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City Of Ottawa  
LaSalle County, Illinois  
Annual Financial Report  
Year Ended April 30, 2017

ANNUAL FINANCIAL REPORT  
City Of Ottawa, Illinois  
Year Ended April 30, 2017

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CITY OF OTTAWA, ILLINOIS

*CITY COUNCIL*

Robert M. Eschbach, *Mayor*

*COMMISSIONERS*

Daniel F. Aussem  
*Public Property*

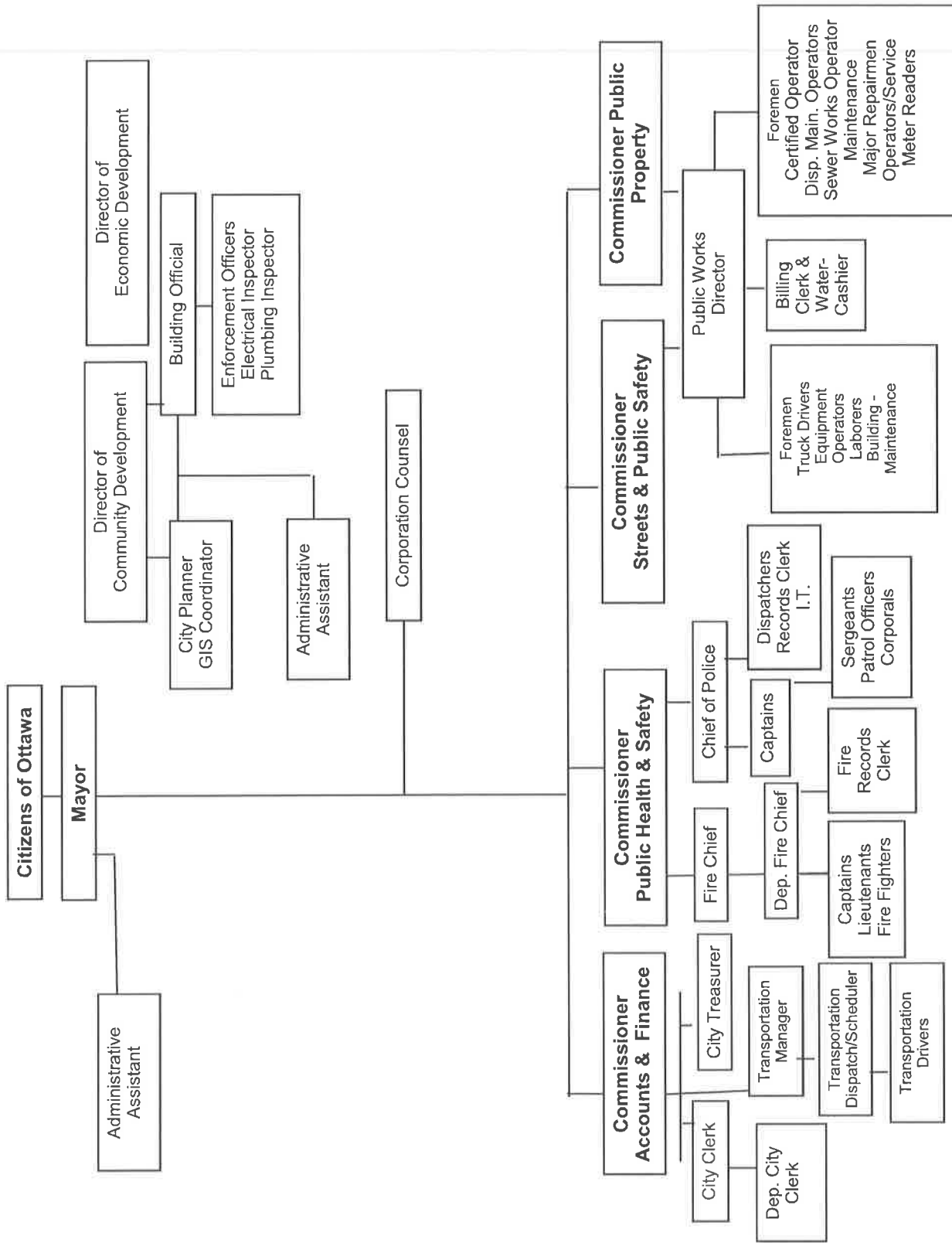
Wayne A. Eichelkraut, Jr.  
*Accounts & Finance*

James J. Less  
*Public Improvements*

Thomas G. Ganiere  
*Public Health & Safety*

*CITY CLERK*  
Shelly Munks

**CITY OF OTTAWA**



**ROENFELDT & LOCKAS, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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

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**OTTAWA, ILLINOIS 61350**

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**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, 2017, 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 40 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. The amount by which this disclosure would affect the financial statements is not known.

### **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, 2017, 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, 2017, 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 other supplementary information section on pages 73-94 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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, 2017, 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



The Honorable Mayor  
and City Council

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ottawa, Illinois' internal control over financial reporting and compliance.

*Rosenfeldt & Horlan, P.C.*

Ottawa, Illinois

December 30, 2017

**ROENFELDT & LOCKAS, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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

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, 2017, 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, 2017.

**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.

*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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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

The Honorable Mayor  
and City Council

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.

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.

*Roenfeldt & Hochman, P.C.*

Ottawa, Illinois  
December 30, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

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, 2017. 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, 2016 to the current fiscal year ended April 30, 2017. 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, 2017

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 17. 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, 2017

- 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 wastewater 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$24,065	\$23,851	\$3,695	\$2,612	\$27,761	\$26,463
Capital assets, net	47,185	47,007	34,438	29,989	81,623	76,996
Total assets	\$71,250	\$70,858	\$38,134	\$32,601	\$109,384	\$103,459
Long-term liabilities	\$3,362	\$4,483	\$13,713	\$ 9,955	\$17,075	\$14,438
Other liabilities	4,029	3,041	897	909	4,926	3,950
Total liabilities	\$7,391	\$7,524	\$14,610	\$10,864	\$22,001	\$18,388
Net position:						
Invested in capital assets						
net of related debt	\$43,092	\$41,740	\$19,304	\$18,686	\$62,396	\$60,426
Restricted	98	78	0	0	98	78
Unrestricted	20,669	21,516	4,220	3,051	24,889	24,567
Total net position	\$63,859	\$63,334	\$23,524	\$21,737	\$87,383	\$85,071

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

Beginning net position	\$63,334	\$62,213	\$21,737	\$20,467	\$85,071	\$82,680
Increase in net position	525	1,121	1,787	1,270	2,312	2,391
Ending net position	<u>\$63,859</u>	<u>\$63,334</u>	<u>\$23,524</u>	<u>\$21,737</u>	<u>\$87,383</u>	<u>\$85,071</u>

The City's net assets increased by \$2.3 million for the fiscal year ended April 30, 2017 compared to April 30, 2016, with ending assets of \$87.4 million and \$85.1 million, respectively. Total liabilities increased by \$3.6 million as of April 30, 2017 when compared to April 30, 2016, with total assets increasing by \$5.9 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	
	2017	2016	2017	2016
General Government	\$6,330	\$6,022	(\$4,336)	(\$4,007)
Public Safety	7,950	7,498	(6,272)	(5,780)
Transportation	3,536	3,756	(2,320)	(2,727)
Cultural, Parks & Recreation	2,160	2,057	(2,084)	(1,948)
Community Development	6,095	5,321	(5,639)	(4,652)
Interest On Long-Term Debt	201	215	(141)	(152)
Capital Outlay	-	-	-	-
Totals	<u>\$26,272</u>	<u>\$24,869</u>	<u>(\$20,792)</u>	<u>(\$19,266)</u>

Operationally, the *total* cost of all governmental activities for the fiscal year ended 2017 increased by approximately 5.6%, and the *net* cost of service increased by 7.9%. In fiscal year ended 2016, total cost decreased by 0.9% over the prior year, but net cost increased by 17.5%.

For most functions and programs the year over year variances were from more routine increases in costs. The variances in transportation and community development, however, were significantly impacted by grants awards and receipts. In fiscal year 2017, the City was awarded \$0.2 million in community development grants, as contrasted to fiscal year 2016 in which it was awarded \$0.4 million in various community development grants. The community development grants received in 2017 were \$68 thousand for purchasing flood vulnerable properties from Community Development Assistance Program (CDAP), \$63 thousand from the U.S. Environmental Protection Agency (EPA)



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

for the Brownfield's program, and \$49 thousand from the State of Illinois for the Columbus Street project. 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 Protection Agency (EPA) for the Brownfield's program.

The total cost of transportation for the City of Ottawa declined by 5.9% in 2017 contrasted to 2016, and the net cost of transportation declined in fiscal year 2017 as contrasted to fiscal year 2016 by 14.9%. North Central Area Transit (NCAT) contributed \$1.022 million for transportation expense in 2017, contrasted to \$878 thousand in 2016. The NCAT, Mini Bus, and Taxicab program operated at a \$159 thousand profit in 2017 and a \$94 thousand profit in 2016.

In 2017 expenditures for streets were \$2.5 million with no offsetting grants compared to 2016 when \$2.8 million was expended, again with no offsetting grants.

Public Safety is the largest expense category within governmental activities. Total costs increased by 6.0% contrasting fiscal year 2017 to fiscal year 2016, with general wage increases and pension expenses representing significant components of the increase. Revenues for charges for services declined overall in 2017 by 3.9%, however, increased in the fire department by 1.2% due to emergency and non-emergency transfer volume.

General government expenses increased by \$308 thousand, 5.1%, comparing fiscal year ended April 30, 2017 to April 30, 2016, while charges for general government services decreased modestly with a \$23 thousand reduction. Overall, normal salary and wages paid increased by \$295 thousand which represents a 4.1% increase, however, total wages paid in general government increased by \$269 thousand, or 3.7%, due to a \$14 thousand decrease in overtime pay. Health insurance claims decreased from the prior year, by \$98 thousand, and total expenses net of employee premium payments decreased by 2.2%, with a net expense reduction of \$57 thousand.

The health plan direct and variable expenses, net of employee contributions and stop loss reimbursements, was \$2.5 million for the period ending April 30, 2017, as contrasted to \$2.6 million for the period ending April 30, 2016, \$2.3 million for the period ending April 30, 2015, and \$1.8 million for the period ending April 30, 2014. 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

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 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 maintains defined benefit pension plans for regular employees, funding three separate plans. The total 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, 2016 was funded at 68.4% compared to April 30, 2015 at which it was funded at 69.5%, and 70.9% as of April 30, 2014; and the Firefighter's Pension Fund had a funding level of 45.9% as of April 30, 2016 compared to 48.0% as of April 30, 2015 and 51.0% at April 30, 2014. 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 77.4% to 99.0% funded as of December 31, 2016, and was 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 \$628 thousand to the IMRF for the calendar year ending December 31, 2016, \$875 thousand to the Police Pension for fiscal year ending April 30, 2017, and \$1.057 million to the Firefighters' Pension during the fiscal year ending April 30, 2017. For each pension the City's contribution reflects increases over the prior year in which City contributions were \$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 4.6% for the fiscal period ending April 30, 2017 as compared to 3.3% for the fiscal period ending April 30, 2016. Total general revenues to support governmental activities (excluding City inter-fund transfers) were

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ending April 30, 2017

\$21.4 million, compared to \$20.5 million, and \$19.8 million for periods ending April 30, 2017, April 30, 2016, and April 30, 2015 respectively.

Property taxes and Sales and Use taxes are the largest sources of general revenue for the City, in combination accounting for 74.5% of total general revenues from governmental activities (exclusive of City inter-fund transfers) for the fiscal year ended April 30, 2017, 75.4% for the period ended April 30, 2016, and 74.2% for the period ended April 30, 2015. Overall, property tax revenues increased by \$537 thousand or 5.7% in fiscal year ending April 30, 2017 compared to \$567 thousand or 6.4% in fiscal year ending April 30, 2016 and \$308 thousand, or 3.6%, in 2015, which is contrasted 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 third straight year after previous declines. The overall ratio of property tax revenue to total revenue (exclusive of City inter-fund transfers), increased to 46.8% for the period ended April 30, 2017 from 46.3% for the period ended April 30, 2016 and 44.9% for the period ended April 30, 2015. Sales and Use taxes declined by \$33 thousand, or 0.5% after increasing by \$69 thousand, or 1.2% the year before. Sales and Use taxes represented 28.2% of general revenues for governmental activities (exclusive of City inter-fund transfers) as compared to 29.1% for the period ended April 30, 2016, 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 10.7% for levy year 2016 with 6.3% of that increase from the levy for bonds and interest. The overall levy rate for 2016 applied to each \$100 of assessed valuation increased 6.5%, or 12.8 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 4.9% in 2015, and levy rate by 6.6 cents, 3.0% in 2014, and levy rate increased by 5.0 cents; in 2013, 0.4% and 6.7 cents respectively. The EAV, which is the basis upon which property taxes are levied, increased in levy year 2016 for taxes to be paid in fiscal year ending April 30, 2018. The total increase in the 2016 EAV was \$10.8 million after increasing by \$3.6 million in 2015. This represents the third 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 consumed a significant amount of the property tax levy, representing 47.2% of taxes levied in 2016 and 47.3% of the total amount levied in 2015. Historically the tax levies for IMRF, Police, Firefighter, and

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

Social Security collectively represented: 49.3% in levy year 2014 for use in the fiscal year ended April 30, 2016, 47.9% in 2013, 47.5% in 2012, and 46.9% in 2011. In fiscal year 2017 the levy for non-pension funds in aggregate increased by \$320 thousand to a total of \$3.1 million. The prior year non-pension aggregates were: \$2.8 million (2016); \$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 within the taxing limits of the City declined modestly by \$33 thousand for fiscal year 2017, while generally continuing to maintain the prior year increases in revenue; \$69 thousand for fiscal year 2016, \$199 thousand in 2015, and \$277 thousand in 2014. This represents a 0.5% decline for 2017, a 1.2% increase for 2016, a 3.5% increase for 2015, and a 5.1% increase for the fiscal year ended 2014.

## Business-Type Activities (Primarily Water and Wastewater Treatment)

	(\$000s)			
	Total Cost of Services		Net (Cost) of Services	
	2017	2016	2017	2016
Water and Wastewater Treatment	\$5,346	\$5,768	\$1,736	\$1,224
Swimming Pool	107	138	(60)	(93)
Canal Rental and Purchase	0	0	0	0
Events	381	276	11	(46)
Totals	<u>\$5,834</u>	<u>\$6,182</u>	<u>\$1,687</u>	<u>\$1,177</u>

Program revenues from business-type activities increased by \$161 thousand, with total revenues of \$7.5 million, however, in 2016 capital grants and contributions in the amount of \$524 were received as contrasted to \$35 thousand in 2017.

For fiscal year ended April 30, 2017, the business-type activities overall operated at a profit of \$1.7 million compared to the fiscal year ended April 30, 2016 during which they 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, again in 2016 the City received \$524 thousand in grants and other for water and sewer, and a \$107 thousand grant in 2015, as contrasted to \$35 thousand in 2017. The City's municipal swimming pool operated at a deficit of \$60 thousand in 2017 after a deficit of \$93

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

thousand in 2016, and a deficit in fiscal year ending April 30, 2015 of \$116 thousand. The City's Events Fund generated a profit of \$11 thousand in fiscal year 2017, following a \$47 thousand profit in fiscal year 2016, and a modest loss of \$4 thousand for year ending April 30, 2015. The overall net assets attributable to business-type activities increased by \$1.8 million to a total of \$23.5 million for the period ended April 30, 2017 after increasing by \$1.3 million to a total of \$21.7 million in 2016. 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, 2017 as compared with the fiscal year ending April 30, 2016.

Revenues:	(\$000s)			
	2017		2016	
		% of		% of
	Amount	Total	Amount	Total
Taxes	\$19,862	76.41%	\$19,628	75.99%
Intergovernmental	1,693	6.51%	1,649	6.38%
Charges for Services	604	2.32%	649	2.51%
Fines & Forfeitures	410	1.58%	433	1.68%
Licenses & Permits	971	3.74%	908	3.51%
Investment Income	13	0.05%	5	0.02%
Miscellaneous	2,441	9.39%	2,559	9.91%
Total Revenues	<u>\$25,994</u>	<u>100.00%</u>	<u>\$25,831</u>	<u>100.00%</u>

Expenditures:	(\$000s)			
	2017		2016	
		% of		% of
	Amount	Total	Amount	Total
General Government	\$6,252	22.94%	\$5,945	23.37%
Public Safety	7,250	26.61%	6,934	27.25%
Transportation	3,220	11.82%	3,437	13.51%
Cultural, Parks & Recreation	1,832	6.72%	1,749	6.88%
Community/Economic Develop.	5,379	19.74%	4,766	18.73%
Debt Service	1,002	3.68%	1,003	3.94%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

Capital Outlay	<u>2,315</u>	<u>8.49%</u>	<u>1,608</u>	<u>6.32%</u>
Total Expenditures	<u>\$27,250</u>	<u>100.00%</u>	<u>\$25,442</u>	<u>100.00%</u>

Revenues from taxes increased by \$234 thousand for the period ending April 30, 2017 and represented 76.4% of total revenues for governmental funds. During the period ending April 30, 2016 revenues from taxes increased by \$714 thousand 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. Revenues exclusive of taxes and intergovernmental receipts were approximately \$4.4 million for the period ended April 30, 2017 and were \$4.6 million for the period ended April 30, 2016, and \$4.3 million for the period ended April 30, 2015. Revenue from intergovernmental sources remained stable in the fiscal year ended April 30, 2017 at \$1.7 million after \$1.6 million for the period ended April 30, 2016. Licenses and Permits increased to \$971 thousand during the period ended April 30, 2017 after producing \$908 for the period ended April 30, 2016. Fines and forfeitures declined slightly to \$411 thousand for the period ended April 30, 2017 after returning \$433 thousand for the year ended April 30, 2016.

Expenditures for governmental funds in total increased to \$27.3 million for the fiscal year ending April 30, 2017. They were \$25.4 million for the fiscal year ending April 30, 2016 and \$29.5 million in the period ended April 30, 2015. The most significant change in expenditures comparing the fiscal year ended April 30, 2017 to the fiscal year ended April 30, 2016 was an increase of \$706 thousand in capital outlay. Total governmental fund balances, in aggregate, declined \$1.2 million for the fiscal year ending April 30, 2017. They ended at \$1.7 million increase 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 \$977 thousand, with all other funds increasing by \$1.8 million in the aggregate. The General Fund balance at the end of year, April 30, 2017 was \$1.5 million, compared to April 30, 2016 at \$2.4 million and an ending balance as of April 30, 2015 of \$2.6 million. The General Fund is the City's main operating account. This General Fund ending balance represents approximately 35 days of average General Fund expenditures for the fiscal year ended April 30, 2017, compared to 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. Current year resources available for appropriation to the general fund were \$1.2 million less than was budgeted;

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

with actual revenues collected of 92.7% of the amount budgeted. The most significant differences were receipts of \$487 thousand less in grants than was budgeted – with a consequent similar reduction in expenditures, and also budgeted taxes were less than received. Taxes received were 95.3% of the amount budgeted, with \$392 thousand less than budgeted in State income taxes, \$234 thousand less than budgeted in personal property replacement taxes, and \$141 thousand less received than budgeted in utility taxes. Property taxes received were 101.0% of the amounts budgeted, and sales taxes received were 99.5% of the amount budgeted.

Overall expenditures were \$171 thousand less than budgeted. Primary areas in which expenditures exceeded the amounts that were budgeted were an additional \$292 thousand in equipment in the Fire Department, \$145 more in miscellaneous expense in the Street Department. Mitigating these deviations were expenses less than budgeted for health insurance and claims of \$282 thousand and in the Community Development Department \$342 thousand less expended than budgeted in professional and contractual services.

A total of \$100 thousand was transferred from the General Fund to other City funds, and \$114 thousand from other funds was transferred into the General Fund. The fund balance in the General Fund decreased as of April 30, 2017 to \$1.5 million after ending at \$2.4 million for the period ended April 30, 2016. 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 \$8.9 million as of April 30, 2017, and were \$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, 2017 the City has \$81.6 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, 2016, the City had \$77.0 million invested in capital assets, net of depreciation.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

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.

### DEBT

At April 30, 2017, the City has \$19.6 million in bonds and notes outstanding versus \$16.6 million as of April 30, 2016, \$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, 2017, but did not refinance any of the debt. In fiscal year ended April 30, 2017 the City did issue \$4.7 million of general obligation bonds for the costs of improving the waterworks and sewerage system providing for periodic servicing and retirement of the debt through 2030 at a fixed rate of 2.58%. Additionally, the City financed the purchase of a Vactor truck with an installment note in the amount \$410 thousand. 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 generally been purchased and funded by local financial institutions. The City's outstanding general obligation debt is 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 2017-2018 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



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2017

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 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 2018. Amounts available for appropriation in the General Fund budget, including fund reserves, are \$17.2 million for fiscal year ending April 30, 2018. Amounts available in previous years were \$18.2 million for fiscal year ending April 30, 2017, \$18.3 million for fiscal year 2016, and \$18.0 million for fiscal year 2015. General budgeted expenses were similar to fiscal year 2017, 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, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b>Current Assets:</b>			
Cash	\$ 9,088,590.47	\$ 3,995,662.24	\$ 13,084,252.71
Investments	782,952.90	35,818.64	818,771.54
Accounts Receivable (Net)	-	1,007,061.83	1,007,061.83
Prepaid Expense	-	11,851.48	11,851.48
Property Taxes Receivable	10,073,937.33	-	10,073,937.33
Receivable From Other Governments	41,091.98	-	41,091.98
Notes Receivable	5,296.59	-	5,296.59
Other Taxes And Fees Receivable	2,580,230.59	-	2,580,230.59
Due From Other Funds	1,355,183.10	(1,355,183.10)	-
<b>Total Current Assets</b>	<b>\$ 23,927,282.96</b>	<b>\$ 3,695,211.09</b>	<b>\$ 27,622,494.05</b>
<b>Noncurrent Assets:</b>			
Special Assessments Receivable	\$ 4,804.80	\$ -	\$ 4,804.80
Notes Receivable	35,418.43	-	35,418.43
<b>Restricted Assets:</b>			
Cash	-	-	-
Investments	97,706.03	-	97,706.03
Capital Assets (Net)	47,184,806.88	34,438,344.22	81,623,151.10
<b>Total Noncurrent Assets</b>	<b>\$ 47,322,736.14</b>	<b>\$ 34,438,344.22</b>	<b>\$ 81,761,080.36</b>
<b>Total Assets</b>	<b>\$ 71,250,019.10</b>	<b>\$ 38,133,555.31</b>	<b>\$ 109,383,574.41</b>
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities:</b>			
Cash Overdraft	\$ 1,146,185.22	\$ -	\$ 1,146,185.22
Accounts Payable	473,702.36	314,357.84	788,060.20
Wages Payable	254,311.15	38,733.14	293,044.29
Accrued Interest Payable	82,122.44	74,444.92	156,567.36
Loans Payable	83,063.12	459,715.25	542,778.37
Debt Certificates Payable	572,973.70	957,025.86	1,529,999.56
Bonds Payable	465,000.00	5,000.00	470,000.00
Due To Other Funds	951,934.92	(951,934.92)	-
<b>Total Current Liabilities</b>	<b>\$ 4,029,292.91</b>	<b>\$ 897,342.09</b>	<b>\$ 4,926,635.00</b>
<b>Noncurrent Liabilities:</b>			
Loans Payable	42,151.71	\$ 4,979,819.40	\$ 5,021,971.11
Debt Certificates Payable	199,831.84	3,968,076.40	4,167,908.24
Bonds Payable	3,120,000.00	4,765,000.00	7,885,000.00
<b>Total Noncurrent Liabilities</b>	<b>\$ 3,361,983.55</b>	<b>\$ 13,712,895.80</b>	<b>\$ 17,074,879.35</b>
<b>Total Liabilities</b>	<b>\$ 7,391,276.46</b>	<b>\$ 14,610,237.89</b>	<b>\$ 22,001,514.35</b>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Statement Of Net Position  
April 30, 2017

	Governmental Activities		Business-Type Activities		<u>Total</u>
<u>NET POSITION</u>					
Invested In Capital Assets, Net Of Related Debt	\$ 43,091,725.87	\$	19,303,707.31	\$	62,395,433.18
Restricted For:					
Riverwalk and Storage Tank	97,706.03		-		97,706.03
Unrestricted	20,669,310.74		4,219,610.11		24,888,920.85
Total Net Position	<u>\$ 63,858,742.64</u>	<u>\$</u>	<u>23,523,317.42</u>	<u>\$</u>	<u>87,382,060.06</u>

City of Ottawa, Illinois  
Statement Of Activities  
April 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities:					
General Government:					
Mayor	\$ 163,903.67	\$ -	\$ -	\$ -	\$ (163,903.67)
General Government	6,165,496.86	1,978,991.15	14,305.00	-	(4,172,200.71)
Total General Government	\$ 6,329,400.53	\$ 1,978,991.15	\$ 14,305.00	\$ -	\$ (4,336,104.38)
Public Safety:					
Police	\$ 4,181,832.97	\$ 235,144.51	\$ -	\$ -	\$ (3,946,688.46)
Fire	3,264,902.89	1,413,849.35	2,960.00	-	(1,848,093.54)
Public Health And Safety	502,932.08	1,885.35	23,560.00	-	(477,486.73)
Total Public Safety	\$ 7,949,667.94	\$ 1,650,879.21	\$ 26,520.00	\$ -	\$ (6,272,268.73)
Transportation:					
Streets	\$ 2,478,850.62	\$ -	\$ -	\$ -	\$ (2,478,850.62)
Mini Bus, Taxicab, NCAT	1,057,354.46	114,714.17	1,101,507.09	-	158,866.80
Total Transportation	\$ 3,536,205.08	\$ 114,714.17	\$ 1,101,507.09	\$ -	\$ (2,319,983.82)
Cultural, Parks And Recreation:					
Parks And Public Buildings	\$ 1,490,665.60	\$ -	\$ -	\$ -	\$ (1,490,665.60)
Tourism	379,381.71	4,068.46	-	-	(375,313.25)
Recreation	290,066.65	60,831.52	11,297.00	-	(217,938.13)
Total Cultural, Parks And Recreation	\$ 2,160,113.96	\$ 64,899.98	\$ 11,297.00	\$ -	\$ (2,083,916.98)
Community/Economic Development:					
Community Development	\$ 6,095,246.86	\$ 274,261.84	-	\$ 182,470.08	\$ (5,638,514.94)
Interest On Long-Term Debt	\$ 201,490.95	\$ 60,160.80	-	-	\$ (141,330.15)
Total Governmental Activities	\$ 26,272,125.32	\$ 4,143,907.15	\$ 1,153,629.09	\$ 182,470.08	\$ (20,792,119.00)
Business-Type Activities:					
Water And Sewer	\$ 5,346,076.08	\$ 7,046,714.80	\$ -	\$ 35,286.86	\$ 1,735,925.58
Swimming Pool	107,351.95	47,758.26	-	-	(59,593.69)
Canal Rental And Purchase	-	-	-	-	-
Events	380,378.63	391,059.90	-	-	10,681.27
Total Business-Type Activities	\$ 5,833,806.66	\$ 7,485,532.96	\$ -	\$ 35,286.86	1,687,013.16
Total	\$ 32,105,931.98	\$ 11,629,440.11	\$ 1,153,629.09	\$ 217,756.94	\$ (19,105,105.84)

See Accompanying Notes to Basic Financial Statements

City of Ottawa, Illinois  
Statement Of Activities  
April 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Net Expense/Revenue</u>	\$ (20,792,119.00)	\$ 1,687,013.16	\$ (19,105,105.84)
General Revenues:			
Taxes:			
Property Taxes	\$ 10,014,327.72	\$ -	\$ 10,014,327.72
Sales And Use Taxes	5,936,418.83	-	5,936,418.83
Utility Taxes	1,245,058.05	-	1,245,058.05
Hotel/Motel Taxes	363,305.60	-	363,305.60
Intergovernmental	3,522,626.32	-	3,522,626.32
Investment Income	12,885.71	7,576.22	20,461.93
Miscellaneous	182,516.67	-	182,516.67
Gain On Sale of Property	131,334.33	-	131,334.33
Transfers	(91,700.00)	91,700.00	-
Total General Revenues And Transfers	\$ 21,316,773.23	\$ 99,276.22	\$ 21,416,049.45
Change In Net Position	\$ 524,654.23	\$ 1,786,289.38	\$ 2,310,943.61
Net Position - Beginning	63,334,088.41	21,737,028.04	85,071,116.45
Net Position - Ending	\$ 63,858,742.64	\$ 23,523,317.42	\$ 87,382,060.06

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Balance Sheet  
Governmental Funds  
Year Ended April 30, 2017

	General Fund	North TIF Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 1,472,837.44	\$ 2,460,755.24	\$ 5,154,997.79	\$ 9,088,590.47
Investments	97,706.03	-	782,952.90	880,658.93
Property Taxes Receivable	1,724,118.02	2,832,717.97	5,517,101.34	10,073,937.33
Receivable From Other Governments	-	-	41,091.98	41,091.98
Notes Receivable	-	-	40,715.02	40,715.02
Special Assessments Receivable	-	-	4,804.80	4,804.80
Other Taxes And Fees Receivable And Other	1,418,922.38	-	411,600.38	1,830,522.76
Due From Other Funds	18,626.00	-	1,405,183.10	1,423,809.10
<b>TOTAL ASSETS</b>	<b>\$ 4,732,209.87</b>	<b>\$ 5,293,473.21</b>	<b>\$ 13,358,447.31</b>	<b>\$ 23,384,130.39</b>
<u>LIABILITIES</u>				
Cash Overdraft	\$ -	\$ -	\$ 1,146,185.22	\$ 1,146,185.22
Accounts Payable	315,151.89	7,027.00	151,523.47	473,702.36
Wages Payable	243,990.83	-	10,320.32	254,311.15
Due To Other Funds	896,710.88	-	123,850.04	1,020,560.92
<b>Total Liabilities</b>	<b>\$ 1,455,853.60</b>	<b>\$ 7,027.00</b>	<b>\$ 1,431,879.05</b>	<b>\$ 2,894,759.65</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue	1,804,725.61	2,832,717.97	\$ 5,521,906.14	\$ 10,159,349.72
<b>Total Deferred Inflows Of Resources</b>	<b>\$ 1,804,725.61</b>	<b>\$ 2,832,717.97</b>	<b>\$ 5,521,906.14</b>	<b>\$ 10,159,349.72</b>
<u>FUND BALANCES</u>				
Nonspendable:				
Riverwalk Endowment and Storage Tank	\$ 97,706.03	\$ -	\$ -	\$ 97,706.03
Noncurrent Receivables - Special Revenue	-	-	35,418.43	35,418.43
Noncurrent Receivables - Capital Projects	-	-	4,804.80	4,804.80
Assigned:				
Special Revenue	-	-	2,087,282.54	2,087,282.54
Debt Service	-	-	226,400.31	226,400.31
Capital Projects	-	2,453,728.24	4,827,311.47	7,281,039.71
<b>Unassigned:</b>	<b>1,373,924.63</b>	<b>-</b>	<b>(776,555.43)</b>	<b>597,369.20</b>
<b>Total Fund Balances</b>	<b>\$ 1,471,630.66</b>	<b>\$ 2,453,728.24</b>	<b>\$ 6,404,662.12</b>	<b>\$ 10,330,021.02</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,732,209.87</b>	<b>\$ 5,293,473.21</b>	<b>\$ 13,358,447.31</b>	<b>\$ 23,384,130.39</b>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Balance Sheet  
Governmental Funds  
Year Ended April 30, 2017

		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		749,707.83
Capital Assets Used In Governmental Activities Are Not Financial Resources And, Therefore, Are Not Reported In The Funds, Net Of Accumulated Depreciation Of \$22,113,863.00		47,184,807.11
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		10,159,349.72
Long-Term Liabilities Are Not Due And Payable In The Current Period And, Therefore, Are Not Reported In The Funds:		
Interest Payable	\$ (82,122.44)	
Bonds, Debt Certificates, And Note Payable	<u>(4,483,020.37)</u>	
		<u>(4,565,142.81)</u>
Net Position Of Governmental Activities		<u><u>\$ 63,858,742.87</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, 2017

	General Fund	North TIF Fund	Other Governmental Funds	Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 11,009,705.96	\$ 2,806,889.10	\$ 6,045,039.50	\$ 19,861,634.56
Intergovernmental	552,832.86	-	1,140,013.16	1,692,846.02
Charges For Services	186,863.20	-	417,334.92	604,198.12
Fines and Expense Reimbursements	115,175.37	-	295,399.08	410,574.45
Licenses And Permits	458,666.73	-	512,018.80	970,685.53
Investment Income	1,845.67	2,351.91	8,688.13	12,885.71
Miscellaneous	2,129,698.15	-	311,371.05	2,441,069.20
Total Revenues	\$ 14,454,787.94	\$ 2,809,241.01	\$ 8,729,864.64	\$ 25,993,893.59
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government				
Mayor	\$ 163,903.67	-	-	\$ 163,903.67
Liquor Commissioner	6,259.54	-	-	6,259.54
Fire And Police Commission	6,810.14	-	-	6,810.14
Civil Service Commission	3,899.86	-	-	3,899.86
General Administration	3,687,637.83	-	2,366,753.13	6,054,390.96
Accounts And Finance Commissioner	17,349.36	-	-	17,349.36
Total General Government	\$ 3,885,860.40	\$ -	\$ 2,366,753.13	\$ 6,252,613.53
Public Safety				
Police	\$ 4,048,415.58	-	-	\$ 4,048,415.58
Fire	2,868,811.35	-	-	2,868,811.35
Public Health And Safety	17,783.28	-	314,773.55	332,556.83
Total Public Safety	\$ 6,935,010.21	\$ -	\$ 314,773.55	\$ 7,249,783.76
Transportation				
Streets	\$ 1,608,075.18	-	\$ 446,316.00	\$ 2,054,391.18
Vehicle Maintenance	101,037.53	-	-	101,037.53
Public Improvements	15,923.30	-	-	15,923.30
Mini Bus And Taxicab	-	-	1,048,446.79	1,048,446.79
Total Transportation	\$ 1,725,036.01	\$ -	\$ 1,494,762.79	\$ 3,219,798.80
Cultural, Parks And Recreation				
Public Property	\$ 15,708.12	-	-	\$ 15,708.12
Parks And Public Buildings	1,190,346.78	-	253,200.58	1,443,547.36
Tourism	-	-	372,591.71	372,591.71
Total Cultural, Parks And Recreation	\$ 1,206,054.90	\$ -	\$ 625,792.29	\$ 1,831,847.19
Community/Economic Development				
Community Development	\$ 1,040,603.44	\$ 2,285,957.01	\$ 2,052,499.29	\$ 5,379,059.74
Economic Development	-	-	-	-
Total Community/Economic Development	\$ 1,040,603.44	\$ 2,285,957.01	\$ 2,052,499.29	\$ 5,379,059.74
Debt Service				
Principal	\$ 81,438.32	\$ -	\$ 702,924.10	\$ 784,362.42
Interest And Other Charges	3,352.48	-	214,479.57	217,832.05
Total Debt Service	\$ 84,790.80	\$ -	\$ 917,403.67	\$ 1,002,194.47
Capital Outlay	\$ 644,972.89	\$ 109,349.71	\$ 1,560,592.21	\$ 2,314,914.81
Total Expenditures	\$ 15,522,328.65	\$ 2,395,306.72	\$ 9,332,576.93	\$ 27,250,212.30

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, 2017

	General Fund	North TIF Fund	Other Governmental Funds	Governmental Funds
Excess (Deficiency) Of Revenues Over Expenditures	\$ (1,067,540.71)	\$ 413,934.29	\$ (602,712.29)	\$ (1,256,318.71)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 113,888.00	\$ -	\$ 1,599,480.22	\$ 1,713,368.22
Transfers Out	(100,000.00)	(182,706.00)	(1,522,362.22)	(1,805,068.22)
Sale of Property	76,862.33	-	54,472.00	131,334.33
Bond Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	\$ 90,750.33	\$ (182,706.00)	\$ 131,590.00	\$ 39,634.33
Net Change In Fund Balances	\$ (976,790.38)	\$ 231,228.29	\$ (471,122.29)	\$ (1,216,684.38)
Fund Balances - Beginning	2,448,421.04	2,222,499.95	6,875,784.41	11,546,705.40
Fund Balances - Ending	\$ 1,471,630.66	\$ 2,453,728.24	\$ 6,404,662.12	\$ 10,330,021.02

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: \$ (1,216,684.38)

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	\$ 1,923,223.46
Cost of Property Sold	-
Depreciation Expense	(1,745,840.00)
	<u>\$ 177,383.46</u>

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 Increased Revenue)	\$ 287,656.72
Long-Term Receivables (Increased Revenue)	475,594.91
	<u>\$ 763,251.63</u>

Issuance of Debt Is A Financial Resource In The Governmental Funds  
While The Statement Of Net Assets Reports Proceeds As Liabilities

\$ -

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	<u>\$ 784,362.42</u>
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Some Expenditures Reported In The Governmental Funds Do Not Include Amounts  
Reported Currently In The Statement Of Activities:

Reduction In Interest Payable	<u>\$ 16,341.10</u>
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Change In Net Position Of Governmental Activities	<u><u>\$ 524,654.23</u></u>
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See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Statement Of Net Position  
Proprietary Funds  
April 30, 2017

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 3,797,459.93	\$ 198,202.31	\$ 3,995,662.24
Investments	5,436.82	30,381.82	35,818.64
Water And Sewer Receivable	1,007,061.83	-	1,007,061.83
Prepaid Expense	-	11,851.48	11,851.48
Due From General Corporate Fund	896,710.88	-	896,710.88
Due From Growth Impact Fee Fund	55,224.04	-	55,224.04
Total Current Assets	<u>\$ 5,761,893.50</u>	<u>\$ 240,435.61</u>	<u>\$ 6,002,329.11</u>
Noncurrent Assets:			
Restricted Assets:			
Cash - Unspent Debt Proceeds	\$ -	\$ -	\$ -
Total Restricted Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets:			
Property And Equipment, Net	\$ 31,973,444.40	\$ 336,119.97	\$ 32,309,564.37
Construction In Progress	2,128,779.85	-	2,128,779.85
Total Capital Assets	<u>\$ 34,102,224.25</u>	<u>\$ 336,119.97</u>	<u>\$ 34,438,344.22</u>
Total Noncurrent Assets	<u>\$ 34,102,224.25</u>	<u>\$ 336,119.97</u>	<u>\$ 34,438,344.22</u>
TOTAL ASSETS	<u>\$ 39,864,117.75</u>	<u>\$ 576,555.58</u>	<u>\$ 40,440,673.33</u>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Statement Of Net Position  
Proprietary Funds  
April 30, 2017

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 314,357.84	\$ -	\$ 314,357.84
Accrued Salaries	38,733.14	-	38,733.14
Interest Payable	74,444.92	-	74,444.92
Current Portion - EPA Loans Payable	365,262.45	-	365,262.45
Current Portion - Debt Certificates	957,025.86	-	957,025.86
Current Portion - General Obligation Bond	5,000.00	-	5,000.00
Current Portion - Vactor Truck Loan	94,452.80	-	94,452.80
Due To EZ Capital Improvement Fund	1,355,183.10	-	1,355,183.10
Total Current Liabilities	<u>\$ 3,204,460.11</u>	<u>\$ -</u>	<u>\$ 3,204,460.11</u>
Noncurrent Liabilities:			
EPA Loans Payable	\$ 4,655,067.13	\$ -	\$ 4,655,067.13
Debt Certificates	3,968,076.40	-	3,968,076.40
General Obligation Bond	4,765,000.00	-	4,765,000.00
Vactor Truck Loan	324,752.27	-	324,752.27
Total Noncurrent Liabilities	<u>\$ 13,712,895.80</u>	<u>\$ -</u>	<u>\$ 13,712,895.80</u>
TOTAL LIABILITIES	<u>\$ 16,917,355.91</u>	<u>\$ -</u>	<u>\$ 16,917,355.91</u>
<u>NET POSITION</u>			
Invested In Capital Assets, Net Of Related Debt	\$ 18,967,587.34	\$ 336,119.97	\$ 19,303,707.31
Restricted	-	-	-
Unrestricted	3,979,174.50	240,435.61	4,219,610.11
TOTAL NET POSITION	<u>\$ 22,946,761.84</u>	<u>\$ 576,555.58</u>	<u>\$ 23,523,317.42</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, 2017

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
Operating Revenues:			
Charges For Services	\$ 7,046,714.80	\$ -	\$ 7,046,714.80
Gate Receipts And Concessions	-	47,758.26	47,758.26
Rents	-	-	-
Events Revenues	-	391,059.90	391,059.90
Grants And Other	35,286.86	-	35,286.86
Total Operating Revenues	<u>\$ 7,082,001.66</u>	<u>\$ 438,818.16</u>	<u>\$ 7,520,819.82</u>
Operating Expenses:			
Payroll And Benefits	\$ 1,009,044.32	\$ 71,266.48	\$ 1,080,310.80
Plant And Operations	2,593,107.10	415,388.09	3,008,495.19
Administration And Other	154,496.11	1,076.01	155,572.12
Depreciation	1,390,001.00	-	1,390,001.00
Total Operating Expenses	<u>\$ 5,146,648.53</u>	<u>\$ 487,730.58</u>	<u>\$ 5,634,379.11</u>
Net Operating Income (Loss)	<u>\$ 1,935,353.13</u>	<u>\$ (48,912.42)</u>	<u>\$ 1,886,440.71</u>
Non-Operating Income (Expense):			
Investment Income	\$ 3,208.31	\$ 4,367.91	\$ 7,576.22
Interest Expense	(199,427.55)	-	(199,427.55)
Total Non-Operating Income (Expense)	<u>\$ (196,219.24)</u>	<u>\$ 4,367.91</u>	<u>\$ (191,851.33)</u>
Transfers In (Out)	<u>\$ (8,300.00)</u>	<u>\$ 100,000.00</u>	<u>\$ 91,700.00</u>
Change In Net Position	\$ 1,730,833.89	\$ 55,455.49	\$ 1,786,289.38
Net Position - Beginning Of Year	<u>21,215,927.95</u>	<u>521,100.09</u>	<u>21,737,028.04</u>
Net Position - End Of Year	<u>\$ 22,946,761.84</u>	<u>\$ 576,555.58</u>	<u>\$ 23,523,317.42</u>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Statement of Cash Flows  
Proprietary Funds  
Year Ended April 30, 2017

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 7,070,529.37	\$ 438,818.16	\$ 7,509,347.53
Payments To Suppliers	(2,716,260.08)	(420,150.46)	(3,136,410.54)
Payments To Employees	(997,163.02)	(71,266.48)	(1,068,429.50)
Other Receipts	35,286.86	7,295.60	42,582.46
Net Cash Provided (Used) By Operating Activities	\$ 3,392,393.13	\$ (45,303.18)	\$ 3,347,089.95
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	\$ -	\$ -	\$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers In (Out)	\$ (8,300.00)	\$ 100,000.00	\$ 91,700.00
Purchases Of Capital Assets	(5,839,569.21)	-	(5,839,569.21)
Proceeds Of EZ Capital Improvement Fund Loan	147,011.30	-	147,011.30
Loans To Other Funds	(119,617.24)	-	(119,617.24)
Principal Paid On Capital Debt	3,831,659.42	-	3,831,659.42
Interest Paid On Capital Debt	(204,949.43)	-	(204,949.43)
Net Cash Provided (Used) By Capital And Related Financing Activities	\$ (2,193,765.16)	\$ 100,000.00	\$ (2,093,765.16)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	\$ 3,208.31	\$ 4,367.91	\$ 7,576.22
Net Cash Provided By Investing Activities	\$ 3,208.31	\$ 4,367.91	\$ 7,576.22
Net Increase In Cash	\$ 1,201,836.28	\$ 59,064.73	\$ 1,260,901.01
Balances - Beginning Of Year	2,601,060.47	169,519.40	2,770,579.87
Balances - End Of Year	\$ 3,802,896.75	\$ 228,584.13	\$ 4,031,480.88

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Statement of Cash Flows  
Proprietary Funds  
Year Ended April 30, 2017

	Enterprise Funds		
	Waterworks And <u>Sewerage</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>
Consisting Of:			
Cash	\$ 3,797,459.93	\$ 198,202.31	\$ 3,995,662.24
Cash - Restricted	-	-	-
Investments	5,436.82	30,381.82	35,818.64
	<u>\$ 3,802,896.75</u>	<u>\$ 228,584.13</u>	<u>\$ 4,031,480.88</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,935,353.13	\$ (48,912.42)	\$ 1,886,440.71
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities			
Cash Flows Reported In Other Categories			
Depreciation	1,390,001.00	-	1,390,001.00
Change In Assets And Liabilities			
Increase In Prepaid Expense	-	7,295.60	7,295.60
Decrease In Receivables	23,814.57	-	23,814.57
Increase (Decrease) In Accounts Payable	31,343.13	(3,686.36)	27,656.77
Increase In Accrued Salaries	11,881.30	-	11,881.30
Net Cash Provided (Used) By Operating Activities	<u>\$ 3,392,393.13</u>	<u>\$ (45,303.18)</u>	<u>\$ 3,347,089.95</u>

See Accompanying Notes To Basic Financial Statements

City of Ottawa, Illinois  
Statement of Net Position  
Fiduciary Funds  
April 30, 2017

	Pension Trust <u>Funds</u>
ASSETS	
Cash	\$ 1,284,743.72
Investments, At Fair Value	29,408,014.11
Taxes Receivable	1,936,912.66
Accrued Interest Receivable	31,947.95
Other	<u>3,779.00</u>
 TOTAL ASSETS	 <u><u>\$ 32,665,397.44</u></u>
LIABILITIES	
Accounts And Benefits Payable	<u>\$ 760.00</u>
 TOTAL LIABILITIES	 <u><u>\$ 760.00</u></u>
NET POSITION	
Held In Trust For Pension Benefits And Other Purposes	 <u><u>\$ 32,664,637.44</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, 2017

	Pension Trust <u>Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 1,932,316.43
Employee	445,855.49
Total Contributions	<u>\$ 2,378,171.92</u>
Investment Income:	
Net Increase In Fair Value Of Investments	\$ 1,648,937.44
Interest And Dividends	1,200,478.43
Total Investment Income	<u>\$ 2,849,415.87</u>
Other Income	<u>\$ 3,527.82</u>
Total Additions	<u>\$ 5,231,115.61</u>
DEDUCTIONS	
Pension Benefits	\$ 2,708,940.37
Administrative Expenses	64,348.87
Total Deductions	<u>\$ 2,773,289.24</u>
Change In Net Position	\$ 2,457,826.37
Net Position Held In Trust - Beginning Of Year	<u>30,206,811.09</u>
Net Position Held In Trust - End Of Year	<u><u>\$ 32,664,637.46</u></u>

See Accompanying Notes To Basic Financial Statements



City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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, 2017

**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, 2017, 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:

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 1 - Summary Of Significant Accounting Policies (Continued)**

**(B) BASIS OF PRESENTATION (Continued)**

*Fund Financial Statements: (Continued)*

- 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
- 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, 2017

**Note 1 - Summary Of Significant Accounting Policies (Continued)**

**(B) BASIS OF PRESENTATION (Continued)**

*Fund Financial Statements: (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.

*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:

<b>Fund</b>	<b>Brief Description</b>
<b>Major:</b> General	See above for description.
<b>Capital Projects Fund:</b> North Tax Increment Financing District	Accounts for transactions related to redevelopment projects along Interstate 80.
<b>Proprietary Fund:</b> 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, 2017

**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.

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 1 - Summary Of Significant Accounting Policies (Continued)**

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

**Basis Of Accounting (Continued)**

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.

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.

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 1 - Summary Of Significant Accounting Policies (Continued)**

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

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.

**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.

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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)**

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.

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.



City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 1 - Summary Of Significant Accounting Policies (Continued)**

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

**Long-Term Debt (Continued)**

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.

**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	\$1,724,118.02	\$ 2,832,717.97	\$5,517,101.34	\$ 10,073,937.33
Special Assessments	-	-	4,804.80	4,804.80
Liquor Licenses	66,300.00	-	-	66,300.00
Tax Savers	14,307.59	-	-	14,307.59
Total	<u>\$1,804,725.61</u>	<u>\$ 2,832,717.97</u>	<u>\$5,521,906.14</u>	<u>\$ 10,159,349.72</u>

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 1 - Summary Of Significant Accounting Policies (Continued)**

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

**Equity Classifications**

*Government-wide Statements*

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

- 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, 2017

**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 27, 2016, 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, 2017

**Note 2 - Budgets (Continued)**

Expenditures exceeded budget in the following individual governmental funds for the year ended April 30, 2017.

	<u>Budget</u>	<u>Actual</u>
Public Liability	\$ 636,973.00	\$ 686,288.25
Garbage	177,530.00	388,751.82
Lease	-	57,805.00
Street Lighting	90,000.00	170,129.15
Downtown TIF	562,200.00	586,927.57
Canal TIF	994,971.00	1,052,684.21

**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 2a-7 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, 2017

**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>
Motor Fuel Tax	\$ (446,316.00)	\$ N/A
Police Department Drug Education	(249.58)	(6,029.21)
Garbage	(2,346.25)	(32,186.57)
Street Lighting	(127,236.20)	(149,676.46)
Flood Buyout	(32,171.60)	(50,797.60)
Canal Fund TIF	(523,227.81)	(523,227.81)
I-80 Commercial TIF	(14,637.78)	(14,637.78)
Total	<u>\$ (1,146,185.22)</u>	

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

Cash – Current	\$ 13,084,252.71
Cash – Restricted	-
Cash Overdraft	(1,146,185.22)
Total	<u>\$ 11,938,067.49</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 \$11,870,417.49, excluding cash on hand, and the respective bank balances totaled \$12,519,911.47. These amounts are exclusive of the pension funds.

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 4 - Deposits And Investments (Continued)**

**Deposits (Continued)**

At April 30, 2017, 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, 2017, 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>
<b>POOLED INVESTMENTS</b>				
Illinois Funds	\$698,739.57	\$ 698,739.57	N/A	N/A
<b>NON-POOLED INVESTMENTS</b>				
Money Market Accounts	14,981.24	14,981.24	N/A	N/A
Savings Accounts	76,244.87	76,244.87	N/A	N/A
Certificates Of Deposit	96,130.07	96,130.07	N/A	245.79
Mutual Funds	30,381.82	30,381.82	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, 2017

**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, telecommunications tax, grants, traffic light reimbursement, special duty officers, hotel/motel taxes, emergency 911 surcharges, yard waste fees, and other. Receivables dated at April 30, 2017, are as follows:

<u>Accounts Receivable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Sales Tax	\$ 1,391,703.17	\$ -	\$ 1,391,703.17
TV Franchise Fee	-	-	-
State Income Tax	537,636.07	-	537,636.07
Utility Tax	92,967.37	-	92,967.37
Video Gaming Tax	24,930.56	-	24,930.56
Magistrate Fines	7,621.55	-	7,621.55
Telephone Franchise Tax	1,525.94	-	1,525.94
Telecommunications Tax	87,598.28	-	87,598.28
Grants	344,580.14	-	344,580.14
Traffic Light Reimbursement	1,462.65	-	1,462.65
Special Duty Officers	11,653.16	-	11,653.16
Hotel/Motel Taxes	49,072.71	-	49,072.71
Emergency 911 Surcharges	13,946.10	-	13,946.10
Other	4,001.43	-	4,001.43
Yard Waste Fees	11,531.46	-	11,531.46
Water And Sewer	-	2,102,061.83	2,102,061.83
Allowance For Doubtful Accounts	-	(1,095,000.00)	(1,095,000.00)
Net Accounts Receivable	\$ 2,580,230.59	\$ 1,007,061.83	\$ 3,587,292.42

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 6 - Capital Assets**

Capital asset activity for the year ended April 30, 2017, was as follows:

	Balance At April 30, 2016	Additions	Disposals	Balance At April 30, 2017
Governmental Activities:				
Land	\$ 13,830,804.66	\$ 68,672.11	\$ -	\$ 13,899,476.77
Buildings	6,651,651.45	-	-	6,651,651.45
Improvements	4,098,431.04	291,826.95	-	4,390,257.99
Machinery And Equipment	8,983,119.39	757,150.48	-	9,740,269.87
Infrastructure	33,811,439.88	560,461.71	-	34,371,901.59
Construction-In-Progress	-	245,112.21	-	245,112.21
Totals At Estimated And Historical Cost	\$ 67,375,446.42	\$ 1,923,223.46	\$ -	\$ 69,298,669.88
Less Accumulated Depreciation				
Buildings	\$ 3,051,734.00	\$ 132,333.00		\$ 3,184,067.00
Improvements	2,048,062.00	188,080.00		2,236,142.00
Machinery And Equipment	7,028,409.00	762,511.00		7,790,920.00
Infrastructure	8,239,818.00	662,916.00		8,902,734.00
Total Accumulated Depreciation*	\$ 20,368,023.00	\$ 1,745,840.00	\$ -	\$ 22,113,863.00
Governmental Activities Capital Assets, Net	\$ 47,007,423.42	\$ 177,383.46	\$ -	\$ 47,184,806.88
Business-Type Activities:				
Land	\$ 407,740.32	\$ -	\$ -	\$ 407,740.32
Property And Equipment	54,441,578.62	4,175,191.53	-	58,616,770.15
Construction-In-Progress	464,402.17	2,015,516.59	351,138.91	2,128,779.85
Totals At Historical Cost	\$ 55,313,721.11	\$ 6,190,708.12	\$ 351,138.91	\$ 61,153,290.32
Less Accumulated Depreciation				
Property And Equipment	25,324,945.10	1,390,001.00	-	26,714,946.10
Business-Type Activities Capital Assets, Net	\$ 29,988,776.01	\$ 4,800,707.12	\$ 351,138.91	\$ 34,438,344.22

\* Depreciation additions were charged to governmental activities as follows:

General Government:	
General Government	\$ 76,787.00
Public Safety:	
Police	\$ 84,949.00
Fire	377,878.00
Public Health And Safety	148,537.00
Total Public Safety	\$ 611,364.00
Transportation:	
Streets	\$ 304,414.00
Mini Bus And Taxicab	2,165.00
Total Transportation	\$ 306,579.00
Cultural, Parks And Recreation:	
Parks And Public Buildings	260,039.00
Tourism	6,790.00
Recreation	19,680.00
Total Cultural, Parks And Recreation	\$ 286,509.00
Community Development	\$ 464,601.00
Total Depreciation Expense	\$ 1,745,840.00



City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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, 2017, 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 \$36,949.46 is included and debt is serviced by Waterworks and Sewerage Fund. \$ 373,050.10

\$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. 2,235,000.00

\$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 \$884,152.80 is included and debt is serviced by Waterworks and Sewerage Fund. 399,847.20

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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

125,214.83

Total Governmental Activity Debt

\$ 4,483,112.13

Current Portion

\$ 1,121,036.82

Noncurrent Portion

3,362,075.31

Total Governmental Activity Debt

\$ 4,483,112.13

Business-type Activities:

As of April 30, 2017, 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%.

\$ 745,438.94

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. Of the total loan, \$1,930,074 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.

4,274,890.64

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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.	\$ 1,750,000.00
\$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.	2,254,000.00
\$4,770,000.00 general obligation bond, Series 2017 provides for the costs of improving the waterworks and sewerage system. The bond is payable on March 1 of each year beginning in 2018, in installments from \$5,000.00 to \$735,000.00 plus interest through March 1, 2030. Interest is due on September 1 and March 1 of each year at a fixed rate of 2.58%.	4,770,000.00
Waterworks and Sewerage share of 2007 debt certificates described in Governmental Activities section of Note 7.	36,949.46
Waterworks and Sewerage share of 2012A debt certificates described in Governmental Activities section of Note 7.	884,152.80
Installment note for purchase of Vactor truck in 2009.	9,375.88
Installment note for purchase of Vactor truck in 2017.	<u>409,829.19</u>
Total Business-type Activity Debt	<u>\$ 15,134,636.91</u>
Current Portion	\$ 1,421,741.11
Noncurrent Portion	<u>13,712,895.80</u>
Total Business-type Activity Debt	<u>\$ 15,134,636.91</u>

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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, 2017

	Balance May 1, 2016	Additions	Reductions	Balance April 30, 2017	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds					
And Debt Certificates	\$ 5,060,802.44	\$ -	\$ 702,905.14	\$ 4,357,897.30	\$ 1,037,973.70
Equipment Note/ Lease Purchase	206,653.15	-	81,438.32	125,214.83	83,063.12
Total	<u>\$ 5,267,455.59</u>	<u>\$ -</u>	<u>\$ 784,343.46</u>	<u>\$ 4,483,112.13</u>	<u>\$ 1,121,036.82</u>
<b>Business-type Activities:</b>					
General Obligation Loans					
And Debt Certificates	\$ 11,257,061.01	\$ 4,770,000.00	\$ 1,311,629.17	\$ 14,715,431.84	\$ 1,327,288.31
Equipment Notes	45,916.48	409,829.19	36,540.60	419,205.07	94,452.80
Total	<u>\$ 11,302,977.49</u>	<u>\$ 5,179,829.19</u>	<u>\$ 1,348,169.77</u>	<u>\$ 15,134,636.91</u>	<u>\$ 1,421,741.11</u>

Annual Debt Service Requirements:

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of April 30, 2017, are as follows:

Year Ending April 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 1,121,036.82	\$ 186,441.07	\$ 1,421,741.11	\$ 298,167.06
2019	717,075.31	151,250.34	1,379,986.03	278,462.84
2020	490,000.00	133,275.00	1,025,248.56	247,105.37
2021	500,000.00	119,525.00	1,042,662.58	226,870.35
2022	165,000.00	104,887.00	1,065,153.40	205,584.03
2023-2027	995,000.00	363,185.00	5,233,154.99	699,321.38
2028-2032	495,000.00	50,458.00	3,966,690.24	163,972.50
2033-2037	-	-	-	-
	<u>\$ 4,483,112.13</u>	<u>\$ 1,109,021.41</u>	<u>\$ 15,134,636.91</u>	<u>\$ 2,119,483.53</u>

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**Note 8 - Interfund Transactions And Balances**

Operating Transfers	Transfers <u>In</u>	Transfers <u>Out</u>
Major Governmental	\$ 113,888.00	\$ 282,706.00
Nonmajor Governmental	1,599,480.22	1,522,362.22
Enterprise Funds	100,000.00	8,300.00
Fiduciary Funds	-	-
Totals	<u>\$ 1,813,368.22</u>	<u>\$ 1,813,368.22</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, 2017 are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Waterworks And Sewerage	\$ -	\$ 896,710.88
Nonmajor Governmental	18,626.00	-
	<u>\$ 18,626.00</u>	<u>\$ 896,710.88</u>
Waterworks And Sewerage:		
General Fund	\$ 896,710.88	\$ -
Nonmajor Governmental	55,224.04	1,355,183.10
	<u>\$ 951,934.92</u>	<u>\$ 1,355,183.10</u>
Nonmajor Governmental:		
General	\$ -	\$ 18,626.00
Waterworks And Sewerage	1,355,183.10	55,224.04
Nonmajor	50,000.00	50,000.00
	<u>\$ 1,405,183.10</u>	<u>\$ 123,850.04</u>
Totals	<u>\$ 2,375,744.02</u>	<u>\$ 2,375,744.02</u>

Individual fund interfund receivable and payable balances as of April 30, 2017 are as follows:

General Fund:		
Waterworks And Sewerage	\$ -	\$ 896,710.88
Flood Buyout	18,626.00	-
	<u>\$ 18,626.00</u>	<u>\$ 896,710.88</u>
Waterworks And Sewerage:		
General	\$ 896,710.88	\$ -
Growth Impact Fee Fund	55,224.04	-
Enterprise Zone Capital Improvement	-	1,355,183.10
	<u>\$ 951,934.92</u>	<u>\$ 1,355,183.10</u>
Enterprise Zone Capital Improvement Fund:		
Waterworks And Sewerage	\$ 1,355,183.10	\$ -
Flood Buyout Fund:		
General Fund	\$ -	\$ 18,626.00
Growth Impact Fee Fund:		
Waterworks And Sewerage	\$ -	\$ 55,224.04

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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	\$ 2,375,744.02	\$ 2,375,744.02

**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	\$ 7,082,001.66	\$ 47,758.26	\$ -	\$ 391,059.90	\$ 7,520,819.82
Depreciation Expense	1,390,001.00	-	-	-	1,390,001.00
Operating Income (Loss)	1,935,353.13	(59,593.69)	-	10,681.27	1,886,440.71
Change In Net Position	1,739,133.89	(59,571.84)	40.40	14,986.93	1,694,589.38
Total Assets	39,864,117.75	70,358.05	382,680.91	123,516.62	40,440,673.33
Net Working Capital	2,557,433.39	70,358.05	46,560.94	123,516.62	2,797,869.00
Debt Certificates	4,925,102.26	-	-	-	4,925,102.26
EPA Loans Payable	5,020,329.58	-	-	-	5,020,329.58
Vactor Truck Loan	419,205.07	-	-	-	419,205.07
Total Equity	22,946,761.84	70,358.05	382,680.91	123,516.62	23,523,317.42

**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](http://www.imrf.org).

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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 30, 2016, the following employees were covered by the benefit terms:

	<u><b>IMRF</b></u>
Retirees and Beneficiaries currently receiving benefits	93
Inactive Plan Members entitled to but not yet receiving benefits	34
Active Plan Members	85
Total	<u><u>212</u></u>

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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 2016 was 16.69%. For the fiscal year ended April 30, 2017, the City contributed \$635,101 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, 2016. 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, 2016:

- 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 7.50%.
- **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.
- For Non-Disabled Retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates 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 2012). 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 2012). 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, 2017

**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%	6.85%
International Equity	17	6.75
Fixed Income	27	3.00
Real Estate	8	5.75
Alternative Investments	9	2.65 - 7.35
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:

- 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
- 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 plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting single discount rate is 7.50%.

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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)
<b>Balances at December 31, 2015</b>	<b>\$ 20,165,485</b>	<b>\$ 17,540,194</b>	<b>\$ 2,625,291</b>
<b>Changes for the year:</b>			
Service Cost	429,109	-	429,109
Interest on the Total Pension Liability	1,478,758	-	1,478,758
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,254	-	1,254
Changes of Assumptions	(45,380)	-	(45,380)
Contributions - Employer	-	627,886	(627,886)
Contributions - Employees	-	169,281	(169,281)
Net Investment Income	-	1,185,138	(1,185,138)
Benefit Payments, Including Refunds of Employee Contributions	(1,221,098)	(1,221,098)	-
Other (Net Transfer)	-	256,467	(256,467)
<b>Balances at December 31, 2016</b>	<b>\$ 20,808,128</b>	<b>\$ 18,557,868</b>	<b>\$ 2,250,260</b>

**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 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate at a 1% decrease or 1% increase:

	1% Decrease (6.50%)	Current Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
<b>Net Pension Liability (Asset)</b>	<b>\$4,695,230</b>	<b>\$2,250,260</b>	<b>\$215,979</b>

**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, 2017

**Note 10 - Pension and Retirement Plan Commitments (Continued)**

**Police Pension Plan (Continued)**

The City's annual required contribution for the year ended April 30, 2017, was determined as part of the May 1, 2016 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, 2017

**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 <u>Ending</u>	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC <u>Contributed</u>
4/30/2017	\$ 855,960	\$ 875,464	102.28%
4/30/2016	793,932	690,595	86.98
4/30/2015	705,401	694,633	98.47

Membership in the plan consisted of the following as of May 1, 2016, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	28
Retirees not yet eligible for benefits	0
Active plan members	37
<b>Total members</b>	<b>65</b>

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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, 2017, was determined as part of the May 1, 2016, 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, 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

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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
4/30/2017	\$ 1,114,348	\$ 1,056,852	94.84%
4/30/2016	1,009,595	969,642	96.04
4/30/2015	891,210	989,970	111.08

City Of Ottawa, Illinois  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended April 30, 2017

**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, 2016, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	42
Active vested plan members	15
Active nonvested plan members	14
<b>Total members</b>	<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, 2017, was \$781,763.28. 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, 2017

**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, 2017

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
05/01/16	\$ 18,729,394	\$ 27,386,861	\$ 8,657,467	68.39%	\$ 2,573,280	336.44%
05/01/15	17,786,589	25,597,166	7,810,577	69.49	2,480,643	314.86
05/01/14	16,590,184	23,407,569	6,817,385	70.88	2,323,131	293.46
05/01/13	15,558,257	21,075,984	5,517,727	73.82	2,267,724	243.32
05/01/12	14,515,856	20,027,630	5,511,774	72.48	2,301,961	239.44
04/30/11	Not Available					
04/30/10	12,237,664	18,056,628	5,818,964	67.77	2,136,195	272.40
04/30/09	10,578,724	16,532,281	5,953,557	63.99	1,866,179	319.02
04/30/08	12,294,875	15,464,192	3,169,317	79.51	1,741,949	181.94
04/30/07	11,998,471	14,222,120	2,223,649	84.36	1,650,208	134.75

City Of Ottawa, Illinois  
Required Supplementary Information  
Schedule Of Funding Progress  
Firefighters' Pension Fund  
Year Ended April 30, 2017

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
05/01/16	\$ 13,518,881	\$ 29,460,337	\$ 15,941,456	45.89%	\$ 1,953,599	816.00%
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, 2017

	Budget	Actual
Beginning Budgetary Fund Balance	\$ 2,448,421.04	\$ 2,448,421.04
Resources (Inflows):		
Taxes	11,544,254.00	11,009,705.96
Intergovernmental	996,706.00	552,832.86
Charges For Services	187,359.00	186,863.20
Fines and Expense Reimbursements	117,414.00	115,175.37
Licenses And Permits	426,957.00	458,666.73
Investment Income	536.00	1,845.67
Miscellaneous	2,406,075.00	2,129,698.15
Other Financing Sources:		
Sales of Public Property	-	76,862.33
Transfers From Other Funds	113,888.00	113,888.00
Amounts Available For Appropriation	<u>\$ 18,241,610.04</u>	<u>\$ 17,093,959.31</u>
Charges To Appropriations (Outflows):		
Department Of Mayor	\$ 166,710.00	\$ 164,113.67
Department Of Liquor Commissioner	5,900.00	6,259.54
Department Of Fire And Police Commission	10,900.00	6,810.14
Department Of Civil Service Commission	4,700.00	3,899.86
Department Of General Administration	3,903,050.00	3,695,366.24
Department Of Accounts And Finance Commissioner	17,080.00	17,349.36
Community Development Department	1,317,480.00	1,055,827.28
Police Department	4,242,558.00	4,162,898.97
Fire Department	3,020,510.00	3,224,887.35
Department Of Public Health And Safety Commissioner	17,080.00	17,783.28
Department Of Streets	1,482,802.00	1,654,187.27
Department Of Vehicle Maintenance	127,314.00	101,037.53
Department Of Commissioner Of Public Improvements	17,080.00	15,923.30
Department Of Commissioner Of Public Property	17,080.00	15,708.12
Department Of Parks And Public Buildings	1,261,507.00	1,298,838.42
Other Financing Uses:		
Principal Payments – Debt Certificates	-	-
Principal Payments – Equipment Loans	81,438.00	81,438.32
Transfers To Other Funds	100,000.00	100,000.00
Total Charges To Appropriations	<u>\$ 15,793,189.00</u>	<u>\$ 15,622,328.65</u>
Ending Budgetary Fund Balance	<u>\$ 2,448,421.04</u>	<u>\$ 1,471,630.66</u>

City Of Ottawa, Illinois  
Combining Balance Sheet  
Nonmajor Governmental Funds  
April 30, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Net</u>
<b><u>ASSETS</u></b>				
Cash	\$ 1,439,473.16	\$ 226,400.31	\$ 3,489,124.32	\$ 5,154,997.79
Investments, At Cost	782,952.90	-	-	782,952.90
Receivables:				
Property Taxes	2,178,182.79	350,769.62	2,988,148.93	5,517,101.34
Special Assessments	-	-	4,804.80	4,804.80
Notes	40,715.02	-	-	40,715.02
Allotments Due From State Of Illinois	41,091.98	-	-	41,091.98
Hotel/Motel Taxes	49,072.71	-	-	49,072.71
Emergency 911 Surcharges	13,946.10	-	-	13,946.10
Grants	344,580.14	-	-	344,580.14
Other	2,036.29	-	-	2,036.29
Due From Other Funds	50,000.00	-	1,355,183.10	1,405,183.10
Other Assets	1,965.14	-	-	1,965.14
<b>TOTAL ASSETS</b>	<b>\$ 4,944,016.23</b>	<b>\$ 577,169.93</b>	<b>\$ 7,837,261.15</b>	<b>\$ 13,358,447.31</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>				
Liabilities:				
Cash Overdraft	\$ 576,148.03	\$ -	\$ 570,037.19	\$ 1,146,185.22
Accounts Payable	139,332.32	-	12,191.15	151,523.47
Accrued Wages And Taxes	10,320.32	-	-	10,320.32
Due To Other Funds	105,224.04	-	18,626.00	123,850.04
<b>Total Liabilities</b>	<b>\$ 831,024.71</b>	<b>\$ -</b>	<b>\$ 600,854.34</b>	<b>\$ 1,431,879.05</b>
Deferred Inflows Of Resources:				
Unavailable Revenue	2,178,182.79	350,769.62	2,992,953.73	5,521,906.14
Fund Balances:				
Nonspendable	35,418.43	-	4,804.80	40,223.23
Assigned	2,087,282.54	226,400.31	4,827,311.47	7,140,994.32
Unassigned	(187,892.24)	-	(588,663.19)	(776,555.43)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,944,016.23</b>	<b>\$ 577,169.93</b>	<b>\$ 7,837,261.15</b>	<b>\$ 13,358,447.31</b>

City Of Ottawa, Illinois  
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances  
Nonmajor Governmental Funds  
Year Ended April 30, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Net</u>
Revenues:				
Property Taxes	\$ 2,238,403.53	\$ 17,547.34	\$ 2,819,119.36	\$ 5,075,070.23
Replacement Taxes	93,382.20	-	-	93,382.20
Interest On Investments	4,026.37	193.21	3,159.00	7,378.58
Interest On Loans	1,309.55	-	-	1,309.55
Motor Fuel Taxes	475,702.98	-	-	475,702.98
Special Assessments	-	-	-	-
Foreign Fire Insurance Tax	37,578.49	-	-	37,578.49
Hotel/Motel Tax	363,305.60	-	-	363,305.60
Reimbursed Expenses	21,714.74	-	273,684.34	295,399.08
Fees And Sales Of Concessions	169,457.57	-	-	169,457.57
Permits	-	-	512,018.80	512,018.80
911 Emergency Service Surcharge	173,332.35	-	-	173,332.35
Grants	1,022,492.79	-	117,520.37	1,140,013.16
Drug & Task Force Revenue	3,483.92	-	-	3,483.92
Donations	100,151.30	-	1,805.00	101,956.30
Growth Impact Fees	74,545.00	-	-	74,545.00
Rents	500.00	-	132,000.00	132,500.00
Refunds and Other Income	12,692.53	60,160.80	577.50	73,430.83
Total Revenues	<u>\$ 4,792,078.92</u>	<u>\$ 77,901.35</u>	<u>\$ 3,859,884.37</u>	<u>\$ 8,729,864.64</u>
Expenditures:				
General Government	\$ 2,366,753.13	\$ -	\$ -	\$ 2,366,753.13
Public Safety	336,611.80	-	-	336,611.80
Transportation	1,501,505.46	-	-	1,501,505.46
Cultural, Parks And Recreation	654,253.42	-	-	654,253.42
Community Development	-	30,080.40	3,525,969.05	3,556,049.45
Debt Service	-	917,403.67	-	917,403.67
Total Expenditures	<u>\$ 4,859,123.81</u>	<u>\$ 947,484.07</u>	<u>\$ 3,525,969.05</u>	<u>\$ 9,332,576.93</u>
Excess (Deficit) Revenues Over Expenditures	\$ (67,044.89)	\$ (869,582.72)	\$ 333,915.32	\$ (602,712.29)
Other Financing Sources (Uses):				
Sale of Property	-	-	54,472.00	54,472.00
Bond Proceeds	-	-	-	-
Transfer From Other Funds	259,600.04	899,880.18	440,000.00	1,599,480.22
Transfer To Other Funds	(827,792.04)	-	(694,570.18)	(1,522,362.22)
Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	\$ (635,236.89)	\$ 30,297.46	\$ 133,817.14	\$ (471,122.29)
Fund Balance, May 1, 2016	2,570,045.62	196,102.85	4,109,635.94	6,875,784.41
Fund Balance, April 30, 2017	<u>\$ 1,934,808.73</u>	<u>\$ 226,400.31</u>	<u>\$ 4,243,453.08</u>	<u>\$ 6,404,662.12</u>

City Of Ottawa, Illinois  
Schedule Of Revenues - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Taxes:		
Property Taxes	\$ 1,644,265.00	\$ 1,660,821.30
Personal Property Replacement Taxes	370,468.00	136,362.63
Utility Taxes	1,386,393.00	1,245,058.05
Sales Taxes	5,944,893.00	5,913,921.55
State Income Taxes	1,910,272.00	1,518,047.41
Gambling Taxes	4,000.00	8,121.40
Video Game Taxes	283,963.00	260,590.01
Telecommunications Tax	-	266,783.61
Total Taxes	<u>\$ 11,544,254.00</u>	<u>\$ 11,009,705.96</u>
Intergovernmental:		
Highway Maintenance	44,000.00	57,700.02
Traffic Light Reimbursement	15,857.00	40,804.78
Police And Fire Training	6,645.00	11,293.37
Marseilles Reimbursement	173,644.00	173,643.75
WFPD Reimbursements	116,250.00	116,250.00
Naplate Reimbursements	9,000.00	9,000.00
School Reimbursements	49,000.00	49,000.00
Other Grants	582,310.00	95,140.94
Total Intergovernmental	<u>\$ 996,706.00</u>	<u>\$ 552,832.86</u>
Charges For Services:		
Parking Meter Fees	-	-
Registrar Fees	14,415.00	14,710.00
Yard Waste Fees	172,944.00	172,153.20
Total Charges For Services	<u>\$ 187,359.00</u>	<u>\$ 186,863.20</u>
Fines and Expense Reimbursements:		
Adjudication Fines	\$ 30,000.00	\$ 9,203.00
Circuit Clerk Fines	73,845.00	75,568.62
Parking Fines	13,569.00	30,403.75
Liquor Fines	-	-
NCAT Reimbursements	-	-
Total Fines and Expense Reimbursements	<u>\$ 117,414.00</u>	<u>\$ 115,175.37</u>
Licenses And Permits:		
Miscellaneous License	\$ 1,733.00	\$ 1,080.00
Peddlers License	330.00	785.00
Liquor License	70,000.00	68,175.00
Sign Filing Fee	1,424.00	641.00
T.V. Franchise Fee	231,120.00	199,501.78
Sidewalk Café License Permit	110.00	100.00
Electrical License	38,400.00	51,325.00
Raffle License	150.00	320.00
Subtotal	<u>\$ 343,267.00</u>	<u>\$ 321,927.78</u>

City Of Ottawa, Illinois  
Schedule Of Revenues - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Licenses And Permits (Continued):		
Subtotal Forward	\$ 343,267.00	\$ 321,927.78
Contractor License	16,904.00	38,875.00
Electrical Test Fee	3,750.00	9,350.00
Dog Release Fees	1,940.00	1,375.00
Plumbing Permit	285.00	290.00
Rezoning Filing Fee	2,363.00	2,850.00
Building Permit	42,893.00	52,256.76
Swimming Pool Permit	825.00	650.00
Wrecking Permit	375.00	875.00
Electrical Permit	7,650.00	7,325.00
Plat Design Review Fee Permit	1,155.00	17,992.19
Home Occupation Business Permit	-	50.00
Fence Permit	5,550.00	4,850.00
Total Licenses And Permits	<u>\$ 426,957.00</u>	<u>\$ 458,666.73</u>
Investment Income	<u>\$ 536.00</u>	<u>\$ 1,845.67</u>
Miscellaneous:		
Police Other	\$ 2,406.00	\$ 2,797.00
Character Counts	-	-
Sex Offender Registration Fees	990.00	1,885.35
Police Vehicle Replacement Fees	4,691.00	7,338.57
Failure To Appear Warrant Fees	3,150.00	1,820.65
Group Insurance Payments	547,377.00	571,601.24
Group Insurance Payments - Water And Sewer Fund	278,100.00	-
Telephone Franchise	18,441.00	18,311.52
Special Duty Officers	149,350.00	111,323.45
Tree Removal	9,900.00	7,441.00
Recoup Liens	16,341.00	17,878.50
Tree Program Donations	2,451.00	2,195.00
Rents	4,875.00	1,600.00
Reddick Mansion Utilities	4,179.00	6,036.97
Museum Reimbursement	3,584.00	3,869.05
Ambulance Fees	810,580.00	863,702.18
Ambulance Transfer Revenue	433,000.00	463,481.00
Donations	-	-
Other	116,660.00	48,416.67
Total Miscellaneous	<u>\$ 2,406,075.00</u>	<u>\$ 2,129,698.15</u>
Total General Fund Revenues	<u>\$ 15,679,301.00</u>	<u>\$ 14,454,787.94</u>

City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Department Of Mayor:		
Elected Official	\$ 65,500.00	\$ 65,713.64
Clerical	55,750.00	54,112.76
Part-Time	25,000.00	34,144.13
Clothing Allowance		
Dues, Education, Seminars	2,000.00	2,109.94
Office Supplies	2,000.00	1,629.31
Operating Supplies	6,500.00	826.40
Telephone And Pager Expense	960.00	1,000.00
Gasoline And Diesel Fuel	1,000.00	723.83
Miscellaneous	5,000.00	3,643.66
Contractual Computer Services	1,000.00	-
Equipment	2,000.00	210.00
	<hr/>	<hr/>
Total Department Of Mayor	\$ 166,710.00	\$ 164,113.67
	<hr/>	<hr/>
Department Of Liquor Commissioner:		
Elected Official	\$ 5,500.00	\$ 5,811.24
Clerical	400.00	448.30
	<hr/>	<hr/>
Total Department Of Liquor Commissioner	\$ 5,900.00	\$ 6,259.54
	<hr/>	<hr/>
Department Of Fire And Police Commission:		
Dues, Education, Seminars	\$ 1,500.00	\$ 1,905.00
Publishing	3,200.00	2,605.14
Miscellaneous	200.00	105.00
Professional/Contractual Services	6,000.00	2,195.00
	<hr/>	<hr/>
Total Department Of Fire And Police Commission	\$ 10,900.00	\$ 6,810.14
	<hr/>	<hr/>
Department Of Civil Service Commission:		
Publishing	\$ 2,000.00	\$ 2,532.20
Miscellaneous	200.00	-
Professional/Contractual Services	2,500.00	1,367.66
	<hr/>	<hr/>
Total Department Of Civil Service Commission	\$ 4,700.00	\$ 3,899.86
	<hr/>	<hr/>



City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Department Of General Administration:		
Administrative	\$ 67,000.00	\$ 65,131.74
Clerical	90,000.00	82,836.26
Clothing Reimbursement	-	-
Dues, Education, Seminars	3,000.00	3,169.78
Health Insurance And Claims	3,375,800.00	3,093,652.04
Office Supplies	11,000.00	7,351.56
Operating Supplies	2,500.00	2,287.05
Repairs And Maintenance	6,450.00	7,082.26
Recording and Fees	1,500.00	47.50
Telephone And Internet Expense	11,000.00	13,538.44
Postage	10,000.00	8,404.14
Publishing	10,000.00	11,857.37
Miscellaneous	15,000.00	15,288.13
Bank Fees	1,800.00	1,641.44
Local Match - NCAT	-	6,300.00
Professional/Contractual Services	42,000.00	53,392.86
Allocations/River Rescue Squad	2,000.00	2,000.00
Subsidy/NCAT	-	25,000.00
Subsidy/Taxicab	32,000.00	29,519.75
Legal Fees	210,000.00	259,137.51
Equipment	12,000.00	7,728.41
Total Department Of General Administration	<u>\$ 3,903,050.00</u>	<u>\$ 3,695,366.24</u>
Department Of Accounts And Finance Commissioner:		
Elected Official	\$ 15,000.00	\$ 15,041.12
Dues, Education, Seminars	1,500.00	1,555.24
Telephone And Pager Expense	480.00	480.00
Miscellaneous	100.00	273.00
Total Department Of Accounts And Finance Commissioner	<u>\$ 17,080.00</u>	<u>\$ 17,349.36</u>
Community Development Department:		
Clerical	\$ 55,740.00	\$ 57,399.47
Professional	257,160.00	249,671.76
Other Employees	66,730.00	107,898.42
Part-Time	78,550.00	55,836.53
Subtotal Forward	<u>\$ 458,180.00</u>	<u>\$ 470,806.18</u>

City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Community Development Department (Continued):		
Subtotal Forward	\$ 458,180.00	\$ 470,806.18
Meal Allowance	1,500.00	676.81
Clothing Reimbursement	700.00	-
Dues, Education, Seminars	6,000.00	4,011.74
Office Supplies	4,000.00	3,727.66
Operating Supplies	2,000.00	5,227.01
Repairs And Maintenance	52,000.00	49,387.40
Telephone And Internet Expense	2,900.00	1,911.97
Postage	200.00	174.84
Gasoline And Diesel Fuel	5,000.00	2,081.02
Publishing	1,500.00	1,261.70
Miscellaneous	500.00	1,369.29
Professional/Contractual Services	680,000.00	337,815.02
Contractual/Tree Removal Program	90,000.00	90,789.80
Equipment	3,000.00	3,162.73
Construction In Progress	10,000.00	12,061.11
Sales Tax Incentive - Walsh Toyota & Walsh Rentals	-	71,363.00
	<hr/>	<hr/>
Total Community Development Department	\$ 1,317,480.00	\$ 1,055,827.28
	<hr/>	<hr/>
Police Department:		
Administrative	\$ 321,348.00	\$ 310,284.26
Clerical	770,000.00	779,338.70
Other Employees	2,475,000.00	2,495,878.08
Overtime	120,000.00	104,522.04
Special Duty	145,000.00	138,887.51
Clothing Reimbursement	1,800.00	12.00
Dues, Education, Seminars	18,000.00	17,624.36
Office Supplies	10,000.00	5,571.12
Operating Supplies	45,000.00	41,222.42
Repairs And Maintenance	3,000.00	4,810.31
Repairs And Maintenance - Equipment	20,000.00	9,220.22
	<hr/>	<hr/>
Subtotal Forward	\$ 3,929,148.00	\$ 3,907,371.02

City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Police Department (Continued):		
Subtotal Forward	\$ 3,929,148.00	\$ 3,907,371.02
Telephone And Internet Expense	22,000.00	15,728.69
Postage	900.00	691.67
Gasoline And Diesel Fuel	65,000.00	58,055.89
Miscellaneous	1,000.00	543.92
Professional/Contractual Services	45,000.00	48,720.19
Contractual/Animal Control	5,000.00	1,882.07
Grant Expense/Peer Jury/Tobacco Grant	11,310.00	10,146.01
Character Counts	2,000.00	1,007.84
Sex Offender Fees Expense	200.00	-
D.A.R.E.	6,000.00	4,268.28
Equipment	155,000.00	114,483.39
	<hr/>	<hr/>
Total Police Department	\$ 4,242,558.00	\$ 4,162,898.97
	<hr/>	<hr/>
Fire Department:		
Administrative	\$ 230,527.00	\$ 223,399.83
Other Employees	1,917,707.00	1,888,710.12
Overtime	210,000.00	170,613.99
Special Duty	145,000.00	210,025.97
Clothing Reimbursement	1,000.00	451.00
Dues, Education, Seminars	54,000.00	37,185.39
Public Education/Prevention	8,000.00	5,527.19
Office Supplies	5,000.00	1,946.49
Operating Supplies	22,500.00	9,005.17
Repairs And Maintenance	4,000.00	4,043.21
Repairs And Maintenance - Equipment	21,524.00	10,329.72
Repairs And Maintenance - Vehicles	40,000.00	48,426.79
Telephone And Internet Expense	14,000.00	14,376.39
Postage	400.00	197.17
Gasoline And Diesel Fuel	30,000.00	27,789.30
Subtotal Forward	\$ 2,703,658.00	\$ 2,652,027.73
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City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Fire Department (Continued):		
Subtotal Forward	\$ 2,703,658.00	\$ 2,652,027.73
Miscellaneous	600.00	333.79
Ambulance Expenses	55,000.00	37,326.18
Ambulance Billing/Refund	140,000.00	131,691.83
Professional/Contractual Services	57,000.00	47,431.82
Equipment	60,900.00	352,723.52
Interest	3,352.00	3,352.48
	<hr/>	<hr/>
Total Fire Department	\$ 3,020,510.00	\$ 3,224,887.35
	<hr/>	<hr/>
Department Of Public Health And Safety		
Commissioner:		
Elected Official	\$ 15,000.00	\$ 15,041.12
Dues, Education, Seminars	1,500.00	2,105.16
Telephone And Pager Expense	480.00	480.00
Miscellaneous	100.00	157.00
	<hr/>	<hr/>
Total Department Of Public Health And Safety		
Commissioner	\$ 17,080.00	\$ 17,783.28
	<hr/>	<hr/>
Department Of Streets:		
Administrative	\$ -	\$ -
Other Employees	249,252.00	267,375.82
Part-Time	38,000.00	31,545.65
Overtime	20,000.00	10,769.37
Clothing Reimbursement	-	-
Dues, Education, Seminars	300.00	104.08
Office Supplies	250.00	373.61
Operating Supplies	175,000.00	138,264.50
Repairs And Maintenance	40,000.00	10,098.75
Repairs And Maintenance/Streets	750,000.00	871,004.25
Repairs And Maintenance/Bridge	5,000.00	1,600.00
Traffic Signal Maint./Labor	50,000.00	46,174.23
Street Light Maint./Labor	6,500.00	17,571.11
	<hr/>	<hr/>
Subtotal Forward	\$ 1,334,302.00	\$ 1,394,881.37

City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Department Of Streets (Continued):		
Subtotal Forward	\$ 1,334,302.00	\$ 1,394,881.37
Repairs And Maintenance - Equipment	-	-
Telephone And Internet Expense	2,000.00	2,258.55
Gasoline And Diesel Fuel	25,000.00	18,863.81
Miscellaneous	8,000.00	152,873.20
Professional/Contractual Services	59,500.00	39,198.25
Operating Lease	3,000.00	-
Equipment	51,000.00	36,788.61
Construction In Progress	-	9,323.48
Interest - Debt Certificates	-	-
	<hr/>	<hr/>
Total Department Of Streets	\$ 1,482,802.00	\$ 1,654,187.27
	<hr/>	<hr/>
Department Of Vehicle Maintenance:		
Other Employees	\$ 58,914.00	\$ 58,714.84
Overtime	2,500.00	1,200.07
Dues, Education, Seminars	200.00	33.09
Office Supplies	100.00	-
Operating Supplies	20,000.00	16,386.50
Repairs And Maintenance	200.00	37.45
Repairs And Maintenance - Equipment	-	-
Repairs And Maint./Vehicles/Streets	30,000.00	14,882.75
Repairs And Maint./Vehicles/Parks	6,000.00	4,616.33
Repairs And Maint./Vehicles/Police	7,500.00	3,130.37
Repairs And Maint./Vehicles/Other	1,000.00	1,555.22
Gasoline And Diesel Fuel	800.00	480.91
Miscellaneous	100.00	-
	<hr/>	<hr/>
Total Department Of Vehicle Maintenance	\$ 127,314.00	\$ 101,037.53
	<hr/>	<hr/>
Department Of Commissioner Of Public		
Improvements:		
Elected Official	\$ 15,000.00	\$ 15,041.12
Dues, Education, Seminars	1,500.00	190.18
Subtotal Forward	<hr/> \$ 16,500.00	<hr/> \$ 15,231.30

City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Department Of Commissioner Of Public Improvements (Continued):		
Subtotal Forward	\$ 16,500.00	\$ 15,231.30
Telephone And Pager Expense	480.00	480.00
Miscellaneous	100.00	212.00
	<hr/>	<hr/>
Total Department Of Commissioner Of Public Improvements	\$ 17,080.00	\$ 15,923.30
	<hr/>	<hr/>
Department Of Commissioner Of Public Property:		
Elected Official	\$ 15,000.00	\$ 15,041.12
Dues, Education, Seminars	1,500.00	-
Telephone And Pager Expense	480.00	480.00
Miscellaneous	100.00	187.00
	<hr/>	<hr/>
Total Department Of Commissioner Of Public Property	\$ 17,080.00	\$ 15,708.12
	<hr/>	<hr/>
Department Of Parks And Public Buildings:		
Administrative	\$ -	\$ -
Other Employees	485,707.00	468,615.24
Part-Time	75,000.00	47,208.86
Overtime	10,000.00	8,379.50
Dues, Education, Seminars	5,000.00	4,583.95
Office Supplies	1,500.00	1,969.85
Operating Supplies	65,500.00	92,532.45
Parks Advisory/Flowers	24,000.00	14,811.31
Tree Board/Trees	10,000.00	9,867.47
Repairs And Maintenance	29,500.00	67,081.40
Repairs And Maintenance - Equipment	20,000.00	17,236.58
Telephone And Internet Expense	1,600.00	2,358.35
Gasoline And Diesel Fuel	23,000.00	19,377.79
Utilities	135,000.00	161,233.47
Miscellaneous	1,200.00	6,828.80
Professional/Contractual Services	54,000.00	68,794.96
Contractual Repairs/Bldg./Streets	5,000.00	718.91
	<hr/>	<hr/>
Subtotal Forward	\$ 946,007.00	\$ 991,598.89

City of Ottawa, Illinois  
Schedule Of Expenditures - Budget And Actual  
General Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Department Of Parks And Public		
Buildings (Continued):		
Subtotal Forward	\$ 946,007.00	\$ 991,598.89
Contractual Repairs/Bldg./Peck Park	-	585.00
Contractual Repairs/Bldg./Police	47,000.00	76,655.76
Contractual Repairs/Bldg./Fire	47,000.00	88,953.16
Contractual Repairs/Bldg./City Hall	43,000.00	17,884.76
Contractual Repairs/Bldg./Other	80,000.00	6,615.37
Contractual Repairs/Bldg./IVCC	19,000.00	8,053.84
Contractual Repairs/Bldg./Mansion	-	-
Equipment	56,000.00	74,257.25
Construction In Progress	21,000.00	16,007.82
Construction In Progress/Boat Docks	2,500.00	15,368.51
Construction In Progress/Lincoln Douglas Park	-	2,858.06
	<hr/>	<hr/>
Total Department Of Parks And Public		
Buildings	\$ 1,261,507.00	\$ 1,298,838.42
	<hr/>	<hr/>
Total General Fund Expenditures	<u>\$ 15,611,751.00</u>	<u>\$ 15,440,890.33</u>

City Of Ottawa, Illinois  
Schedule Of Operating Revenues - Budget And Actual  
Waterworks And Sewerage Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Water And Sewer Departments:		
Charges For Services		
Water And Sewer Revenue	\$ 6,336,545.00	\$ 6,644,589.81
Penalty Revenue	43,000.00	46,073.04
Tapping Fees	32,000.00	36,463.87
Water Extension Fees	1,000.00	13,950.36
Sewer Extension Fees	115,800.00	3,626.88
Bulk Water Revenue	4,000.00	2,673.46
New Water Meter Revenue	5,000.00	8,211.33
Sewer Connection Fees	19,000.00	70,325.01
Leachate Treatment Fees	20,000.00	31,271.16
Septic Dumping Fees	38,000.00	41,748.53
Laboratory Service Fees	700.00	5,628.50
Account Activation Fees	10,000.00	10,975.00
Utility Tax - Pilkington	3,000.00	131,177.85
Grant - Pilkington		
Miscellaneous Revenues	21,000.00	35,286.86
	<hr/>	<hr/>
Total Waterworks And Sewerage Fund	\$ 6,649,045.00	\$ 7,082,001.66
	<hr/>	<hr/>



City Of Ottawa, Illinois  
Schedule Of Operating Expenses - Budget And Actual  
Waterworks And Sewerage Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Water Department:		
Payroll And Benefits		
Salaries - Clerical	\$ 50,820.00	\$ 52,703.67
Salaries - Professional	-	-
Salaries - Other Employees	294,350.00	333,676.81
Salaries - Part Time	12,000.00	6,936.62
Salaries - Overtime	35,000.00	36,346.89
Health And Life Insurance	150,000.00	-
Total Payroll And Benefits	<u>\$ 542,170.00</u>	<u>\$ 429,663.99</u>
Plant And Operations		
Operating Supplies	\$ 333,000.00	\$ 358,628.33
Repairs And Maintenance - Building And Other	283,136.44	368,136.82
Repairs And Maintenance - Vehicles	17,000.00	11,116.93
Gasoline And Diesel Fuel	20,000.00	15,970.04
Utilities	240,000.00	354,995.04
Professional/Contractual Services	273,500.00	330,213.90
Operating Lease	2,800.00	2,844.10
Equipment	45,000.00	1,364.34
Total Plant And Operations	<u>\$ 1,214,436.44</u>	<u>\$ 1,443,269.50</u>
Administration And Other		
Dues, Education, Seminars	\$ 5,000.00	\$ 1,727.85
Office Supplies	18,000.00	8,808.20
Telephone And Internet	5,500.00	4,930.61
Postage	26,000.00	23,973.42
Publishing	300.00	221.84
Miscellaneous	5,000.00	9,006.60
Total Administration And Other	<u>\$ 59,800.00</u>	<u>\$ 48,668.52</u>
Total Water Department	<u>\$ 1,816,406.44</u>	<u>\$ 1,921,602.01</u>

City Of Ottawa, Illinois  
Schedule Of Operating Expenses - Budget And Actual  
Waterworks And Sewerage Fund  
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>
Sewer Department:		
Payroll And Benefits		
Salaries - Administrative	\$ 100,896.00	\$ 125,965.21
Salaries - Clerical	40,879.00	43,056.81
Salaries - Other Employees	389,343.00	383,723.03
Salaries - Part Time	12,000.00	13,642.58
Salaries - Overtime	5,000.00	12,992.70
Health And Life Insurance	100,000.00	-
Total Payroll And Benefits	<u>\$ 648,118.00</u>	<u>\$ 579,380.33</u>
Plant And Operations		
Operating Supplies	\$ 110,000.00	\$ 92,975.08
Repairs And Maintenance - Buildings And Other	7,320,014.39	264,304.63
Repairs And Maintenance - Vehicles	20,000.00	25,111.23
Gasoline And Diesel Fuel	18,000.00	13,075.22
Utilities	200,000.00	186,651.15
Professional/Contractual Services	754,000.00	551,547.32
Operating Leases	12,177.00	8,030.06
Equipment	70,000.00	8,142.91
Total Plant And Operations	<u>\$ 8,504,191.39</u>	<u>\$ 1,149,837.60</u>
Administration And Other		
Dues, Education, Seminars	\$ 6,000.00	\$ 6,243.08
Office Supplies	8,000.00	6,072.75
Telephone And Internet	6,000.00	7,893.47
Postage	22,000.00	19,921.84
Publishing	400.00	499.14
Bond Costs	-	50,000.00
Miscellaneous	12,500.00	15,197.31
Total Administration And Other	<u>\$ 54,900.00</u>	<u>\$ 105,827.59</u>
Total Sewer Department	<u>\$ 9,207,209.39</u>	<u>\$ 1,835,045.52</u>
Total Waterworks And Sewer Department		
Before Depreciation	\$ 11,023,615.83	\$ 3,756,647.53
Depreciation	<u>-</u>	<u>1,390,001.00</u>
Total Waterworks And Sewerage Fund	<u>\$ 11,023,615.83</u>	<u>\$ 5,146,648.53</u>

City Of Ottawa, Illinois  
Schedule Of Tax Extensions, Collections, Revenues And Taxes Receivable  
Year Ended April 30, 2017

Tax Levy Year	2016		2015		2014	
Assessed Valuations	<u>\$278,233.988</u>		<u>\$267,477.716</u>		<u>\$263,857.904</u>	
Tax Rates And Extensions:						
Corporate	Rate	Extension	Rate	Extension	Rate	Extension
	0.25000	\$ 695,585.03	0.25000	\$ 668,694.38	0.25000	\$ 659,644.78
Bonds & Interest	0.12607	350,769.62	0.00658	17,600.04	-	-
Illinois Municipal Retirement	0.21706	603,934.75	0.25421	679,955.19	0.25099	662,256.98
Fire Protection	0.15000	417,351.02	0.15000	401,216.62	0.15000	395,786.87
Firemen Pension	0.34859	969,895.94	0.33364	892,412.76	0.33821	892,393.85
Police Protection	0.15000	417,351.02	0.15000	401,216.62	0.15000	395,786.87
Police Pension	0.28788	800,980.07	0.23762	635,580.63	0.24087	635,554.56
Audit	0.00899	25,013.24	0.03118	83,399.56	0.02981	78,656.04
Insurance	0.22579	628,224.58	0.23815	636,998.26	0.24562	648,087.81
Street Lighting	0.03235	90,008.70	0.03365	90,006.26	0.02894	76,360.48
Playground	0.09000	250,410.61	0.09000	240,729.97	0.09000	237,472.12
Social Security	0.13475	374,920.33	0.10584	283,098.45	0.10720	282,855.68
School Crossing Guard	0.02000	55,646.80	0.02000	53,495.55	0.01997	52,692.43
Garbage	0.05392	150,023.78	0.06637	177,524.98	-	-
Totals	2.09540	\$ 5,830,115.49	1.96724	\$ 5,261,929.27	1.90161	\$ 5,017,548.47
Collections	<u>\$ -</u>		<u>\$ 5,247,460.19</u>		<u>\$ 4,975,045.92</u>	
Percent Collections	<u>0.00%</u>		<u>99.73%</u>		<u>99.15%</u>	

City Of Ottawa, Illinois  
Schedule Of Debt Service Requirements  
April 30, 2017

	Year Ending <u>April 30</u>	Governmental Fund Types		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
General Obligation	2018	\$ 410,000.00	\$ 18,860.00	\$ 428,860.00
Corporate Purpose Debt		\$ 410,000.00	\$ 18,860.00	\$ 428,860.00
Certificate (Limited Tax), Series 2007: Interest and principal pay- able on June 15 of each year at a rate varying from 4.15% to 4.60%				
Taxable General Obligation	2018	\$ 135,000.00	\$ 136,865.00	\$ 271,865.00
Recovery Zone Economic Bonds, 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 and December 1 of each year at a rate varying from 4.69% to 6.75%	2021	155,000.00	113,660.00	268,660.00
	2022	165,000.00	104,887.00	269,887.00
	2023	175,000.00	95,235.00	270,235.00
	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>\$ 2,235,000.00</u>	<u>\$ 1,020,681.00</u>	<u>\$ 3,255,681.00</u>

City Of Ottawa, Illinois  
Schedule Of Debt Service Requirements  
April 30, 2017

	Year Ending <u>April 30</u>	Governmental Fund Types		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
General Obligation	2018	\$ 642,000.00	\$ 37,236.00	\$ 679,236.00
Corporate Purpose Debt	2019	642,000.00	18,939.00	660,939.00
Certificate (Limited Tax), Series 2012A Dated October 3, 2012: 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.		<u>\$ 1,284,000.00</u>	<u>\$ 56,175.00</u>	<u>\$ 1,340,175.00</u>
General Obligation	2018	\$ 330,000.00	\$ 20,751.50	\$ 350,751.50
Corporate Purpose Bonds,	2019	335,000.00	16,296.50	351,296.50
Series 2016 Dated	2020	340,000.00	11,305.00	351,305.00
February 26, 2016: Interest payable on January 1 and July 1 of each year at a rate varying from 1.35% to 1.70%. Principal payable on January 1 each year.	2021	345,000.00	5,865.00	350,865.00
		<u>\$ 1,350,000.00</u>	<u>\$ 54,218.00</u>	<u>\$ 1,404,218.00</u>
Installment Note -	2018	\$ 83,063.12	\$ 1,727.68	\$ 84,790.80
Dated October 9, 2014: 48 Monthly Payments of \$7,065.90 with interest rate of 1.95%	2019	42,151.71	243.88	42,395.59
		<u>\$ 125,214.83</u>	<u>\$ 1,971.56</u>	<u>\$ 127,186.39</u>

City Of Ottawa, Illinois  
Schedule Of Debt Service Requirements  
April 30, 2017

	Year Ending <u>April 30</u>	<u>Waterworks And Sewerage Fund</u>		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
Waterworks And Sewerage				
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>\$ 745,438.94</u>	<u>\$ 96,649.23</u>	<u>\$ 842,088.17</u>
General Obligation	2018	\$ 125,000.00	\$ 63,525.00	\$ 188,525.00
Corporate Purpose Debt	2019	125,000.00	59,962.50	184,962.50
Certificate (Limited Tax),	2020	125,000.00	56,275.00	181,275.00
Series 2012B Dated	2021	125,000.00	52,462.50	177,462.50
October 3, 2012:	2022	125,000.00	48,450.00	173,450.00
Interest payable on June 1	2023	125,000.00	44,175.00	169,175.00
and December 1 of each	2024	125,000.00	39,762.50	164,762.50
year at a rate varying	2025	125,000.00	35,212.50	160,212.50
from 1.71% to 4.30%.	2026	125,000.00	30,537.50	155,537.50
Principal payable on	2027	125,000.00	25,700.00	150,700.00
December 1 of each year.	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>\$ 1,750,000.00</u>	<u>\$ 508,450.00</u>	<u>\$ 2,258,450.00</u>

City Of Ottawa, Illinois  
Schedule Of Debt Service Requirements  
April 30, 2017

	Year Ending April 30	Waterworks And Sewerage Fund			Total
		Principal	Interest		
Waterworks And Sewerage					
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>\$ 4,274,890.64</u>	<u>\$ -</u>	<u>\$</u>	<u>4,274,890.64</u>
Corporate Purpose Debt	2018	\$ 353,000.00	\$ 68,691.70	\$	421,691.70
Certificate (Limited Tax),	2019	362,000.00	58,984.20		420,984.20
Series 2013 Dated	2020	371,000.00	48,667.20		419,667.20
March 26, 2013:	2021	380,000.00	37,722.70		417,722.70
Interest payable on	2022	389,000.00	26,132.70		415,132.70
June 1 and December 1 of	2023	399,000.00	13,645.80		412,645.80
each year at a rate varying		<u>\$ 2,254,000.00</u>	<u>\$ 253,844.30</u>	<u>\$</u>	<u>2,507,844.30</u>
from 1.71% to 3.42%.					
Principal payable on					
December 1 of each year.					

City Of Ottawa, Illinois  
Schedule Of Debt Service Requirements  
April 30, 2017

	Year Ending <u>April 30</u>	<u>Waterworks And Sewerage Fund</u>		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
General Obligation Bonds	2018	\$ 5,000.00	\$ 118,621.95	\$ 123,621.95
Waterworks and Sewerage,	2019	5,000.00	122,937.00	127,937.00
Series 2017 Dated	2020	80,000.00	122,808.00	202,808.00
March 14, 2017:	2021	85,000.00	120,744.00	205,744.00
Interest payable on March 1	2022	95,000.00	118,551.00	213,551.00
and September 1 of each	2023	105,000.00	116,100.00	221,100.00
year, at a fixed rate of interest	2024	525,000.00	113,391.00	638,391.00
of 2.58%. Principal is payable	2025	545,000.00	99,846.00	644,846.00
on March 1, every year,	2026	560,000.00	85,785.00	645,785.00
beginning in 2018.	2027	625,000.00	71,337.00	696,337.00
	2028	690,000.00	55,212.00	745,212.00
	2029	715,000.00	37,410.00	752,410.00
	2030	735,000.00	18,963.00	753,963.00
		<u>\$ 4,770,000.00</u>	<u>\$ 1,201,705.95</u>	<u>\$ 5,971,705.95</u>
Installment Note -	2018	\$ 9,375.88	\$ 64.94	\$ 9,440.82
Dated July 16, 2009:		<u>\$ 9,375.88</u>	<u>\$ 64.94</u>	<u>\$ 9,440.82</u>
96 Monthly Payments of				
\$3,146.94 with interest				
rate of 4.11%				
Installment Note -	2018	\$ 85,076.92	\$ 65.91	\$ 85,142.83
Dated February 17, 2017:	2019	78,875.11	6,267.72	85,142.83
5 Annual Payments of	2020	80,397.40	4,745.43	85,142.83
\$85,142.83 with interest	2021	81,949.07	3,193.76	85,142.83
rate of 1.93%	2022	83,530.69	1,612.14	85,142.83
		<u>\$ 409,829.19</u>	<u>\$ 15,884.96</u>	<u>\$ 425,714.15</u>



## CITY OF OTTAWA, ILLINOIS

Other Information

April 30, 2017

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

Calendar year ending December 31,	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service Cost	\$ 429,109	\$ 360,292
Interest on the Total Pension Liability	1,478,758	1,380,174
Changes of Benefit Terms	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	1,254	699,495
Changes of Assumptions	(45,380)	45,167
Benefit Payments and Refunds	(1,221,098)	(1,083,627)
<b>Net Change in Total Pension Liability</b>	<u>\$ 642,643</u>	<u>\$ 1,401,501</u>
<b>Total Pension Liability - Beginning</b>	<u>20,165,485</u>	<u>18,763,984</u>
<b>Total Pension Liability - Ending (a)</b>	<u><u>\$ 20,808,128</u></u>	<u><u>\$ 20,165,485</u></u>
<b>Plan Fiduciary Net Position</b>		
Employer Contributions	\$ 627,886	\$ 573,080
Employee Contributions	169,281	174,557
Pension Plan Net Investment Income	1,185,138	87,000
Benefit Payments and Refunds	(1,221,098)	(1,083,627)
Other (Net Transfer)	256,467	221,183
<b>Net Change in Plan Fiduciary Net Position</b>	<u>\$ 1,017,674</u>	<u>\$ (27,807)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>17,540,194</u>	<u>17,568,001</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 18,557,868</u></u>	<u><u>\$ 17,540,194</u></u>
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<u>\$ 2,250,260</u>	<u>\$ 2,625,291</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	89.19%	86.98%
<b>Covered Valuation Payroll</b>	\$ 3,761,798	\$ 3,722,091
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	59.82%	70.53%

Notes to Schedule:

# CITY OF OTTAWA, ILLINOIS

## Other Information

April 30, 2017

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.

### ILLINOIS MUNICIPAL RETIREMENT FUND MULTIYEAR SCHEDULE OF EMPLOYER CONTRIBUTIONS

Calendar Year Ending <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	LAST 10 CALENDAR YEARS			Actual Contribution as a % of Covered <u>Valuation Payroll</u>
		Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Valuation <u>Payroll</u>	
2015	\$ 566,502	\$ 573,080	\$ (6,578)	\$ 3,722,091	15.40%
2016	627,844	627,886	(42)	3,761,798	16.69%

#### Notes to Schedule of Contributions:

#### Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate\*

##### Valuation Date:

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

##### Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method	5-year smoothed market: 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% -- approximate: No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% 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 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates 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 2012). 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF OTTAWA, ILLINOIS  
Other Information  
April 30, 2017

**Other Information:**

Notes

There were no benefit changes during the year

*\* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation*

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.