59,736.01)</u>	<u>\$ 2,684,473.24</u>

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Net Position
Fiduciary Funds
April 30, 2016

	Pension Trust <u>Funds</u>
ASSETS	
Cash	\$ 2,448,687.19
Investments, At Fair Value	26,137,450.77
Taxes Receivable	1,588,590.58
Accrued Interest Receivable	<u>32,082.55</u>
 TOTAL ASSETS	 <u>\$ 30,206,811.09</u>
 LIABILITIES	
Accounts And Benefits Payable	<u>\$ -</u>
 TOTAL LIABILITIES	 <u>\$ -</u>
 NET POSITION	
Held In Trust For Pension Benefits And Other Purposes	 <u><u>\$ 30,206,811.09</u></u>

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Changes In Net Position
Fiduciary Funds
Year Ended April 30, 2016

	Pension Trust <u>Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 1,660,237.20
Employee	430,555.19
Total Contributions	<u>\$ 2,090,792.39</u>
Investment Income	
Net Increase (Decrease) In Fair Value Of Investments	\$ (1,566,038.48)
Interest And Dividends	1,168,941.52
Total Investment Income	<u>\$ (397,096.96)</u>
Other Income	<u>\$ 800.00</u>
Total Additions	<u>\$ 1,694,495.43</u>
DEDUCTIONS	
Pension Benefits	\$ 2,570,673.71
Administrative Expenses	63,481.17
Total Deductions	<u>\$ 2,634,154.88</u>
Change In Net Position	\$ (939,659.45)
Net Position Held In Trust - Beginning Of Year	<u>31,146,470.54</u>
Net Position Held In Trust - End Of Year	<u><u>\$ 30,206,811.09</u></u>

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

(A) FINANCIAL REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Ottawa
Blended Component Units:	Ottawa Visitors Center

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(A) FINANCIAL REPORTING ENTITY (Continued)

Blended Component Units

Component units that are normally blended into the reporting activity types of the City's report are presented below:

Component Unit	Brief Description/Inclusion Criteria	Reporting
Ottawa Visitors Center	Created May 1, 1998 to promote tourism in Ottawa. The City is represented on the Board of Directors by a Council Member or its representative. The City funds the Center with a provision of Hotel/Motel Tax Funds. Without this funding, the Center could not exist.	Special Revenue

Financial statements for Ottawa Visitors Center at April 30, 2016, were compiled statements only. They are included with these financial statements as such.

(B) BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(B) BASIS OF PRESENTATION (Continued)

Fund Financial Statements: (Continued)

- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Funds

The Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only various Capital Project Funds and they are used to account for the acquisition of capital assets.

Debt Service Funds

The Debt Service Funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the City's judgment.

Permanent Funds

The Permanent Funds account for assets held by the City pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. Currently, the City has no funds of this type.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(B) BASIS OF PRESENTATION (Continued)

Proprietary Fund

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

Agency funds account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. There are no current agency funds.

Pension Trust Funds

These funds, the Police Pension Fund and the Firemen's Pension Fund, are used to report assets held by the trustees for retirement and, therefore, are not available to support City programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

Major Funds

The funds classified as major are as follows:

Fund	Brief Description
Major: General	See above for description.
Capital Projects Fund: North Tax Increment Financing District	Accounts for transactions related to redevelopment projects along Interstate 80.
Proprietary Fund: Waterworks And Sewerage	Accounts for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the funds.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(C) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b) below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis Of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(C) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Basis Of Accounting (Continued)

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

(D) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash And Investments

For the purpose of the Statement of Net Position, "cash," includes all demand deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash" includes all demand deposits.

Investments are carried at fair value. Fair value is based on quoted market price.

Interfund Receivables And Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 8 for details of interfund transactions, including receivables and payables at year-end.

Government-Wide Financial Statements:

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds, if any, are not eliminated in the Statement of Activities.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Fixed Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2003.

Prior to May 1, 2003, governmental funds' infrastructure assets were not capitalized. GASB Statement No. 34 requires the retroactive reporting of governmental funds' major general infrastructure acquired prior to May 1, 2003, effective for the first fiscal year beginning after June 15, 2006. These assets have been valued at estimated historical cost.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF
RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Fixed Assets (Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$10,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings	25-50 years
- Improvements	10-50 years
- Machinery And Equipment	3-20 years
- Utility System	25-50 years
- Infrastructure	25-50 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the funds that are legally restricted as to their use. The primary restricted assets are related to bond and debt certificate issue accounts.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, debt certificates, and bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is not recorded as long-term debt in the government-wide statements. In the fund financial statements, no compensated absence liability payable is reported. This is not in accordance with generally accepted accounting principles.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report unavailable revenues from the following sources:

	General Fund	North TIF Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$1,656,487.05	\$2,806,503.55	\$5,139,399.64	\$9,602,390.24
Special Assessments	-	-	4,804.80	4,804.80
Liquor Licenses	65,050.00	-	-	65,050.00
Tax Savers	11,509.77	-	-	11,509.77
Total	<u>\$1,733,046.82</u>	<u>\$2,806,503.55</u>	<u>\$5,144,204.44</u>	<u>\$9,683,754.81</u>

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Equity Classifications (Continued)

- a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Equity Classifications (Continued)

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes). Proprietary fund equity is classified the same as in the government-wide statements.

Note 2 - Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue, debt service funds, capital projects funds, and enterprise funds. All appropriations lapse at year-end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) A proposed operating budget is submitted to the City Council for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the City to obtain taxpayer comments.
- c) Subsequently, the budget is used to develop the annual appropriation ordinance, which is the City's legal budgetary document. The appropriation ordinance is enacted through passage of a City ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue and debt service funds.
- e) Budgetary appropriations lapse at year-end.
- f) Transfers between line items, departments and funds may be made by administrative action, however, amounts to be transferred between funds would require City Council approval. The level of legal control is the individual fund budget in total.
- g) Budgeted amounts are as originally adopted on April 21, 2015, and amended on July 7, 2015, with the exceptions of City Council approved transfers which were not material in relation to the budgets taken as a whole.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 2 - Budgets (Continued)

Expenditures exceeded budget in the following individual governmental funds for the year ended April 30, 2016.

	<u>Budget</u>	<u>Actual</u>
Motor Fuel Tax	\$504,072.00	\$737,896.22
Playground and Recreation	317,316.00	329,937.86
Garbage	22,000.00	22,244.20
Lease	-	2,686.42
Street Lighting	102,000.00	120,636.99
Series 2009 Bond and Interest	269,227.00	300,519.90
Canal TIF	890,693.00	984,277.70

Note 3 - Property Tax

The City annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the City Council. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about June 1, and are payable in two installments which are due on or about July 1 and September 1.

Property taxes are billed, collected and remitted periodically by the County Treasurer of LaSalle County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year end is not considered to pay current liabilities and is, therefore, shown as deferred inflows (unavailable revenue) on the fund financial statements.

Note 4 - Deposits And Investments

The City deposits and invests in investments allowed by State Statutes. The Statutes authorize the City to make deposits in commercial banks, savings and loan institutions, and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain other investments as allowed by Illinois Compiled Statutes.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds share price, which is the price for which the investment could be sold.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 4 - Deposits And Investments (Continued)

Common Bank Account

Separate bank accounts are not maintained for all funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Council.

Funds having negative cash balances and shown in the financial statements are as follows:

<u>Governmental</u>	<u>Amount</u>	<u>Deficit Fund Balance/ Net Assets</u>
Street Lighting	\$(67,882.25)	\$(69,281.78)
Canal TIF	(530,346.19)	(542,706.12)
I-80 Commercial TIF	(5,785.46)	(9,496.66)
Enterprise Zone Capital Improvement	(52,023.23)	(92.08)
Total	<u>\$(656,037.13)</u>	

The net cash position for Statement of Net Position is determined as follows:

Cash – Current	\$12,777,376.29
Cash – Restricted	-
Cash Overdraft	<u>(656,037.13)</u>
Total	<u>\$12,121,339.16</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City will not maintain funds in any financial institution that is not a member of the FDIC system. In addition, City funds will not be maintained in any institution not willing or capable of posting required collateral, or purchasing private insurance for funds in excess of FDIC insurable limits. At year end, the carrying amount of the City's deposits was \$12,054,539.16, excluding cash on hand, and the respective bank balances totaled \$12,421,157.72. These amounts are exclusive of the pension funds.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 4 - Deposits And Investments (Continued)

Deposits (Continued)

At April 30, 2016, deposits and investments of the City's reporting entity are insured or collateralized with securities held by the pledging financial institution's trust department or agent.

Investments

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's overall portfolio. The objective is to mitigate credit risk and interest rate risk.

As of April 30, 2016, the City had the following investments (*):

<u>Type Of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality/Ratings (1)</u>	<u>Weighted Average Days To Maturity (2)</u>
<u>POOLED INVESTMENTS</u>				
Illinois Funds	\$218,944.06	\$218,944.06	N/A	N/A
<u>NON-POOLED INVESTMENTS</u>				
Money Market Accounts	14,978.11	14,978.11	N/A	N/A
Savings Accounts	100,673.58	100,673.58	N/A	N/A
Certificates Of Deposit	75,983.10	75,983.10	N/A	205.32
Mutual Fund	26,146.36	26,146.36	N/A	N/A

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using weighted average days to maturity.

(*) Pension Fund detail is not included here. It is available upon request.

Investment Policy

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investing activities are managed under the custody of the City's Treasurer. City funds may be invested in: (1) U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value; (2) certificates of deposit, other evidences of interest bearing deposit or any other investments constituting direct obligation, of any bank as defined by the Illinois Banking Act; (3) short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if they meet certain standards; and (4) money market mutual funds regulated by the Securities Exchange Commission.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 4 - Deposits And Investments (Continued)

Investment Policy (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City shall diversify its investment portfolio. Investments shall be diversified to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer or maturity. Commercial paper shall not exceed 10% of the investment portfolio. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. At no time will the City's investments exceed 65% of a financial institution's capital and surplus.

Note 5 - Accounts Receivable

Accounts receivable of the business-type activities consist of water and sewer fees receivable and utility tax. Accounts receivable (other taxes and fees receivable) of the governmental activities consist of sales tax, TV franchise fee, state income tax, utility tax, video gaming tax, magistrate fines, telephone franchise tax, grants, traffic light reimbursement, special duty officers, hotel/motel taxes, emergency 911 surcharges, yard waste fees, and other. Receivables dated at April 30, 2016, are as follows:

<u>Accounts Receivable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Sales Tax	\$1,376,652.25	\$ -	\$1,376,652.25
TV Franchise Fee	41,739.59	-	41,739.59
State Income Tax	554,995.88	-	554,995.88
Utility Tax	97,387.53	-	97,387.53
Video Gaming Tax	22,252.01	-	22,252.01
Magistrate Fines	6,524.42	-	6,524.42
Telephone Franchise Tax	1,525.94	-	1,525.94
Grants	277,136.42	-	277,136.42
Traffic Light Reimbursement	11,673.61	-	11,673.61
Special Duty Officers	12,560.63	-	12,560.63
Hotel/Motel Taxes	44,503.38	-	44,503.38
Emergency 911 Surcharges	34,909.21	-	34,909.21
Other	3,795.00	-	3,795.00
Yard Waste Fees	11,378.20	-	11,378.20
Water And Sewer	-	2,125,876.40	2,125,876.40
Allowance For Doubtful Accounts	-	(1,095,000.00)	(1,095,000.00)
Net Accounts Receivable	<u>\$2,497,034.07</u>	<u>\$1,030,876.40</u>	<u>\$3,527,910.47</u>

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 6 - Capital Assets

Capital asset activity for the year ended April 30, 2016, was as follows:

	Balance At <u>April 30, 2015</u>	Additions	Disposals	Balance At <u>April 30, 2016</u>
Governmental Activities:				
Land	\$13,777,890.46	\$ 88,936.50	\$ 36,022.30	\$13,830,804.66
Buildings	6,651,651.45	-	-	6,651,651.45
Improvements	3,851,997.41	246,433.63	-	4,098,431.04
Machinery And Equipment	8,706,201.42	276,917.97	-	8,983,119.39
Infrastructure	33,007,400.25	804,039.63	-	33,811,439.88
Construction-In-Progress	-	-	-	-
Totals At Estimated And Historical Cost	<u>\$65,995,140.99</u>	<u>\$ 1,416,327.73</u>	<u>\$ 36,022.30</u>	<u>\$67,375,446.42</u>
Less Accumulated Depreciation				
Buildings	\$ 2,919,401.00	\$ 132,333.00	\$ -	\$ 3,051,734.00
Improvements	1,872,276.00	175,786.00	-	2,048,062.00
Machinery And Equipment	6,360,516.00	667,893.00	-	7,028,409.00
Infrastructure	7,584,398.00	655,420.00	-	8,239,818.00
Total Accumulated Depreciation	<u>\$18,736,591.00</u>	<u>* \$ 1,631,432.00</u>	<u>\$ -</u>	<u>\$20,368,023.00</u>
Governmental Activities Capital Assets, Net	<u>\$47,258,549.99</u>	<u>\$ (215,104.27)</u>	<u>\$ 36,022.30</u>	<u>\$47,007,423.42</u>
Business-Type Activities:				
Land	\$ 407,740.32	\$ -	\$ -	\$ 407,740.32
Property And Equipment	53,726,924.11	714,654.51	-	54,441,578.62
Construction-In-Progress	212,543.60	942,400.09	690,541.52	464,402.17
Totals At Historical Cost	<u>\$54,347,208.03</u>	<u>\$ 1,657,054.60</u>	<u>\$ 690,541.52</u>	<u>\$55,313,721.11</u>
Less Accumulated Depreciation				
Property And Equipment	<u>24,000,936.10</u>	<u>1,324,009.00</u>	<u>-</u>	<u>25,324,945.10</u>
Business-Type Activities Capital Assets, Net	<u>\$30,346,271.93</u>	<u>\$ 333,045.60</u>	<u>\$ 690,541.52</u>	<u>\$29,988,776.01</u>

* Depreciation expense was charged to governmental activities as follows:

General Government:	
General Government	<u>\$ 76,787.00</u>
Public Safety:	
Police	\$ 103,349.00
Fire	274,181.00
Public Health And Safety	148,537.00
Total Public Safety	<u>\$ 526,067.00</u>
Transportation:	
Streets	\$ 306,187.00
Mini Bus And Taxicab	4,565.00
Total Transportation	<u>\$ 310,752.00</u>
Cultural, Parks And Recreation:	
Parks And Public Buildings	\$ 253,274.00
Tourism	6,790.00
Recreation	18,182.00
Total Cultural, Parks And Recreation	<u>\$ 278,246.00</u>
Community Development	<u>\$ 439,580.00</u>
Total Depreciation Expense	<u>\$1,631,432.00</u>

City of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 7 - Long-Term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

As of April 30, 2016, the governmental long-term debt of the financial reporting entity consisted of the following:

\$4,100,000.00 general obligation corporate purpose debt certificate (limited tax) Series 2007 provides for retirement of certificates on June 15 of each year in installments of \$410,000.00 through June 15, 2017. Interest is due annually on June 15 of each year at rates of 4.15% to 4.60%.

Balance of \$73,899.36 is included and debt is serviced by Waterworks and Sewerage Fund.

\$ 746,100.64

\$2,485,000.00 taxable general obligation (alternate revenue source) Series 2009 Recovery Zone Economic bonds dated January 15, 2010, provides for the retirement of bonds on December 1 of each year in installments from \$120,000.00 to \$255,000.00 from December, 2015 through December, 2028. Interest is due semiannually on June 1 and December 1 of each year starting June 1, 2010, at rates of 4.69% to 6.75%. Bonds are subject to redemption prior to maturity at the option of the City.

2,365,000.00

\$4,494,000.00 general obligation refunding debt certificate (limited tax) Series 2012A provides for retirement of certificates on December 1 of each year in installments of \$642,000.00 plus interest through December 1, 2018. Interest is due on June 1 and December 1 of each year at rates of 1.71% to 2.95%.

Balance of \$1,326,298.20 is included and debt is serviced by Waterworks and Sewerage Fund.

599,701.80

City of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 7- Long Term Debt (Continued)

Governmental Activities: (Continued)

\$1,350,000.00 general obligation bonds, Series 2016 provides for retirement of bonds on January 1 of each year in installments from \$330,000.00 to \$345,000.00 plus interest through January 1, 2021. Interest is due on January 1 and July 1 of each year at rates of 1.35% to 1.70%.

\$ 1,350,000.00

Installment note for purchase of ambulances

206,653.15

Total Governmental Activity Debt

\$ 5,267,455.59

Current Portion

\$ 784,362.42

Noncurrent Portion

4,483,093.17

Total Governmental Activity Debt

\$ 5,267,455.59

Business-type Activities:

As of April 30, 2016, the long-term debt payable from proprietary fund resources consisted of the following:

Waterworks and sewerage construction loan for improvements to the combined waterworks and sewerage system. The City received loan disbursements from Illinois EPA of \$1,361,458.00 for construction. This loan is payable in payments of principal and interest of \$65,704.30 on October 30, 2007, then payments of \$44,320.43 due April 30 and October 30 starting April 30, 2008 through October 30, 2026. Interest rate of 2.50%.

\$ 814,152.77

Waterworks and sewerage construction loan for improvements to the combined waterworks and sewerage system. The City received loan disbursements from Illinois EPA of \$7,657,790.00 for construction to date. The total approved loan is for \$7,720,293.00 at a 0.00% interest rate. \$1,930,074 of the total loan has been forgiven. This loan is payable in payments of principal of \$140,318.74 semiannually on July 24, 2012 through July 24, 2013, then \$147,410.02 semiannually on January 24, 2014 through July 24, 2031.

4,569,710.68

City of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 7 - Long-Term Debt (Continued)

Business-type Activities: (Continued)

\$2,375,000.00 general obligation refunding debt certificate (limited tax) Series 2012B provides for retirement of certificates on December 1 of each year in installments of \$125,000.00 plus interest through December 1, 2030. Interest is due on June 1 and December 1 of each year at rates of 1.71% to 4.30%. Certificates are subject to redemption prior to maturity at the option of the City. \$ 1,875,000.00

\$3,579,000.00 general obligation debt certificate (limited tax) Series 2013 provides for retirement of certificates on December 1 of each year in installments ranging from \$318,000.00 to \$399,000.00 plus interest through December 1, 2022. Interest is due on June 1 and December 1 of each year at rates of 1.71% to 3.42%. Certificates are subject to redemption prior to maturity at the option of the City. 2,598,000.00

Waterworks and Sewerage share of 2007 debt certificates described in Governmental Activities section of Note 7. 73,899.36

Waterworks and Sewerage share of 2012A debt certificates described in Governmental Activities section of Note 7. 1,326,298.20

Installment note for purchase of Vactor truck. 45,916.48

Total Business-type Activity Debt \$ 11,302,977.49

Current Portion \$ 1,348,150.37

Noncurrent Portion 9,954,827.12

Total Business-type Activity Debt \$ 11,302,977.49

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 7 - Long-Term Debt (Continued)

Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended April 30, 2016:

	Balance May 1, 2015	Additions	Reductions	Balance April 30, 2016	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds And Debt Certificates	\$ 4,403,707.14	\$ 1,350,000.00	\$ 692,904.70	\$ 5,060,802.44	\$ 702,924.10
Equipment Note/ Lease Purchase	286,486.78	-	79,833.63	206,653.15	81,438.32
Total	<u>\$ 4,690,193.92</u>	<u>\$ 1,350,000.00</u>	<u>\$ 772,738.33</u>	<u>\$ 5,267,455.59</u>	<u>\$ 784,362.42</u>
Business-type Activities:					
General Obligation Debt Certificates And Loans	\$12,559,004.02	\$ -	\$ 1,301,943.01	\$11,257,061.01	\$1,311,609.77
Equipment Note	80,962.51	-	35,046.03	45,916.48	36,540.60
Total	<u>\$12,639,966.53</u>	<u>\$ -</u>	<u>\$ 1,336,989.04</u>	<u>\$11,302,977.49</u>	<u>\$1,348,150.37</u>

Annual Debt Service Requirements:

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of April 30, 2016, are as follows:

Year Ending April 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 784,362.42	\$ 213,314.60	\$ 1,348,150.37	\$ 209,543.92
2018	1,120,987.22	186,441.07	1,331,714.23	179,479.20
2019	717,025.71	151,250.34	1,296,160.52	149,258.12
2020	490,000.00	133,275.00	864,851.16	119,551.94
2021	500,000.00	119,525.00	875,713.51	102,932.59
2022-2026	935,080.24	419,964.76	3,296,104.12	272,116.38
2027-2031	720,000.00	98,485.00	2,142,873.50	73,259.63
2032-2036	-	-	147,410.08	5,375.00
	<u>\$5,267,455.59</u>	<u>\$1,322,255.77</u>	<u>\$11,302,977.49</u>	<u>\$1,111,516.78</u>

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 8 - Interfund Transactions And Balances

Operating Transfers	Transfers In	Transfers Out
Major Governmental	\$ 369,076.05	\$ 390,270.00
Nonmajor Governmental	1,207,556.66	1,278,062.71
Enterprise Funds	100,000.00	8,300.00
Fiduciary Funds	-	-
Totals	<u>\$1,676,632.71</u>	<u>\$1,676,632.71</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund receivable and payable balances as of April 30, 2016 are as follows:

General Fund:	Due From	Due To
Waterworks And Sewerage	\$ -	\$ 768,978.09
Nonmajor Governmental	18,626.00	-
	<u>\$ 18,626.00</u>	<u>\$ 768,978.09</u>
Waterworks And Sewerage:		
General Fund	\$ 768,978.09	\$ -
Nonmajor Governmental	63,339.59	1,208,171.80
	<u>\$ 832,317.68</u>	<u>\$1,208,171.80</u>
Nonmajor Governmental:		
General	\$ -	\$ 18,626.00
Waterworks And Sewerage	1,208,171.80	63,339.59
Nonmajor	50,000.00	50,000.00
	<u>\$1,258,171.80</u>	<u>\$ 131,965.59</u>
Totals	<u>\$2,109,115.48</u>	<u>\$2,109,115.48</u>

Individual fund interfund receivable and payable balances as of April 30, 2016 are as follows:

General Fund:		
Waterworks And Sewerage	\$ -	\$ 768,978.09
Flood Buyout	18,626.00	-
	<u>\$ 18,626.00</u>	<u>\$ 768,978.09</u>
Waterworks And Sewerage:		
General	\$ 768,978.09	\$ -
Growth Impact Fee Fund	63,339.59	-
Enterprise Zone Capital Improvement	-	1,208,171.80
	<u>\$ 832,317.68</u>	<u>\$1,208,171.80</u>
Enterprise Zone Capital Improvement Fund:		
Waterworks And Sewerage	<u>\$1,208,171.80</u>	<u>\$ -</u>
Flood Buyout Fund:		
General Fund	\$ -	\$ 18,626.00
Growth Impact Fee Fund:		
Waterworks And Sewerage	<u>\$ -</u>	<u>\$ 63,339.59</u>

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 8 - Interfund Transactions And Balances (Continued)

	<u>Due From</u>	<u>Due To</u>
Hotel/Motel Tax Fund:		
Ottawa Visitors Center	\$ 50,000.00	\$ -
Ottawa Visitors Center:		
Hotel/Motel Tax Fund	\$ -	\$ 50,000.00
Totals	<u>\$2,109,115.48</u>	<u>\$2,109,115.48</u>

Note 9 - Segment Information

The following is a summary of the segment information of the City's enterprise funds:

	<u>Waterworks And Sewerage</u>	<u>Swimming Pool</u>	<u>Canal Rental And Purchase</u>	<u>Events</u>	<u>Total</u>
Operating Revenue	\$ 6,991,703.39	\$44,913.33	\$ -	\$323,186.11	\$ 7,359,802.83
Depreciation Expense	1,324,009.00	-	-	-	1,324,009.00
Operating Income (Loss)	1,442,541.58	(93,006.77)	-	46,583.04	1,396,117.85
Change In Net Position	1,216,323.68	6,998.40	9.91	46,967.51	1,270,299.50
Total Assets	34,116,910.59	32,491.63	382,640.51	109,654.31	34,641,697.04
Net Working Capital	1,518,099.03	29,929.89	46,520.54	108,529.69	1,703,079.15
Debt Certificates	5,873,197.56	-	-	-	5,873,197.56
EPA Loans Payable	5,383,863.45	-	-	-	5,383,863.45
Vactor Truck Loan	45,916.48	-	-	-	45,916.48
Total Equity	21,215,927.95	29,929.89	382,640.51	108,529.69	21,737,028.04

Note 10 - Pension and Retirement Plan Commitments

Illinois Municipal Retirement Fund

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

City of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	89
Inactive Plan Members entitled to but not yet receiving benefits	38
Active Plan Members	<u>85</u>
Total	<u>212</u>

City of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2015 was 15.22%. For the fiscal year ended April 30, 2016, the City contributed \$548,181 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

City of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.60%
International Equity	17	7.80%
Fixed Income	27	3.00%
Real Estate	8	6.15%
Alternative Investments	9	5.25 - 8.50%
Cash Equivalents	1	2.25%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.48%.

City of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$18,763,984	\$17,568,001	\$1,195,983
Changes for the year:			
Service Cost	360,292	---	360,292
Interest on the Total Pension Liability	1,380,174	---	1,380,174
Changes of Benefit Terms	---	---	---
Differences Between Expected and Actual Experience of the Total Pension Liability	699,495	---	699,495
Changes of Assumptions	45,167	---	45,167
Contributions - Employer	---	573,080	(573,080)
Contributions - Employees	---	174,557	(174,557)
Net Investment Income	---	87,000	(87,000)
Benefit Payments, Including Refunds of Employee Contributions	(1,083,627)	(1,083,627)	---
Other (Net Transfer)	---	221,183	(221,183)
Balances at December 31, 2015	\$20,165,485	\$17,540,194	\$2,625,291

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.48%)	Current Discount (7.48%)	1% Higher (8.48%)
Net Pension Liability (Asset)	\$5,071,062	\$2,625,291	\$597,493

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by *Illinois Compiled Statutes* and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The City is required to contribute at an actuarially determined rate.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension And Retirement Plan Commitments (Continued)

Police Pension Plan (Continued)

The City's annual required contribution for the year ended April 30, 2016, was determined as part of the May 1, 2015 actuarial valuation report using the projected unit credit method. Actuarial assumptions included the following:

Actuarial Methods

The following methods have been prescribed in accordance with Section 3-125 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

Actuarial Assumptions

Interest rate	6.75%
Interest rate, prior fiscal year	6.75%
Healthy mortality rates	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Disabled mortality rates	RP-2000 Disabled Retiree Mortality
Decrement other than mortality	Experience tables

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension And Retirement Plan Commitments (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Rate of service-related deaths	5%
Rate of service-related disabilities	70%
Salary increases	Service-related table with rates grading from 11% to 4% at 30 years of service
Payroll growth	4.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of Members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate, not that of each individual fund.

TREND INFORMATION			
Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed
04/30/2016	\$793,932	\$690,595	86.98%
04/30/2015	705,401	694,633	98.47
04/30/2014	605,277	651,722	107.67

Membership in the plan consisted of the following as of May 1, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	27
Retirees not yet eligible for benefits	---
Active plan members	<u>36</u>
Total members	<u>63</u>

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension And Retirement Plan Commitments (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits.

Covered employees are required to contribute 9.455% of their base salary to the Firefighter's Pension Plan. The member rate is determined by state statute. The City is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate.

The required contribution for the year ended April 30, 2016, was determined as part of the May 1, 2015, actuarial valuation report.

Actuarial Methods

The following methods have been prescribed in accordance with Section 4-118 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, determined as a level percentage of payroll, plus an additional amount to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

Actuarial Assumptions

Interest rate	6.75%
Interest rate, prior fiscal year	6.75%
Healthy mortality rates	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension And Retirement Plan Commitments (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions (Continued)

Disabled mortality rates	RP-2000 Disabled Retiree Mortality
Decrement other than mortality	Experience tables
Rate of service-related deaths	5%
Rate of service-related disabilities	90%
Salary increases	Service-related table with rates grading from 12% to 4% at 30 years of service
Payroll growth	4.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of Members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used for determining the above amounts are based on experience for all Article 4 funds for the State of Illinois in aggregate, not that of each individual fund.

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed
04/30/2016	\$1,009,595	\$969,642	96.04%
04/30/2015	891,210	989,970	111.08
04/30/2014	849,859	907,117	106.74

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 10 - Pension And Retirement Plan Commitments (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions (Continued)

Membership in the plan consisted of the following as of May 1, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	42
Active vested plan members	14
Active nonvested plan members	<u>15</u>
Total members	<u>71</u>

457(b) Plan

The City approved a tax sheltered 457(b) plan on June 19, 2001. Employees make voluntary tax sheltered contributions to this plan. The City makes no contribution.

Note 11 - Postemployment Benefits

The City has retiree health and life insurance benefits available. The health insurance has both a self insured component, administered by Blue Cross/Blue Shield, and the Medicare Advantage Plan through AETNA. The Medicare Advantage Plan was implemented on January 1, 2009. Retirees have the option of choosing which plan optimizes their needs. Costs of the self insured plan are shared by percentage dependent upon contracts negotiated for union employees and by Council approval for appointed employees. The City pays 100% of the cost of the Medicare Advantage Plan.

Total cost to the City for the year ended April 30, 2016, was \$746,386.24. Information required by GASB #45 for future cost to the City is not available at this time.

Note 12 - Risk Management

The City is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management activities are recorded in the operating fund responsible for the liability. Significant losses are covered by commercial insurance for all major programs.

Note 13 - Commitments

The City has ongoing capital projects in varying stages of completion which have not yet been approved for draw by the engineer and architect.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2016

Note 14 - Litigation

There are several pending lawsuits in which the City is involved. Legal counsel of the City estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect future financial statements of the City.

City Of Ottawa, Illinois
Required Supplementary Information
Schedule Of Funding Progress
Police Pension Fund
Year Ended April 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/15	\$17,786,589	\$25,597,166	\$7,810,577	69.49%	\$2,480,643	314.86%
04/30/14	16,590,184	23,407,569	6,817,385	70.88	2,323,131	293.46
04/30/13	15,558,257	21,075,984	5,517,727	73.82	2,267,724	243.32

City Of Ottawa, Illinois
Required Supplementary Information
Schedule Of Funding Progress
Firefighters' Pension Fund
Year Ended April 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/15	\$13,584,393	\$28,332,218	\$14,747,825	47.95%	\$1,817,526	811.42%
04/30/14	13,359,846	26,205,315	12,845,469	50.98	1,689,214	760.44
04/30/13	13,029,216	25,285,223	12,256,007	51.53	1,660,351	738.16

City Of Ottawa, Illinois
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended April 30, 2016

	Budget	Actual
Beginning Budgetary Fund Balance	\$ 2,558,283.86	\$ 2,558,283.86
Resources (Inflows):		
Taxes	11,339,013.00	11,386,360.46
Intergovernmental	1,521,635.00	793,840.18
Licenses And Permits	419,968.00	397,614.43
Investment Income	585.00	573.19
Miscellaneous	2,207,040.00	2,260,781.34
Other Financing Sources:		
Transfers From Other Funds	263,549.00	369,076.05
	<hr/>	<hr/>
Amounts Available For Appropriation	\$ 18,310,073.86	\$ 17,766,529.51
	<hr/>	<hr/>
Charges To Appropriations (Outflows):		
Department Of Mayor	\$ 168,023.00	\$ 164,417.23
Department Of Liquor Commissioner	5,900.00	5,900.18
Department Of Fire And Police Commission	9,200.00	4,212.36
Department Of Civil Service Commission	4,700.00	2,947.35
Department Of General Administration	3,708,559.00	3,955,988.81
Department Of Accounts And Finance Commissioner	17,230.00	17,044.88
Community Development Department	1,525,780.00	899,442.92
Police Department	4,043,050.00	4,033,817.46
Fire Department	2,914,915.00	2,769,981.23
Department Of Public Health And Safety Commissioner	17,230.00	16,908.07
Department Of Streets	1,724,392.00	1,718,397.01
Department Of Vehicle Maintenance	127,598.00	104,926.23
Department Of Commissioner Of Public Improvements	17,230.00	15,725.34
Department Of Commissioner Of Public Property	17,230.00	15,768.34
Department Of Parks And Public Buildings	1,220,920.00	1,412,797.43
Other Financing Uses:		
Principal Payments – Debt Certificates	50,000.00	-
Principal Payments – Equipment Loans	79,833.00	79,833.63
Transfers To Other Funds	100,000.00	100,000.00
	<hr/>	<hr/>
Total Charges To Appropriations	\$ 15,751,790.00	\$ 15,318,108.47
	<hr/>	<hr/>
Ending Budgetary Fund Balance	\$ 2,558,283.86	\$ 2,448,421.04
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City Of Ottawa, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2016

	Special Revenue	Debt Service	Nonmajor Capital Projects	Net
<u>ASSETS</u>				
Cash	\$ 2,107,045.10	\$ 196,102.85	\$ 3,479,325.01	\$ 5,782,472.96
Investments, At Cost	327,543.43	-	-	327,543.43
Receivables:				
Property Taxes	2,245,208.22	-	2,894,191.42	5,139,399.64
Special Assessments	-	-	4,804.80	4,804.80
Notes	52,218.42	-	-	52,218.42
Allotments Due From State Of Illinois	42,712.46	-	-	42,712.46
Hotel/Motel Taxes	44,503.38	-	-	44,503.38
Emergency 911 Surcharges	34,909.21	-	-	34,909.21
Grants	203,373.04	-	70,557.15	273,930.19
Other	846.00	-	-	846.00
Due From Other Funds	50,000.00	-	1,208,171.80	1,258,171.80
Other Assets	2,949.00	-	-	2,949.00
TOTAL ASSETS	\$ 5,111,308.26	\$ 196,102.85	\$ 7,657,050.18	\$ 12,964,461.29
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Cash Overdraft	\$ 67,882.25	\$ -	\$ 588,154.88	\$ 656,037.13
Accounts Payable	102,355.40	-	41,637.14	143,992.54
Accrued Wages And Taxes	12,477.18	-	-	12,477.18
Due To Other Funds	113,339.59	-	18,626.00	131,965.59
Total Liabilities	\$ 296,054.42	\$ -	\$ 648,418.02	\$ 944,472.44
Deferred Inflows Of Resources:				
Unavailable Revenue	2,245,208.22	-	2,898,996.22	5,144,204.44
Fund Balances:				
Nonspendable	41,824.11	-	4,804.80	46,628.91
Assigned	2,597,503.29	196,102.85	4,657,126.00	7,450,732.14
Unassigned	(69,281.78)	-	(552,294.86)	(621,576.64)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,111,308.26	\$ 196,102.85	\$ 7,657,050.18	\$ 12,964,461.29

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Net</u>
Revenues:				
Property Taxes	\$ 2,020,369.81	\$ -	\$ 2,531,504.34	\$ 4,551,874.15
Replacement Taxes	91,871.74	-	-	91,871.74
Interest On Investments	869.20	30.44	850.79	1,750.43
Interest On Loans	1,868.36	-	-	1,868.36
Motor Fuel Taxes	480,064.47	-	-	480,064.47
Special Assessments	-	-	2,375.18	2,375.18
Foreign Fire Insurance Tax	36,758.90	-	-	36,758.90
Hotel/Motel Tax	377,624.69	-	-	377,624.69
Reimbursed Expenses	19,037.67	-	275,568.98	294,606.65
Fees And Sales Of Concessions	158,851.38	-	-	158,851.38
Permits	-	-	510,110.79	510,110.79
911 Emergency Service Surcharge	166,010.38	-	-	166,010.38
Grants	898,904.32	-	281,628.76	1,180,533.08
Drug & Task Force Revenue	44,063.30	-	-	44,063.30
Donations	15,878.09	-	1,500.00	17,378.09
Growth Impact Fees	135,998.00	-	-	135,998.00
Rents	-	-	132,000.00	132,000.00
Refunds and Other Income	41,845.50	62,585.80	-	104,431.30
Total Revenues	<u>\$ 4,490,015.81</u>	<u>\$ 62,616.24</u>	<u>\$ 3,735,538.84</u>	<u>\$ 8,288,170.89</u>
Expenditures:				
General Government	\$ 1,936,368.34	\$ -	\$ -	\$ 1,936,368.34
Public Safety	306,589.92	-	-	306,589.92
Transportation	1,668,570.58	-	-	1,668,570.58
Cultural, Parks And Recreation	661,957.86	-	-	661,957.86
Community Development	-	31,292.90	2,407,512.31	2,438,805.21
Debt Service	-	917,956.66	-	917,956.66
Total Expenditures	<u>\$ 4,573,486.70</u>	<u>\$ 949,249.56</u>	<u>\$ 2,407,512.31</u>	<u>\$ 7,930,248.57</u>
Excess (Deficit) Revenues Over Expenditures	\$ (83,470.89)	\$ (886,633.32)	\$ 1,328,026.53	\$ 357,922.32
Other Financing Sources (Uses):				
Sale of Property	-	-	37,013.46	37,013.46
Transfer From (To) Other Funds	(137,227.05)	917,956.66	640,883.34	1,421,612.95
Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	\$ (220,697.94)	\$ 31,323.34	\$ 2,005,923.33	\$ 1,816,548.73
Fund Balance, May 1, 2015	<u>2,790,743.56</u>	<u>164,779.51</u>	<u>2,103,712.61</u>	<u>5,059,235.68</u>
Fund Balance, April 30, 2016	<u>\$ 2,570,045.62</u>	<u>\$ 196,102.85</u>	<u>\$ 4,109,635.94</u>	<u>\$ 6,875,784.41</u>

City Of Ottawa, Illinois
Schedule Of Revenues - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Taxes:		
Property Taxes	\$ 1,626,629.00	\$ 1,628,929.14
Personal Property Replacement Taxes	358,478.00	143,224.11
Utility Taxes	1,436,128.00	1,154,075.47
Sales Taxes	5,995,729.00	5,967,784.07
State Income Taxes	1,764,376.00	2,256,146.34
Gambling Taxes	3,979.00	-
Video Game Taxes	153,694.00	236,201.33
Total Taxes	<u>\$ 11,339,013.00</u>	<u>\$ 11,386,360.46</u>
Intergovernmental:		
Adjudication Fines	\$ 33,666.00	\$ -
Parking Meter Fees	67.00	-
Registrar Fees	14,676.00	13,614.00
Yard Waste Fees	172,056.00	172,528.00
Circuit Clerk Fines	109,547.00	86,679.33
Parking Fines	8,939.00	14,795.49
Liquor Fines	5,000.00	-
Highway Maintenance	29,531.00	-
Traffic Light Reimbursement	15,455.00	9,553.27
Police And Fire Training	6,263.00	1,791.69
Marseilles Reimbursement	165,375.00	165,375.00
WFPD Reimbursements	111,250.00	111,250.00
Naplate Reimbursements	8,500.00	-
School Reimbursements	49,000.00	49,000.00
NCAT Reimbursements	-	37,412.94
Other Grants	792,310.00	131,840.46
Total Intergovernmental	<u>\$ 1,521,635.00</u>	<u>\$ 793,840.18</u>
Licenses And Permits:		
Miscellaneous License	\$ 3,633.00	\$ 1,455.00
Peddlers License	673.00	230.00
Liquor License	78,267.00	65,525.00
Sign Filing Fee	1,280.00	1,151.00
T.V. Franchise Fee	192,000.00	203,600.68
Sidewalk Café License Permit	100.00	110.00
Electrical License	53,470.00	44,700.00
Raffle License	450.00	465.00
Contractor License	18,900.00	20,669.00
Electrical Test Fee	3,250.00	4,200.00
Dog Release Fees	2,000.00	1,518.00
Plumbing Permit	100.00	210.00
Rezoning Filing Fee	2,700.00	2,450.00
Building Permit	44,667.00	36,185.75
Subtotal	<u>\$ 401,490.00</u>	<u>\$ 382,469.43</u>

City Of Ottawa, Illinois
Schedule Of Revenues - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Licenses And Permits (Continued):		
Subtotal Forward	\$ 401,490.00	\$ 382,469.43
Swimming Pool Permit	550.00	700.00
Wrecking Permit	1,300.00	475.00
Electrical Permit	8,500.00	6,900.00
Plat Design Review Fee Permit	3,928.00	1,720.00
Fence Permit	4,200.00	5,350.00
Total Licenses And Permits	<u>\$ 419,968.00</u>	<u>\$ 397,614.43</u>
Investment Income	<u>\$ 585.00</u>	<u>\$ 573.19</u>
Miscellaneous:		
Police Other	\$ 2,949.00	\$ 2,246.00
Character Counts	2,000.00	-
Sex Offender Registration Fees	2,673.00	490.00
Police Vehicle Replacement Fees	7,482.00	5,222.39
Failure To Appear Warrant Fees	4,342.00	3,160.00
Group Insurance Payments	530,120.00	612,352.12
Group Insurance Payments -		
Water And Sewer Fund	210,000.00	-
Telephone Franchise	21,489.00	18,343.72
Special Duty Officers	149,350.00	163,869.86
Tree Removal	4,600.00	7,800.00
Recoup Liens	15,191.00	17,719.50
Tree Program Donations	2,428.00	1,633.50
Rents	1,040.00	4,050.00
Reddick Mansion Utilities	6,380.00	4,915.28
Museum Reimbursement	2,144.00	3,422.53
Ambulance Fees	763,246.00	836,694.72
Ambulance Transfer Revenue	400,000.00	477,080.99
Donations	667.00	-
Other	80,939.00	101,780.73
Total Miscellaneous	<u>\$ 2,207,040.00</u>	<u>\$ 2,260,781.34</u>
Total General Fund Revenues	<u>\$ 15,488,241.00</u>	<u>\$ 14,839,169.60</u>

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Department Of Mayor:		
Elected Official	\$ 65,500.00	\$ 66,691.11
Clerical	53,663.00	54,112.76
Part-Time	27,500.00	34,251.32
Clothing Allowance	900.00	-
Dues, Education, Seminars	2,000.00	1,264.10
Office Supplies	2,000.00	1,145.29
Operating Supplies	6,500.00	793.00
Telephone And Pager Expense	960.00	960.00
Gasoline And Diesel Fuel	1,000.00	775.11
Miscellaneous	5,000.00	3,551.04
Contractual Computer Services	3,000.00	873.50
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Total Department Of Mayor	\$ 168,023.00	\$ 164,417.23
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Department Of Liquor Commissioner:		
Elected Official	\$ 5,500.00	\$ 5,500.04
Clerical	400.00	400.14
	<hr/>	<hr/>
Total Department Of Liquor Commissioner	\$ 5,900.00	\$ 5,900.18
	<hr/>	<hr/>
Department Of Fire And Police Commission:		
Dues, Education, Seminars	\$ 1,000.00	\$ 1,170.00
Publishing	2,000.00	-
Miscellaneous	200.00	117.36
Professional/Contractual Services	6,000.00	2,925.00
	<hr/>	<hr/>
Total Department Of Fire And Police Commission	\$ 9,200.00	\$ 4,212.36
	<hr/>	<hr/>
Department Of Civil Service Commission:		
Publishing	\$ 2,000.00	\$ 2,167.35
Miscellaneous	200.00	-
Professional/Contractual Services	2,500.00	780.00
	<hr/>	<hr/>
Total Department Of Civil Service Commission	\$ 4,700.00	\$ 2,947.35
	<hr/>	<hr/>

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Department Of General Administration:		
Administrative	\$ 64,323.00	\$ 65,709.82
Clerical	81,936.00	82,836.26
Clothing Reimbursement	1,350.00	-
Dues, Education, Seminars	3,000.00	2,007.23
Health Insurance And Claims	3,230,200.00	3,191,603.57
Office Supplies	12,000.00	12,787.46
Operating Supplies	2,500.00	8,628.40
Repairs And Maintenance	6,450.00	3,503.18
Recording and Fees	1,500.00	615.00
Telephone And Internet Expense	13,000.00	12,876.56
Postage	8,500.00	4,793.63
Publishing	10,000.00	6,818.20
Miscellaneous	15,000.00	24,374.34
Bank Fees	1,800.00	1,596.86
Local Match - NCAT	-	154,141.00
Professional/Contractual Services	32,000.00	30,367.50
Contractual Computer Services	10,000.00	11,499.63
Allocations/River Rescue Squad	2,000.00	2,000.00
Subsidy/Taxicab	33,000.00	32,528.75
Subsidy/Riordan Pool	-	-
Legal Fees	180,000.00	307,301.42
Total Department Of General Administration	<u>\$ 3,708,559.00</u>	<u>\$ 3,955,988.81</u>
Department Of Accounts And Finance Commissioner:		
Elected Official	\$ 15,000.00	\$ 15,082.34
Dues, Education, Seminars	1,500.00	1,250.54
Telephone And Pager Expense	480.00	480.00
Miscellaneous	250.00	232.00
Total Department Of Accounts And Finance Commissioner	<u>\$ 17,230.00</u>	<u>\$ 17,044.88</u>
Community Development Department:		
Clerical	\$ 53,520.00	\$ 55,962.46
Professional	248,990.00	249,671.76
Other Employees	120,020.00	101,340.89
Part-Time	56,650.00	49,799.47
Subtotal Forward	<u>\$ 479,180.00</u>	<u>\$ 456,774.58</u>

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Community Development Department (Continued):		
Subtotal Forward	\$ 479,180.00	\$ 456,774.58
Meal Allowance	500.00	1,440.52
Clothing Reimbursement	700.00	-
Dues, Education, Seminars	6,000.00	4,805.52
Office Supplies	4,000.00	2,925.25
Operating Supplies	5,300.00	2,651.71
Repairs And Maintenance	2,000.00	590.00
Repairs And Maintenance/Sidewalk Program	50,000.00	58,711.59
Telephone And Internet Expense	2,900.00	1,920.00
Postage	200.00	76.81
Gasoline And Diesel Fuel	7,000.00	2,297.90
Publishing	1,500.00	1,261.70
Miscellaneous	500.00	1,017.46
Professional/Contractual Services	638,000.00	165,980.83
Contractual Computer Services	6,000.00	5,179.12
Contractual/Tree Removal Program	72,000.00	94,253.00
Equipment	-	6,800.00
Construction In Progress	50,000.00	1,293.00
Construction In Progress/IV Rail Study	200,000.00	20,525.93
Sales Tax Incentive - Walsh Toyota & Walsh Rentals	-	70,938.00
	<hr/>	<hr/>
Total Community Development Department	\$ 1,525,780.00	\$ 899,442.92
	<hr/>	<hr/>
Police Department:		
Administrative	\$ 324,500.00	\$ 310,284.26
Clerical	750,000.00	719,737.55
Other Employees	2,296,800.00	2,416,203.95
Overtime	130,000.00	97,189.25
Special Duty	145,000.00	146,951.92
Clothing Reimbursement	1,800.00	3,712.12
Dues, Education, Seminars	18,000.00	17,662.41
Office Supplies	10,000.00	8,412.85
Operating Supplies	45,000.00	27,797.08
Repairs And Maintenance	3,000.00	467.00
Repairs And Maintenance - Equipment	17,000.00	60,434.16
	<hr/>	<hr/>
Subtotal Forward	\$ 3,741,100.00	\$ 3,808,852.55

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Police Department (Continued):		
Subtotal Forward	\$ 3,741,100.00	\$ 3,808,852.55
Telephone And Internet Expense	24,940.00	16,950.23
Postage	900.00	741.83
Gasoline And Diesel Fuel	85,000.00	54,882.66
Miscellaneous	600.00	1,328.17
Professional/Contractual Services	35,000.00	44,948.92
Contractual/Animal Control	10,000.00	3,568.40
Grant Expense/Peer Jury	10,000.00	9,700.00
Grant Expense/Tobacco Grant	2,310.00	198.18
Character Counts	2,000.00	210.45
Sex Offender Fees Expense	200.00	-
D.A.R.E.	6,000.00	4,206.84
Equipment	125,000.00	88,229.23
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Total Police Department	\$ 4,043,050.00	\$ 4,033,817.46
	<hr/>	<hr/>
Fire Department:		
Administrative	\$ 250,398.00	\$ 188,771.63
Other Employees	1,839,240.00	1,809,486.62
Overtime	200,000.00	203,036.98
Special Duty	140,000.00	152,100.00
Clothing Reimbursement	1,450.00	660.30
Dues, Education, Seminars	54,000.00	41,199.24
Public Education/Prevention	8,000.00	4,912.85
Office Supplies	6,000.00	2,594.82
Operating Supplies	25,000.00	13,127.24
Repairs And Maintenance	5,000.00	1,560.79
Repairs And Maintenance - Equipment	20,000.00	8,362.32
Repairs And Maintenance - Vehicles	40,000.00	38,198.13
Telephone And Internet Expense	16,000.00	12,987.12
Postage	300.00	2,493.95
Gasoline And Diesel Fuel	40,000.00	23,148.63
Subtotal Forward	\$ 2,645,388.00	\$ 2,502,640.62

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Fire Department (Continued):		
Subtotal Forward	\$ 2,645,388.00	\$ 2,502,640.62
Miscellaneous	300.00	256.20
Ambulance Expenses	50,000.00	42,391.93
Ambulance Billing/Refund	130,000.00	131,061.62
Professional/Contractual Services	44,270.00	49,315.68
Equipment	40,000.00	39,358.01
Interest	4,957.00	4,957.17
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Total Fire Department	\$ 2,914,915.00	\$ 2,769,981.23
	<hr/>	<hr/>
Department Of Public Health And Safety		
Commissioner:		
Elected Official	\$ 15,000.00	\$ 15,082.34
Dues, Education, Seminars	1,500.00	1,190.65
Telephone And Pager Expense	480.00	480.00
Miscellaneous	250.00	155.08
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Total Department Of Public Health And Safety		
Commissioner	\$ 17,230.00	\$ 16,908.07
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Department Of Streets:		
Administrative	\$ 30,000.00	\$ 31,008.32
Other Employees	241,992.00	221,883.17
Part-Time	35,000.00	39,622.30
Overtime	25,000.00	4,790.64
Clothing Reimbursement	-	-
Dues, Education, Seminars	300.00	-
Office Supplies	500.00	-
Operating Supplies	175,000.00	150,170.28
Repairs And Maintenance	24,000.00	36,956.19
Repairs And Maintenance/Streets	847,000.00	857,936.53
Repairs And Maintenance/Bridge	5,000.00	4,670.00
Traffic Signal Maint./Labor	45,000.00	71,509.37
Street Light Maint./Labor	5,000.00	8,311.16
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Subtotal Forward	\$ 1,433,792.00	\$ 1,426,857.96

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Department Of Streets (Continued):		
Subtotal Forward	\$ 1,433,792.00	\$ 1,426,857.96
Repairs And Maintenance - Equipment	-	19.75
Telephone And Internet Expense	2,000.00	1,991.10
Gasoline And Diesel Fuel	40,000.00	18,188.27
Miscellaneous	600.00	8,513.81
Professional/Contractual Services	190,000.00	191,681.76
Contractual Computer Services	1,000.00	859.61
Operating Lease	3,000.00	-
Equipment	54,000.00	70,284.75
Construction In Progress	-	-
Interest - Debt Certificates	-	-
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Total Department Of Streets	\$ 1,724,392.00	\$ 1,718,397.01
	<hr/>	<hr/>
Department Of Vehicle Maintenance:		
Other Employees	\$ 57,198.00	\$ 57,482.17
Overtime	4,000.00	1,204.50
Dues, Education, Seminars	200.00	141.00
Office Supplies	200.00	-
Operating Supplies	20,000.00	15,129.77
Repairs And Maintenance	200.00	145.08
Repairs And Maintenance - Equipment	300.00	-
Repairs And Maint./Vehicles/Streets	30,000.00	20,853.23
Repairs And Maint./Vehicles/Parks	5,000.00	2,799.48
Repairs And Maint./Vehicles/Police	7,500.00	6,716.25
Repairs And Maint./Vehicles/Other	2,000.00	110.87
Gasoline And Diesel Fuel	900.00	243.88
Miscellaneous	100.00	100.00
	<hr/>	<hr/>
Total Department Of Vehicle Maintenance	\$ 127,598.00	\$ 104,926.23
	<hr/>	<hr/>
Department Of Commissioner Of Public Improvements:		
Elected Official	\$ 15,000.00	\$ 15,082.34
Dues, Education, Seminars	1,500.00	60.00
Subtotal Forward	<hr/> \$ 16,500.00	<hr/> \$ 15,142.34

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Department Of Commissioner Of Public		
Improvements (Continued):		
Subtotal Forward	\$ 16,500.00	\$ 15,142.34
Telephone And Pager Expense	480.00	480.00
Miscellaneous	250.00	103.00
	<hr/>	<hr/>
Total Department Of Commissioner Of		
Public Improvements	\$ 17,230.00	\$ 15,725.34
	<hr/>	<hr/>
Department Of Commissioner Of Public		
Property:		
Elected Official	\$ 15,000.00	\$ 15,082.34
Dues, Education, Seminars	1,500.00	-
Telephone And Pager Expense	480.00	480.00
Miscellaneous	250.00	206.00
	<hr/>	<hr/>
Total Department Of Commissioner Of		
Public Property	\$ 17,230.00	\$ 15,768.34
	<hr/>	<hr/>
Department Of Parks And Public Buildings:		
Other Employees	\$ 471,560.00	\$ 447,920.26
Part-Time	76,000.00	58,528.42
Overtime	10,000.00	3,603.46
Dues, Education, Seminars	4,360.00	8,369.98
Office Supplies	1,800.00	901.81
Operating Supplies	65,500.00	62,306.30
Parks Advisory/Flowers	12,000.00	13,076.27
Tree Board/Trees	10,000.00	9,676.63
Repairs And Maintenance	22,500.00	38,108.11
Repairs And Maintenance - Christmas Lights	8,600.00	7,561.36
Repairs And Maintenance - Equipment	20,000.00	21,869.24
Telephone And Internet Expense	1,600.00	1,352.34
Gasoline And Diesel Fuel	25,000.00	18,598.67
Utilities	120,000.00	145,942.93
Miscellaneous	1,000.00	1,138.20
Professional/Contractual Services	40,000.00	64,780.42
Contractual Computer Services	1,000.00	934.61
Contractual Repairs/Bldg./Streets	5,000.00	6,683.35
	<hr/>	<hr/>
Subtotal Forward	\$ 895,920.00	\$ 911,352.36

City of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Department Of Parks And Public		
Buildings (Continued):		
Subtotal Forward	\$ 895,920.00	\$ 911,352.36
Contractual Repairs/Bldg./Peck Park	-	2,364.36
Contractual Repairs/Bldg./Police	25,000.00	113,654.68
Contractual Repairs/Bldg./Fire	25,000.00	112,743.70
Contractual Repairs/Bldg./City Hall	62,000.00	29,577.07
Contractual Repairs/Bldg./Other	70,000.00	75,468.32
Contractual Repairs/Bldg./IVCC	15,000.00	29,207.21
Contractual Repairs/Bldg./Mansion	-	355.50
Equipment	78,000.00	68,113.98
Construction In Progress	45,000.00	61,703.03
Construction In Progress/Boat Docks	5,000.00	3,487.22
Construction In Progress/Allen Park	<u>-</u>	<u>4,770.00</u>
 Total Department Of Parks And Public		
Buildings	<u>\$ 1,220,920.00</u>	<u>\$ 1,412,797.43</u>
 Total General Fund Expenditures	<u><u>\$ 15,521,957.00</u></u>	<u><u>\$ 15,138,274.84</u></u>

City Of Ottawa, Illinois
Schedule Of Operating Revenues - Budget And Actual
Waterworks And Sewerage Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Water And Sewer Departments:		
Charges For Services		
Water And Sewer Revenue	\$ 6,392,820.00	\$ 6,104,383.31
Penalty Revenue	44,000.00	42,134.24
Tapping Fees	30,000.00	29,000.00
Water Extension Fees	1,000.00	13,950.36
Sewer Extension Fees	300.00	1,648.64
Bulk Water Revenue	5,000.00	3,870.00
New Water Meter Revenue	5,000.00	11,368.50
Sewer Connection Fees	20,000.00	19,245.74
Leachate Treatment Fees	18,000.00	29,570.07
Septic Dumping Fees	38,000.00	42,025.00
Laboratory Service Fees	1,000.00	1,499.00
Account Activation Fees	10,000.00	10,575.00
Utility Tax - Pilkington	2,200.00	144,682.00
Grant - Pilkington	-	477,997.92
Miscellaneous Revenues	12,000.00	59,753.58
	<hr/>	<hr/>
Total Waterworks And Sewerage Fund	<u>\$ 6,579,320.00</u>	<u>\$ 6,991,703.36</u>

City Of Ottawa, Illinois
Schedule Of Operating Expenses - Budget And Actual
Waterworks And Sewerage Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Water Department:		
Payroll And Benefits		
Salaries - Clerical	\$ 49,340.00	\$ 49,610.85
Salaries - Professional	-	-
Salaries - Other Employees	285,777.00	343,499.47
Salaries - Part Time	12,000.00	7,152.19
Salaries - Overtime	35,000.00	45,471.73
Health And Life Insurance	150,000.00	-
Total Payroll And Benefits	<u>\$ 532,117.00</u>	<u>\$ 445,734.24</u>
Plant And Operations		
Operating Supplies	\$ 280,000.00	\$ 409,853.41
Repairs And Maintenance - Building And Other	419,357.70	756,964.04
Repairs And Maintenance - Vehicles	15,000.00	16,504.51
Gasoline And Diesel Fuel	25,000.00	16,009.87
Utilities	240,000.00	291,903.78
Professional/Contractual Services	174,000.00	231,368.71
Operating Lease	2,580.00	-
Equipment	45,000.00	3,023.02
Total Plant And Operations	<u>\$ 1,200,937.70</u>	<u>\$ 1,725,627.34</u>
Administration And Other		
Dues, Education, Seminars	\$ 5,000.00	\$ 5,202.96
Office Supplies	25,000.00	8,051.15
Telephone And Internet	7,000.00	3,358.67
Postage	30,000.00	24,184.41
Publishing	300.00	395.83
Miscellaneous	5,000.00	8,241.77
Total Administration And Other	<u>\$ 72,300.00</u>	<u>\$ 49,434.79</u>
Total Water Department	<u>\$ 1,805,354.70</u>	<u>\$ 2,220,796.37</u>

City Of Ottawa, Illinois
Schedule Of Operating Expenses - Budget And Actual
Waterworks And Sewerage Fund
Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
Sewer Department:		
Payroll And Benefits		
Salaries - Administrative	\$ 97,957.40	\$ 98,527.63
Salaries - Clerical	39,688.00	41,502.34
Salaries - Other Employees	378,003.00	426,050.34
Salaries - Part Time	12,000.00	7,844.88
Salaries - Overtime	5,000.00	5,682.73
Health And Life Insurance	100,000.00	-
Total Payroll And Benefits	<u>\$ 632,648.40</u>	<u>\$ 579,607.92</u>
Plant And Operations		
Operating Supplies	\$ 94,000.00	\$ 105,383.75
Repairs And Maintenance - Buildings And Other	398,195.00	496,111.58
Repairs And Maintenance - Vehicles	20,000.00	14,049.34
Gasoline And Diesel Fuel	20,000.00	11,239.03
Utilities	180,000.00	204,981.03
Professional/Contractual Services	79,000.00	543,778.64
Operating Leases	6,000.00	9,176.52
Equipment	45,000.00	-
Total Plant And Operations	<u>\$ 842,195.00</u>	<u>\$ 1,384,719.89</u>
Administration And Other		
Dues, Education, Seminars	\$ 6,000.00	\$ 4,107.69
Office Supplies	2,000.00	2,109.43
Telephone And Internet	6,000.00	4,841.39
Postage	22,000.00	21,669.39
Publishing	400.00	486.74
Miscellaneous	2,000.00	6,813.99
Total Administration And Other	<u>\$ 38,400.00</u>	<u>\$ 40,028.63</u>
Total Sewer Department	<u>\$ 1,513,243.40</u>	<u>\$ 2,004,356.44</u>
Total Waterworks And Sewer Department		
Before Depreciation	\$ 3,318,598.10	\$ 4,225,152.81
Depreciation	<u>-</u>	<u>1,324,009.00</u>
Total Waterworks And Sewerage Fund	<u>\$ 3,318,598.10</u>	<u>\$ 5,549,161.81</u>

City Of Ottawa, Illinois
Schedule Of Tax Extensions, Collections, Revenues And Taxes Receivable
Year Ended April 30, 2016

Tax Levy Year	2015		2014		2013	
Assessed Valuations	<u>\$267,477,716</u>		<u>\$263,857,904</u>		<u>\$263,832,454</u>	
Tax Rates And Extensions:						
Corporate	Rate	Extension	Rate	Extension	Rate	Extension
	0.25000	\$ 668,694.38	0.25000	\$ 659,644.78	0.25000	\$ 659,581.18
Illinois Municipal Retirement	0.25421	679,955.19	0.25099	662,256.98	0.22464	592,673.26
Fire Protection	0.15000	401,216.62	0.15000	395,786.87	0.15000	395,748.71
Firemen Pension	0.33364	892,412.76	0.33821	892,393.85	0.32213	849,883.54
Police Protection	0.15000	401,216.62	0.15000	395,786.87	0.15000	395,748.71
Police Pension	0.23762	635,580.63	0.24087	635,554.56	0.22942	605,284.45
Audit	0.03118	83,399.56	0.02981	78,656.04	0.02812	74,189.69
Insurance	0.23815	636,998.26	0.24562	648,087.81	0.24961	658,552.23
Street Lighting	0.03365	90,006.26	0.02894	76,360.48	0.02730	72,026.26
Playground	0.09000	240,729.97	0.09000	237,472.12	0.09000	237,449.22
Social Security	0.10584	283,098.45	0.10720	282,855.68	0.11121	293,408.09
School Crossing Guard	0.02000	53,495.55	0.01997	52,692.43	0.01884	49,706.04
Bonds & Interest	0.00658	17,600.04	-	-	-	-
Garbage	0.06637	177,524.98	-	-	-	-
Totals	1.96724	\$ 5,261,929.27	1.90161	\$ 5,017,548.47	1.85127	\$ 4,884,251.38
Collections	<u>\$ -</u>		<u>\$ 4,975,045.92</u>		<u>\$ 4,871,718.82</u>	
Percent Collections	<u>0.00%</u>		<u>99.15%</u>		<u>99.74%</u>	

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2016

	Year Ending <u>April 30</u>	Governmental Fund Types		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
General Obligation				
Corporate Purpose Debt	2017	\$ 410,000.00	\$ 37,515.00	\$ 447,515.00
Certificate (Limited Tax),	2018	410,000.00	18,860.00	428,860.00
Series 2007:		<u>\$ 820,000.00</u>	<u>\$ 56,375.00</u>	<u>\$ 876,375.00</u>
Interest and principal payable on June 15 of each year at a rate varying from 4.15% to 4.60%				
Taxable General Obligation	2017	\$ 130,000.00	\$ 143,599.00	\$ 273,599.00
Recovery Zone Economic Bonds,	2018	135,000.00	136,865.00	271,865.00
Series 2009 Dated	2019	140,000.00	129,656.00	269,656.00
January 15, 2010:	2020	150,000.00	121,970.00	271,970.00
Interest payable June 1	2021	155,000.00	113,660.00	268,660.00
and December 1 of each	2022	165,000.00	104,887.00	269,887.00
year at a rate varying	2023	175,000.00	95,235.00	270,235.00
from 4.69% to 6.75%	2024	185,000.00	84,857.00	269,857.00
	2025	200,000.00	73,683.00	273,683.00
	2026	210,000.00	61,383.00	271,383.00
	2027	225,000.00	48,027.00	273,027.00
	2028	240,000.00	33,245.00	273,245.00
	2029	255,000.00	17,213.00	272,213.00
		<u>\$ 2,365,000.00</u>	<u>\$ 1,164,280.00</u>	<u>\$ 3,529,280.00</u>

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2016

	Year Ending April 30	Governmental Fund Types		
		Principal	Interest	Total
General Obligation				
Corporate Purpose Debt	2017	\$ 642,000.00	\$ 54,891.00	\$ 696,891.00
Certificate (Limited Tax),	2018	642,000.00	37,236.00	679,236.00
Series 2012A Dated	2019	642,000.00	18,939.00	660,939.00
October 3, 2012:		<u>\$ 1,926,000.00</u>	<u>\$ 111,066.00</u>	<u>\$ 2,037,066.00</u>
Interest payable on				
June 1 and December 1 of				
each year at a rate varying				
from 1.71% to 2.95%.				
Principal payable on				
December 1 of each year.				
Installment Note -	2017	\$ 81,438.32	\$ 3,352.48	\$ 84,790.80
Dated October 9, 2014:	2018	83,063.12	1,727.68	84,790.80
48 Monthly Payments of	2019	42,151.71	243.88	42,395.59
\$7,065.90 with interest		<u>\$ 206,653.15</u>	<u>\$ 5,324.04</u>	<u>\$ 211,977.19</u>
rate of 1.95%				
Waterworks And Sewerage	2017	\$ 68,713.83	\$ 19,927.03	\$ 88,640.86
Construction Loan:	2018	70,442.41	18,198.45	88,640.86
Payments of \$65,704.30	2019	72,214.48	16,426.38	88,640.86
on October 30, 2007, then	2020	74,031.12	14,609.74	88,640.86
payments of \$44,320.43 due	2021	75,893.47	12,747.39	88,640.86
April 30 and October 30	2022	77,802.67	10,838.19	88,640.86
starting April 30, 2008	2023	79,759.90	8,880.96	88,640.86
through October 30, 2026,	2024	81,766.35	6,874.51	88,640.86
with interest rate of 2.50%	2025	83,823.28	4,817.58	88,640.86
	2026	85,931.96	2,708.90	88,640.86
	2027	43,773.30	547.13	44,320.43
		<u>\$ 814,152.77</u>	<u>\$ 116,576.26</u>	<u>\$ 930,729.03</u>

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2016

	Year Ending April 30	Waterworks And Sewerage Fund		Total
		Principal	Interest	
General Obligation				
Corporate Purpose Debt	2017	\$ 125,000.00	\$ 66,962.50	\$ 191,962.50
Certificate (Limited Tax),	2018	125,000.00	63,525.00	188,525.00
Series 2012B Dated	2019	125,000.00	59,962.50	184,962.50
October 3, 2012:	2020	125,000.00	56,275.00	181,275.00
Interest payable on June 1	2021	125,000.00	52,462.50	177,462.50
and December 1 of each	2022	125,000.00	48,450.00	173,450.00
year at a rate varying	2023	125,000.00	44,175.00	169,175.00
from 1.71% to 4.30%.	2024	125,000.00	39,762.50	164,762.50
Principal payable on	2025	125,000.00	35,212.50	160,212.50
December 1 of each year.	2026	125,000.00	30,537.50	155,537.50
	2027	125,000.00	25,700.00	150,700.00
	2028	125,000.00	20,725.00	145,725.00
	2029	125,000.00	15,700.00	140,700.00
	2030	125,000.00	10,587.50	135,587.50
	2031	125,000.00	5,375.00	130,375.00
		<u>\$ 1,875,000.00</u>	<u>\$ 575,412.50</u>	<u>\$ 2,450,412.50</u>
Waterworks And Sewerage	2017	\$ 294,820.04	\$ -	\$ 294,820.04
Construction Loan:	2018	294,820.04	-	294,820.04
Payments of \$140,318.74	2019	294,820.04	-	294,820.04
on July 24, 2012, January 24, 2013	2020	294,820.04	-	294,820.04
and July 24, 2013, then payments	2021	294,820.04	-	294,820.04
of \$147,410.02 due semiannually	2022	294,820.04	-	294,820.04
January 24, 2014, through	2023	294,820.04	-	294,820.04
July 24, 2031, at a rate of 0%	2024	294,820.04	-	294,820.04
	2025	294,820.04	-	294,820.04
	2026	294,820.04	-	294,820.04
	2027	294,820.04	-	294,820.04
	2028	294,820.04	-	294,820.04
	2029	294,820.04	-	294,820.04
	2030	294,820.04	-	294,820.04
	2031	294,820.04	-	294,820.04
	2032	147,410.08	-	147,410.08
		<u>\$ 4,569,710.68</u>	<u>\$ -</u>	<u>\$ 4,569,710.68</u>

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2016

	Year Ending <u>April 30</u>	<u>Waterworks And Sewerage Fund</u>		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
Corporate Purpose Debt	2017	\$ 344,000.00	\$ 77,807.70	\$ 421,807.70
Certificate (Limited Tax),	2018	353,000.00	68,691.70	421,691.70
Series 2013 Dated	2019	362,000.00	58,984.20	420,984.20
March 26, 2013:	2020	371,000.00	48,667.20	419,667.20
Interest payable on	2021	380,000.00	37,722.70	417,722.70
June 1 and December 1 of	2022	389,000.00	26,132.70	415,132.70
each year at a rate varying	2023	399,000.00	13,645.80	412,645.80
from 1.71% to 3.42%.		<u>\$ 2,598,000.00</u>	<u>\$ 331,652.00</u>	<u>\$ 2,929,652.00</u>
Principal payable on				
December 1 of each year.				
Installment Note -	2017	\$ 36,540.60	\$ 1,222.68	\$ 37,763.28
Dated July 16, 2009:	2018	9,375.88	64.94	9,440.82
96 Monthly Payments of		<u>\$ 45,916.48</u>	<u>\$ 1,287.62</u>	<u>\$ 47,204.10</u>
\$3,146.94 with interest				
rate of 4.11%				
General Obligation	2017	\$ -	\$ 17,581.13	\$ 17,581.13
Corporate Purpose	2018	330,000.00	20,751.50	350,751.50
Bonds, Series 2016 Dated	2019	335,000.00	16,296.50	351,296.50
February 26, 2016:	2020	340,000.00	11,305.00	351,305.00
Interest payable on January 1	2021	345,000.00	5,865.00	350,865.00
and July 1 of each year at a		<u>\$ 1,350,000.00</u>	<u>\$ 71,799.13</u>	<u>\$ 1,421,799.13</u>
rate varying from 1.35% to				
1.70%. Principal payable on				
January 1 each year.				

CITY OF OTTAWA, ILLINOIS

Other Information

April 30, 2016

ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS

Calendar year ending December 31,	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 360,292
Interest on the Total Pension Liability	1,380,174
Changes of Benefit Terms	0
Differences Between Expected and Actual	
Experience of the Total Pension Liability	699,495
Changes of Assumptions	45,167
Benefit Payments, Including Refunds of	
Employee Contributions	<u>(1,083,627)</u>
Net Change in Total Pension Liability	\$ 1,401,501
Total Pension Liability - Beginning	<u>18,763,984</u>
Total Pension Liability - Ending (A)	<u><u>\$ 20,165,485</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 573,080
Contributions - Employees	174,557
Net Investment Income	87,000
Benefit Payments, Including Refunds of	
Employee Contributions	<u>(1,083,627)</u>
Other (Net Transfer)	<u>221,183</u>
Net Change in Plan Fiduciary Net Position	<u>\$(27,807)</u>
Plan Fiduciary Net Position - Beginning	<u>17,568,001</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 17,540,194</u></u>
Net Pension Liability - Ending (A) - (B)	\$ 2,625,291
Plan Fiduciary Net Position as a Percentage	
of the Total Pension Liability	86.98%
Covered Valuation Payroll	\$ 3,722,091
Net Pension Liability as a Percentage	
of Covered Valuation Payroll	70.53%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

City of Ottawa, Illinois
Other Information
 April 30, 2016

ILLINOIS MUNICIPAL RETIREMENT FUND
 MULTIYEAR SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of Covered</u> <u>Valuation Payroll</u>
2015	\$566,502	\$573,080	\$(6,578)	\$3,722,091	15.40%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate*

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period until the remaining period reaches 15 years (then 15-year rolling period)
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes

There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2013, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.