

City Of Ottawa
LaSalle County, Illinois

Annual Financial Report

Year Ended April 30, 2011

ANNUAL FINANCIAL REPORT
City Of Ottawa, Illinois
Year Ended April 30, 2011

Table Of Contents

| | <u>Page</u> |
|--|-------------|
| INTRODUCTORY SECTION: | |
| List Of Principal Officials | 1 |
| Organizational Chart | 2 |
| FINANCIAL SECTION: | |
| INDEPENDENT AUDITOR'S REPORT | 3 - 5 |
| REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 6 - 7 |
| REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH <i>OMB CIRCULAR A-133</i> | 8 - 9 |
| REQUIRED SUPPLEMENTARY INFORMATION: Management's Discussion And Analysis | 10 - 21 |
| BASIC FINANCIAL STATEMENTS: | |
| <i>Government-wide Financial Statements:</i> Statement Of Net Assets | 22 - 23 |
| Statement Of Activities | 24 - 25 |
| <i>Fund Financial Statements:</i> Balance Sheet – Governmental Funds | 26 - 27 |
| Statement Of Revenues, Expenditures And Changes In Fund Balances – Governmental Funds | 28 - 29 |
| Statement Of Net Assets – Proprietary Funds | 30 - 31 |
| Statement Of Revenues, Expenses, And Changes In Fund Net Assets – Proprietary Funds | 32 |
| Statement Of Cash Flows – Proprietary Funds | 33 - 34 |
| Statement Of Net Assets – Fiduciary Funds | 35 |
| Statement Of Changes In Net Assets – Fiduciary Funds | 36 |

ANNUAL FINANCIAL REPORT
City Of Ottawa, Illinois
Year Ended April 30, 2011

Table Of Contents

| | <u>Page</u> |
|---|-------------|
| <i>Notes To Basic Financial Statements</i> | 37 - 60 |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| Pension Plan Funding Progress – Illinois Municipal Retirement Fund | 61 |
| Pension Plan Funding Progress – Police Pension Fund | 62 |
| Pension Plan Funding Progress – Firefighters' Pension Fund | 63 |
| Budgetary Comparison Schedule – General Fund | 64 |
| OTHER SUPPLEMENTARY INFORMATION: | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 65 |
| Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances – Nonmajor Governmental Funds | 66 |
| Combining Balance Sheet – Special Revenue Funds | 67 - 71 |
| Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances – Special Revenue Funds | 72 - 76 |
| Combining Balance Sheet – Debt Service Funds | 77 |
| Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances – Debt Service Funds | 78 |
| Combining Balance Sheet – Nonmajor Capital Projects Funds | 79 - 81 |
| Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances – Nonmajor Capital Projects Funds | 82 - 84 |
| Combining Statement Of Net Assets – Proprietary Funds | 85 - 86 |
| Combining Statement Of Revenues, Expenses, And Changes In Fund Net Assets – Proprietary Funds | 87 |
| Combining Statement Of Cash Flows – Proprietary Funds | 88 - 89 |
| Schedule Of Revenues – Budget And Actual – General Fund | 90 - 91 |

ANNUAL FINANCIAL REPORT
City Of Ottawa, Illinois
Year Ended April 30, 2011

Table Of Contents

| | <u>Page</u> |
|--|-------------|
| OTHER SUPPLEMENTARY INFORMATION: (Continued) | |
| Schedule Of Expenditures – Budget And Actual – General Fund | 92 - 99 |
| Schedule Of Operating Revenues – Budget And Actual – Waterworks And Sewerage Fund | 100 |
| Schedule Of Operating Expenses – Budget And Actual – Waterworks And Sewerage Fund | 101 - 102 |
| Schedule Of Tax Extensions, Collections, Revenues And Taxes Receivable | 103 |
| Schedule Of Debt Service Requirements | 104 - 107 |
| FEDERAL COMPLIANCE SECTION: | |
| Schedule Of Expenditures Of Federal Awards | 108 |
| Notes To The Schedule Of Expenditures Of Federal Awards (SEFA) | 109 |
| Schedule Of Findings And Questioned Costs | |
| Section I – Summary Of Auditor’s Results | 110 |
| Section II – Financial Statement Findings | 111 |
| Section III – Federal Award Findings And Questioned Costs | 112 |
| Summary Schedule Of Prior Audit Findings | 113 |
| Corrective Action Plan For Current Year Audit Findings | 114 |

CITY OF OTTAWA, ILLINOIS

CITY COUNCIL

Robert M. Eschbach, *Mayor*

Commissioners

Daniel F. Aussem
Accounts & Finance

Wayne A. Eichelkraut, Jr.
Public Property

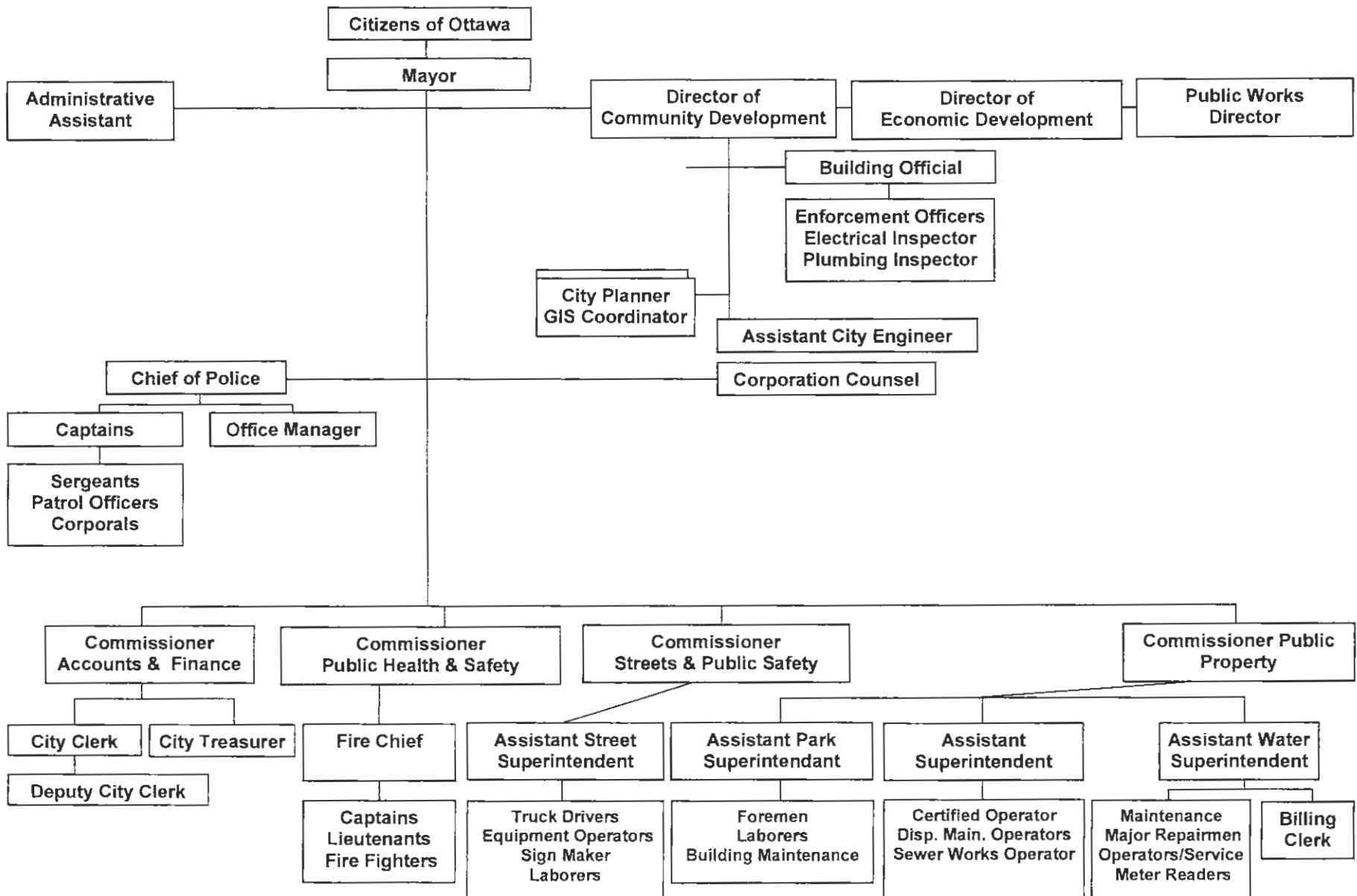
Dale F. Baxter
Streets & Public Improvements

Edward V. Whitney
Public Health & Safety

CITY CLERK
Shelly Munks

CITY OF OTTAWA

Organizational Chart - April 30, 2011



ROENFELDT & LOCKAS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
and City Council
City of Ottawa, Illinois

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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ottawa, Illinois management. 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 47 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 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 Honorable Mayor
and City Council

In our opinion, based upon our audit and the report of the other auditor, except for the effects of the omitted disclosures required by GASB #45, and adjustments, if any, as might have been determined to be necessary had we been able to apply adequate auditing procedures to compensated absences and actuarial disclosures for the Police and Firefighters' Pension Funds, as described in the preceding 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, 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2012, on our consideration of the City of Ottawa, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, Pension Plan Funding Progress, and budgetary comparison information on pages 10 through 21 and pages 61 through 64, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 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.

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 as a whole. The introductory section, combining nonmajor fund financial statements and other supplementary information schedules, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining fund financial statements,

The Honorable Mayor
and City Council

other supplementary information schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rosenfeldt & Lockman, P.C.

Ottawa, Illinois
January 3, 2012

ROENFELDT & LOCKAS, P.C.

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**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 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, 2011, which collectively comprise the City of Ottawa, Illinois' basic financial statements and have issued our report thereon dated January 3, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Ottawa, Illinois' internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Ottawa, Illinois' internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, we did identify a deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above. This weakness is described below.

The Honorable Mayor
and City Council

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.

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

This report is intended solely for the information and use of the City Council, management, the State of Illinois, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rensfeldt & Hooker, P.C.
Ottawa, Illinois
January 3, 2012

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor
and City Council
City of Ottawa, Illinois

Compliance

We have audited the compliance of the City of Ottawa, Illinois, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Ottawa, Illinois' management. Our responsibility is to express an opinion on the City of Ottawa, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Ottawa, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Ottawa, Illinois' compliance with those requirements.

In our opinion, the City of Ottawa, Illinois, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2011.

Internal Control Over Compliance

The management of the City of Ottawa, Illinois, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Ottawa, Illinois' internal control over compliance with requirements that could have a direct and


The Honorable Mayor
and City Council

material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Ottawa, Illinois' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

This report is intended for the information of the City Council, management, the State of Illinois, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Ottawa, Illinois
January 3, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

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, 2011. The discussion should be read in conjunction with the City's financial statements which are presented herein and begin on page 22.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 22 – 25) 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 26. 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 Assets and the Statement of Activities

Our analysis of the City as a whole begins on page 12. 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, 2010 and the current fiscal year ended April 30, 2011. The Statement of Net Assets 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 assets and changes in them. One can consider the City's net assets – 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 assets 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

In the Statement of Net Assets 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 sewer systems are reported here.

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 26 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 Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- **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 Assets and the Statement of Activities. In fact, the City's waterworks and sewerage fund is included in the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

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 Assets and Changes in Fiduciary Net Assets on pages 35 and 36. 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 Assets (\$000s)</i> | | | | | |
|----------------------------|----------------------------|----------|--------------------------|----------|----------|----------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Current and other assets | \$21,119 | \$22,021 | \$2,269 | \$4,022 | \$23,388 | \$26,043 |
| Capital assets, net | 41,312 | 37,115 | 31,153 | 24,704 | 72,465 | 61,819 |
| Total assets | \$62,431 | \$59,136 | \$33,422 | \$28,726 | \$95,853 | \$87,862 |
| Long-term liabilities | \$8,836 | \$7,163 | \$15,134 | \$10,278 | \$23,970 | \$17,441 |
| Other liabilities | 2,478 | 3,061 | 2,311 | 1,916 | 4,789 | 4,977 |
| Total liabilities | \$11,314 | \$10,224 | \$17,445 | \$12,194 | \$28,759 | \$22,418 |
| Net assets: | | | | | | |
| Invested in capital assets | | | | | | |
| net of related debt | \$34,899 | \$28,903 | \$15,833 | \$13,326 | \$50,732 | \$42,229 |
| Restricted | 3,585 | 5,603 | 0 | 3,303 | 3,585 | 8,906 |
| Unrestricted | 12,632 | 14,406 | 145 | (97) | 12,777 | 14,309 |
| Total net assets | \$51,116 | \$48,912 | \$15,978 | \$16,532 | \$67,094 | \$65,444 |
| Beginning net assets | \$48,912 | \$45,284 | \$16,532 | \$17,202 | \$65,444 | \$62,486 |
| Increase in net assets | 2,204 | 3,628 | (554) | (670) | 1,650 | 2,958 |
| Ending net assets | \$51,116 | \$48,912 | \$15,978 | \$16,532 | \$67,094 | \$65,444 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

The City's net assets increased by \$1.7 million for the fiscal year ended April 30, 2011 compared to April 30, 2010, with ending assets of \$67.0 million and \$65.4 million, respectively. Total liabilities increased by \$6.3 million as of April 30, 2011 when compared to April 30, 2010, with total assets increasing by \$8.0 million over the same period. Restricted net assets decreased as of April 30, 2011 to \$3.6 million as contrasted to \$8.9 million as of April 30, 2010. As of April 30, 2011 investments in capital assets, net of debt, were \$50.7 million, and unrestricted assets stand at \$12.8 million.

The following tables present the cost of each 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 | |
| | 2011 | 2010 | 2011 | 2010 |
| General Government | \$4,775 | \$4,962 | (\$2,216) | (\$1,902) |
| Public Safety | 6,297 | 5,787 | (5,226) | (4,730) |
| Transportation | 2,812 | 2,974 | (2,731) | (2,974) |
| Cultural, Parks & Recreation | 1,737 | 1,644 | (1,576) | (1,083) |
| Community Development | 4,461 | 3,349 | (3,628) | (3,091) |
| Interest On Long-Term Debt | 449 | 292 | (421) | (292) |
| Capital Outlay | - | - | - | - |
| Totals | <u>\$20,531</u> | <u>\$19,008</u> | <u>(\$15,798)</u> | <u>(\$14,072)</u> |

Operationally, the cost of all *governmental* activities for fiscal year ended 2011 was \$20.5 million as compared to \$19.0 million for 2010, an increase of approximately 8.0% in expense. The largest single component of the increase in expenses was attributable to Community Development, with a \$1.1 million increase, \$737 thousand of which was paid from the Dayton TIF (Tax Increment Financing District) fund. Other areas of increasing year over year expense were Public Safety, accounting for \$510 thousand, Interest on Long-Term Debt, \$157 thousand, and Cultural Parks and Recreation, an additional \$93 thousand in increased expense.

Expenses in General Government and Transportation declined on a year over year basis, \$187 thousand and \$162 thousand, respectively. The City's self-insured health plan was the most significant factor in that decrease. Health insurance premiums and claims in the program decreased to \$2.556 million as of April 30, 2011, as contrasted to \$2.670 million as of

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

April 30, 2010. Net of employee contributions and claim reimbursements, health insurance expense was \$1.8 million for period ended April 30, 2011 and \$1.9 million for the period ended April 30, 2010. 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. The self-insured program is intended to allow the City to reduce its expenses in years in which claims are less than expected or customary. The City has the cash flow capacity to effectively manage the fluctuations in claim expense from year to year, and the re-insurance protection from excessive outflows in any particular plan year, thereby maintaining the financial benefit when claim expenses are historically 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 estimated total cost.

Direct expense for personnel salaries and overtime compensation for governmental activities, which excludes those activities and expenses attributable to business-type activities such as water and wastewater management, increased by \$622 thousand, or 11.6% as the result of scheduled pay increases, overtime compensation, and the effect of new hires and terminations. As a result of ongoing negotiations with the City's various bargaining units and appointed personnel, not all pay adjustments were recognized during the prior fiscal year, and consequently impacted the increase noted above. In part through the alignment of work assignments to most cost effectively deliver City services, overtime compensation decreased by \$20 thousand, or 4.5%. Employee wages for non-appointed personnel are established pursuant to collective bargaining agreements. Those who directly benefited from the various activities and services paid \$3.9 million of the 2011 expense, 18.8%, and \$4.3 million of the expense, 22.4%, for 2010. Additionally, in fiscal year 2011, the City secured \$866 thousand in grants and contributions to help to defray the cost for these necessary services, reducing the financial burden to users and other taxpayers. In fiscal year 2010 the City similarly secured \$674 thousand in contributions and grants. The City is proactive in its pursuit of grant monies in order to leverage its financial capabilities and to relieve taxpayer burden.

The City has funded its various pension fund obligations at the levels recommended by actuarial analysis, however, the three primary pension funds are nevertheless underfunded. The sources of funding for each are City contributions, direct participant contributions, and investment performance. For the year ended April 30, 2011, the funding ratio for each of the three plans improved, with the Illinois Municipal Retirement Funds, the Police Pension Fund, and the Firefighter's Pension Fund, funded to 58.0%, 67.8%, and 54.4% respectively, and contrasted to the prior year ending April 30, 2010 at 54.0%, 64.0%, and 48.3% respectively. The actuarial value of the assets in aggregate for the three pension funds as of the most current actuarial

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

valuation were \$27.6 million, \$23.7 million as of the prior year. The Illinois Municipal Retirement Fund received contributions of \$400 thousand for fiscal year ended April 30, 2011 contrasted to contributions of \$358 thousand in fiscal year ended April 30, 2010, an 11.7% increase in contributions. The Police Pension Plan received \$652 thousand in contributions from the City and participants for fiscal year ended April 30, 2011, as contrasted to \$604 thousand during the previous year, a 7.9% increase. The Firefighter's Pension Plan received \$860 thousand in contributions from the City and plan participants for fiscal year ended April 30, 2011, as contrasted to \$882 thousand in fiscal year ended April 30, 2010, a 2.5% decrease in funding.

General Revenues to support governmental activities, which includes taxes, intergovernmental transfers, and investment income, increased moderately to \$18.0 million in the fiscal year ended April 30, 2011, from \$17.7 million for the fiscal year ended April 30, 2010, a 1.7% increase, while expenses net of program revenues increased to \$15.8 million for fiscal year ended April 30, 2011, compared to \$14.1 million a year earlier. Overall, the revenues from governmental activities exceeded the expenses for the fiscal year ended April 30, 2011 by \$2.2 million, as contrasted to \$3.6 million for year ended April 30, 2010.

Property taxes and Sales and Use taxes are the largest sources of general revenue for the City, in combination accounting for 77.2% of total general revenues from governmental activities for the fiscal year ended April 30, 2011, and 79.3% for the period ended April 30, 2010. Overall, property tax revenues increased by \$155 thousand, or 1.8%, which includes revenues both received and accrued. 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 new development as well as existing properties. The property tax extension directly attributable to the local property tax extension and levy decreased .3% for levy year 2010 contrasted to levy year 2009. The actual levy rate established by levy ordinance and applicable to the equalized assessed property value for property owners as determined by the County of LaSalle, increased by 3.2%, or 5.1 cents for each \$100 of assessed valuation for the same periods. The difference is attributable to an overall aggregate decrease in property values within the City. The decline in overall assessed valuations shifts a greater taxing burden to individual properties, and results in extension receipts to the City that are at a lower rate of change, for fiscal year 2011 actually a decline, as compared to the rate of change for the levy rate. Notwithstanding the overall decrease in assessed valuation moderate newly developed and incorporated properties helped to mitigate the consequences to the changes to the values of existing properties. The various amounts levied for employee pensions, IMRF, Social Security, Police, and Firefighter represent 43.5% of the total taxes levied pursuant to the 2010 levy for fiscal year ended April 30, 2011. These extensions represent a 12.2% increase

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

over the amounts levied in 2009, the prior year levy. All other levied funds, in aggregate, declined by 8.2% from the 2009 levy. The City endeavors to responsibly fulfill its obligations pursuant to actuarial assessments of the amounts necessary to appropriately fund its pensions, while prudently managing other expenses and levy requests to properly control the impact to local taxpayers.

Sales and Use taxes decreased by \$286 thousand, 5.1%, over the prior period. The decrease reflects the generally stressed current economic conditions, and the commensurate impact to retail sales. Utility taxes increased by \$41 thousand, or 3.3% from the prior period. Hotel/Motel taxes similarly increased by \$39 thousand, or 15.0%. Intergovernmental revenues, which include State income tax receipts increased by \$161 thousand, representing a 7.4% increase. Investment income declined to \$14 thousand for fiscal year ended April 30, 2011, contrasted to \$27 thousand as of April 30, 2010, reflecting both an extremely low historical interest rate environment and declining fund balances. The City received \$129 thousand in fiscal year 2011 for the sale of land.

Business-Type Activities (Primarily Water and Sewer)

| | (\$000s) | | | |
|---------------------------|------------------------|----------------|------------------------|----------------|
| | Total Cost of Services | | Net (Cost) of Services | |
| | 2011 | 2010 | 2011 | 2010 |
| Water and Sewer | \$4,779 | \$4,696 | (\$545) | (\$728) |
| Swimming Pool | 173 | 132 | (116) | (95) |
| Canal Rental and Purchase | 0 | 0 | 0 | 1 |
| Friendly City Riverfest | 118 | 125 | 1 | 2 |
| Totals | <u>\$5,070</u> | <u>\$4,953</u> | <u>(\$660)</u> | <u>(\$820)</u> |

Program revenues from business-type activities increased by \$277 thousand to \$4.4 million for the year ended April 30, 2011, contrasted to \$4.1 million for the period ended April 30, 2010. An additional \$106 thousand of revenue was generated for business-type activities in fiscal year 2011, \$100 thousand attributable to a transfer from governmental activities, and \$6 thousand in investment income. Overall, business-type activities generated a spending deficit of \$660 thousand in the fiscal year ended April 30, 2011, as contrasted to a \$820 thousand spending deficit for the year ended April 30, 2010. The deficits for business-type activities while impacted by the direct pricing for these services, are also attributable to the collection of receipts for services provided and to the billing amounts for services rendered.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

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, 2011 as compared with the fiscal year ending April 30, 2010.

| Revenues: | 2011 | | 2010 | |
|----------------------|-----------------|----------------|-----------------|----------------|
| | (\$000s) | | | |
| | Amount | % of Total | Amount | % of Total |
| Taxes | \$17,763 | 77.71% | \$16,059 | 76.15% |
| Intergovernmental | 873 | 3.82% | 687 | 3.25% |
| Charges for Services | 525 | 2.30% | 662 | 3.14% |
| Fines & Forfeitures | 897 | 3.93% | 517 | 2.45% |
| Licenses & Permits | 887 | 3.88% | 1,507 | 7.15% |
| Investment Income | 14 | .06% | 27 | .13% |
| Miscellaneous | 1,898 | 8.30% | 1,630 | 7.73% |
| Total Revenues | <u>\$22,857</u> | <u>100.00%</u> | <u>\$21,089</u> | <u>100.00%</u> |

| Expenditures: | 2011 | | 2010 | |
|------------------------------|-----------------|----------------|-----------------|----------------|
| | (\$000s) | | | |
| | Amount | % of Total | Amount | % of Total |
| General Government | \$4,706 | 18.45% | \$4,930 | 21.05% |
| Public Safety | 6,015 | 23.58% | 5,475 | 23.37% |
| Transportation | 2,487 | 9.75% | 2,675 | 11.42% |
| Cultural, Parks & Recreation | 1,484 | 5.82% | 1,370 | 5.85% |
| Community/Economic Develop. | 4,124 | 16.17% | 3,005 | 12.83% |
| Debt Service | 1,226 | 4.81% | 1,473 | 6.29% |
| Capital Outlay | 5,463 | 21.42% | 4,495 | 19.19% |
| Total Expenditures | <u>\$25,505</u> | <u>100.00%</u> | <u>\$23,423</u> | <u>100.00%</u> |

In total dollars, the revenues from taxes increased to \$17.8 million for the period ended April 30, 2011 from \$16.1 million for the period ended April 30, 2010. Taxes payable to the City's Funds for fiscal year ended April 30, 2011 increased slightly as a percentage of overall revenues to 77.7% of total revenues from 76.2% for the period ended April 30, 2010. Revenue

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

exclusive of taxes and intergovernmental receipts declined to \$4.2 million for the period ended April 30, 2011, from \$4.3 million for the period ended April 30, 2010. The most significant impact in this regard was a decrease in Licenses and Permits to \$887 thousand, as contrasted to the prior period of \$1.5 million. The primary reason for the decline in Licenses and Permits was the fee revenue consequent to the construction of various wind turbines received in the fiscal year ended April 30, 2010, but not in the fiscal year ended April 30, 2011. Charges for services also decreased by \$137 thousand. Offsetting the decrease in revenues attributable to sources other than taxes and intergovernmental receipts, was an increase in Fines, Fees, and Expense Reimbursements of \$380 thousand, and a miscellaneous increase of \$268 thousand.

Expenditures increased to \$25.5 million in fiscal year 2011, from \$23.4 million in fiscal year 2010, although general government decreased by \$224 thousand, and the largest single component therein, general administration, by \$223 thousand for the year ended April 30, 2011. Expenditures for Community and Economic Development increased to \$4.1 million for the year ended April 30, 2011, compared to \$3.0 million for the year ended April 30, 2010. Public safety, which includes police and fire protection, as well as emergency medical services, increased by 9.9%, to \$6.0 million from \$5.5 million as of April 30, 2010. Expenditures in Cultural Parks and Recreation increased by \$114 thousand, while Transportation and Debt Service each decreased by \$188 thousand and \$247 thousand, respectively, for year ended April 30, 2011. Capital outlays increased to \$5.5 million for 2011, compared to \$4.5 million for 2010, primarily as the result of the purchase of additional properties.

General Fund Budgetary Highlights

The City Council passed a budget based upon expectations of revenues and expenses and was able to adhere to same without amendment. Current year resources available for appropriation to the general fund were \$1.1 million less than budgeted, with actual revenues collected of 93.3% of the amount budgeted. Intergovernmental revenue was \$1.2 million less than budgeted, resulting from grants projected but not received. Corresponding projects with resulting expenses reflective of projected reliance upon the grants were therefore not undertaken. Taxes received were at 99.0% of the amounts anticipated for the budget, with \$10.3 million received and \$10.4 million budgeted for the year ending April 30, 2011. Additional divergence from the anticipated revenues were \$50 thousand less received than budgeted for licenses and permits and \$31 thousand less received than budgeted in Investment Income. Miscellaneous, transfers from other funds, and the sale of public property each generated receipts beyond that which was budgeted, at \$69 thousand, \$31 thousand, and \$129 thousand, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

To the extent possible, when funds anticipated to be received when and as the budgeting process ensues are not received, modifications to expenditures are made when and as possible. The actual charges to appropriations (expenditures) were \$475 thousand less than budgeted amounts. The most significant reductions in expenditures, from those which were budgeted were in the Department of General Administration, Department of Community Development, and the Department of Parks and Public Buildings, expending \$300 thousand less, \$257 thousand less, and \$41 thousand less, respectively. The primary source of the decrease in the Department of General Administration expenditures was for health insurance, which resulted in costs of \$305 thousand less than budgeted. Projects budgeted within the Community Development department, totaling \$845 thousand were not commenced, as it was determined that the anticipated funding source would not be available. Similarly, construction projects within the Parks and Public Building department totaling \$25 thousand were not undertaken. Overall, General Fund expenditures exceeded revenues by \$1.6 million in the fiscal year ended April 30, 2011.

A total of \$100 thousand was transferred from the General Fund to other City funds. The fund balance in the General Fund declined, as of April 30, 2011 to \$1.5 million. The fund balance in the General Fund was \$2.8 million at April 30, 2010. 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, the City's reserves are utilized. The City's other governmental funds, exclusive of the General Fund, and including the various TIF funds, were in the aggregate, approximately \$9.0 million as of April 30, 2011, and aggregated \$7.8 million as of April 30, 2010. The property taxes collected and allocated to the various Tax Increment Financing Districts (TIFs) are primarily generated from new development that would 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, 2011 the City has \$72.4 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 sewer lines, parks and streets, police, fire, and emergency medical care vehicles and equipment. As of April 30, 2010, the City had \$61.8 million invested in capital assets, net of depreciation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

This year's major additions included:

- Street and byway resurfacing, construction, repair, and improvements
- West side water tower
- Water and sewer upgrades, extensions, and repairs
- Machinery and equipment upgrades
- Purchase of building for lease to, and provision of educational programs by, Illinois Valley Community College
- General infrastructure improvements

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

DEBT

At April 30, 2011, the City has \$25.9 million in bonds and notes outstanding versus \$19.4 million as of April 30, 2010. Principal payments were paid as scheduled reducing outstanding debt by \$1.9 million for the period; however, \$2.5 million of general obligation bonds were issued during the period, and a waterworks and sewer construction loan was secured in the amount of \$6.0 million for wastewater treatment facility upgrades. More detailed information about the City's debt is presented in Note 7 to the financial statements.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2011-2012 budget, tax rates and fees that will be charged for the business-type activities. In those considerations, they have 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending April 30, 2011

directly utilizing them, as appropriate, aggressively seeking and acting upon full and matching grant opportunities, and exploring alternative revenue sources in the effort to reduce reliance on local property tax revenue. 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, benefiting and providing 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 2012. Amounts available for appropriation in the General Fund budget, including fund reserves, are \$15.5 million as contrasted to the fiscal year 2011 total of \$17.1 million. General budgeted expenses were similar to fiscal year 2011, with the primary changes reflective of anticipated personnel and benefit expenses, and requirements for the general and ongoing operations of the City.

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 Assets
April 30, 2011

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------------|
| <u>ASSETS</u> | | | |
| Current Assets: | | | |
| Cash | \$ 6,610,132.51 | \$ 49,131.22 | \$ 6,659,263.73 |
| Investments | 443,627.37 | 440,835.88 | 884,463.25 |
| Accounts Receivable (Net) | --- | 691,803.45 | 691,803.45 |
| Property Taxes Receivable | 8,367,872.12 | --- | 8,367,872.12 |
| Receivable From Other Governments | 38,644.83 | --- | 38,644.83 |
| Notes Receivable | 82,190.93 | --- | 82,190.93 |
| Other Taxes And Fees Receivable | 2,185,938.25 | --- | 2,185,938.25 |
| Due From Other Funds | (153,451.12) | 153,451.12 | --- |
| Total Current Assets | <u>\$ 17,574,954.89</u> | <u>\$ 1,335,221.67</u> | <u>\$ 18,910,176.56</u> |
| Noncurrent Assets: | | | |
| Special Assessments Receivable | \$ 11,178.56 | \$ --- | \$ 11,178.56 |
| Restricted Assets: | | | |
| Cash | 3,455,234.96 | 934,421.24 | 4,389,656.20 |
| Investments | 77,288.23 | --- | 77,288.23 |
| Capital Assets (Net) | 41,312,411.45 | 31,152,748.64 | 72,465,160.09 |
| Total Noncurrent Assets | <u>\$ 44,856,113.20</u> | <u>\$ 32,087,169.88</u> | <u>\$ 76,943,283.08</u> |
| Total Assets | <u>\$ 62,431,068.09</u> | <u>\$ 33,422,391.55</u> | <u>\$ 95,853,459.64</u> |
| <u>LIABILITIES</u> | | | |
| Current Liabilities: | | | |
| Cash Overdraft | \$ 1,198,672.39 | \$ 162,004.03 | \$ 1,360,676.42 |
| Accounts Payable | 507,579.92 | 530,487.62 | 1,038,067.54 |
| Wages Payable | 56,394.34 | 7,714.95 | 64,109.29 |
| Accrued Interest Payable | 272,717.89 | 106,621.67 | 379,339.56 |
| Loans Payable | 78,618.03 | 422,834.97 | 501,453.00 |
| Debt Certificates Payable | 747,923.10 | 697,302.61 | 1,445,225.71 |
| Due To Other Funds | (383,540.00) | 383,540.00 | --- |
| Total Current Liabilities | <u>\$ 2,478,365.67</u> | <u>\$ 2,310,505.85</u> | <u>\$ 4,788,871.52</u> |
| Noncurrent Liabilities: | | | |
| Loans Payable | \$ 188,558.79 | \$ 11,136,229.41 | \$ 11,324,788.20 |
| Debt Certificates Payable | 6,162,425.04 | 3,998,060.59 | 10,160,485.63 |
| Bonds Payable | 2,485,000.00 | --- | 2,485,000.00 |
| Total Noncurrent Liabilities | <u>\$ 8,835,983.83</u> | <u>\$ 15,134,290.00</u> | <u>\$ 23,970,273.83</u> |
| Total Liabilities | <u>\$ 11,314,349.50</u> | <u>\$ 17,444,795.85</u> | <u>\$ 28,759,145.35</u> |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Net Assets
April 30, 2011

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-------------------------|
| <u>NET ASSETS</u> | | | |
| Invested In Capital Assets, Net Of Related Debt | \$ 34,899,389.83 | \$ 15,832,742.30 | \$ 50,732,132.13 |
| Restricted For: | | | |
| Capital Projects | 2,879,627.10 | --- | 2,879,627.10 |
| Debt Service | 49,875.70 | --- | 49,875.70 |
| Other Purposes | 656,254.01 | --- | 656,254.01 |
| Unrestricted | 12,631,571.95 | 144,853.40 | 12,776,425.35 |
| Total Net Assets | <u>\$ 51,116,718.59</u> | <u>\$ 15,977,595.70</u> | <u>\$ 67,094,314.29</u> |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Activities
Year Ended April 30, 2011

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense)/ Revenue</u> |
|--------------------------------------|------------------------|---------------------------------|---|---|---------------------------------------|
| | | <u>Charges For Services</u> | <u>Operating Grants And Contributions</u> | <u>Capital Grants And Contributions</u> | |
| Governmental Activities: | | | | | |
| General Government: | | | | | |
| Mayor | \$ 169,314.62 | \$ --- | \$ --- | \$ --- | \$ (169,314.62) |
| General Government | 4,605,951.16 | 2,531,187.91 | 28,509.16 | --- | (2,046,254.09) |
| Total General Government | <u>\$ 4,775,265.78</u> | <u>\$ 2,531,187.91</u> | <u>\$ 28,509.16</u> | <u>\$ ---</u> | <u>\$ (2,215,568.71)</u> |
| Public Safety: | | | | | |
| Police | \$ 3,580,184.91 | \$ 323,169.71 | \$ --- | \$ --- | \$ (3,257,015.20) |
| Fire | 2,441,997.26 | 627,473.79 | 1,727.00 | 113,620.00 | (1,699,176.47) |
| Public Health And Safety | 274,345.97 | 90.00 | 4,306.55 | --- | (269,949.42) |
| Total Public Safety | <u>\$ 6,296,528.14</u> | <u>\$ 950,733.50</u> | <u>\$ 6,033.55</u> | <u>\$ 113,620.00</u> | <u>\$ (5,226,141.09)</u> |
| Transportation: | | | | | |
| Streets | \$ 2,708,765.02 | \$ --- | \$ --- | \$ 81,312.00 | \$ (2,627,453.02) |
| Mini Bus And Taxicab | 102,974.45 | --- | --- | --- | (102,974.45) |
| Total Transportation | <u>\$ 2,811,739.47</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 81,312.00</u> | <u>\$ (2,730,427.47)</u> |
| Cultural, Parks And Recreation: | | | | | |
| Parks And Public Buildings | \$ 1,105,993.82 | \$ --- | \$ --- | \$ --- | \$ (1,105,993.82) |
| Tourism | 360,129.06 | 23,438.55 | 42,957.50 | --- | (293,733.01) |
| Recreation | 270,407.34 | 89,007.31 | 4,700.00 | --- | (176,700.03) |
| Total Cultural, Parks And Recreation | <u>\$ 1,736,530.22</u> | <u>\$ 112,445.86</u> | <u>\$ 47,657.50</u> | <u>\$ ---</u> | <u>\$ (1,576,426.86)</u> |
| Community/Economic Development: | | | | | |
| Community Development | \$ 4,461,555.16 | \$ 244,754.54 | \$ 134,061.60 | \$ 454,926.37 | \$ (3,627,812.65) |
| Interest On Long-Term Debt | \$ 449,391.52 | \$ 28,239.26 | \$ --- | \$ --- | \$ (421,152.26) |
| Total Governmental Activities | <u>\$20,531,010.29</u> | <u>\$ 3,867,361.07</u> | <u>\$ 216,261.81</u> | <u>\$ 649,858.37</u> | <u>\$ (15,797,529.04)</u> |
| Business-Type Activities: | | | | | |
| Water And Sewer | \$ 4,778,606.00 | \$ 4,234,076.07 | \$ --- | \$ --- | \$ (544,529.93) |
| Swimming Pool | 173,297.36 | 56,925.50 | --- | --- | (116,371.86) |
| Canal Rental And Purchase | --- | --- | --- | --- | --- |
| Friendly City Riverfest | 118,106.12 | 119,110.50 | --- | --- | 1,004.38 |
| Total Business-Type Activities | <u>\$ 5,070,009.48</u> | <u>\$ 4,410,112.07</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ (659,897.41)</u> |
| Total | <u>\$25,601,019.77</u> | <u>\$ 8,277,473.14</u> | <u>\$ 216,261.81</u> | <u>\$ 649,858.37</u> | <u>\$ (16,457,426.45)</u> |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Activities
Year Ended April 30, 2011

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-------------------|
| Net Expense/Revenue | \$(15,797,529.04) | \$(659,897.41) | \$(16,457,426.45) |
| General Revenues: | | | |
| Taxes: | | | |
| Property Taxes | \$ 8,595,922.19 | \$ --- | \$ 8,595,922.19 |
| Sales And Use Taxes | 5,305,815.91 | --- | 5,305,815.91 |
| Utility Taxes | 1,276,590.87 | --- | 1,276,590.87 |
| Hotel/Motel Taxes | 295,308.46 | --- | 295,308.46 |
| Intergovernmental | 2,352,080.16 | --- | 2,352,080.16 |
| Investment Income | 13,945.00 | 5,774.07 | 19,719.07 |
| Miscellaneous | 132,855.12 | --- | 132,855.12 |
| Sale Of Land | 129,450.00 | --- | 129,450.00 |
| Transfers | (100,000.00) | 100,000.00 | --- |
| Total General Revenues And Transfers | \$ 18,001,967.71 | \$ 105,774.07 | \$ 18,107,741.78 |
| Change In Net Assets | \$ 2,204,438.67 | \$(554,123.34) | \$ 1,650,315.33 |
| Net Assets - Beginning | 48,912,279.92 | 16,531,719.04 | 65,443,998.96 |
| Net Assets - Ending | \$ 51,116,718.59 | \$15,977,595.70 | \$ 67,094,314.29 |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Balance Sheet
Governmental Funds
April 30, 2011

| | General Fund | North TIF Fund | Dayton TIF Fund | Other Governmental Funds | Total Governmental Funds |
|--|------------------------|------------------------|------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash | \$ 870,650.96 | \$ 2,276,653.99 | \$ --- | \$ 6,918,062.52 | \$ 10,065,367.47 |
| Investments | 77,288.23 | --- | --- | 443,627.37 | 520,915.60 |
| Property Taxes Receivable | 1,661,058.87 | 2,453,988.80 | 835,866.26 | 3,416,958.19 | 8,367,872.12 |
| Receivable From Other Governments | --- | --- | --- | 38,644.83 | 38,644.83 |
| Notes Receivable | --- | --- | --- | 82,190.93 | 82,190.93 |
| Special Assessments Receivable | --- | --- | --- | 11,178.56 | 11,178.56 |
| Other Taxes And Fees Receivable And Other | 1,301,867.53 | --- | --- | 66,005.07 | 1,367,872.60 |
| Due From Other Funds | --- | --- | --- | 799,540.00 | 799,540.00 |
| TOTAL ASSETS | \$ 3,910,865.59 | \$ 4,730,642.79 | \$ 835,866.26 | \$ 11,776,207.47 | \$ 21,253,582.11 |
| LIABILITIES | | | | | |
| Cash Overdraft | \$ --- | \$ --- | \$ 394,238.45 | \$ 804,433.94 | \$ 1,198,672.39 |
| Accounts Payable | 448,743.75 | 32.50 | 32.50 | 58,771.17 | 507,579.92 |
| Wages Payable | 56,157.26 | --- | --- | 237.08 | 56,394.34 |
| Deferred Revenue | 1,716,122.81 | 2,453,988.80 | 835,866.26 | 3,428,136.75 | 8,434,114.62 |
| Due To Other Funds | 153,451.12 | --- | --- | 416,000.00 | 569,451.12 |
| Total Liabilities | \$ 2,374,474.94 | \$ 2,454,021.30 | \$ 1,230,137.21 | \$ 4,707,578.94 | \$ 10,766,212.39 |
| FUND BALANCES | | | | | |
| Reserved For: | | | | | |
| Riverwalk Endowment | \$ 77,288.23 | \$ --- | \$ --- | \$ --- | \$ 77,288.23 |
| Enterprise Zone Capital Improvement | --- | --- | --- | 578,965.78 | 578,965.78 |
| Unspent Debt Proceeds | --- | --- | --- | 3,249,503.34 | 3,249,503.34 |
| Unreserved, Reported In: | | | | | |
| General Fund | 1,459,102.42 | --- | --- | --- | 1,459,102.42 |
| Capital Projects Funds | --- | 2,276,621.49 | (394,270.95) | 997,276.56 | 2,879,627.10 |
| Debt Service Funds | --- | --- | --- | 49,875.70 | 49,875.70 |
| Special Revenue Funds | --- | --- | --- | 2,193,007.15 | 2,193,007.15 |
| Total Fund Balances | \$ 1,536,390.65 | \$ 2,276,621.49 | \$ (394,270.95) | \$ 7,068,628.53 | \$ 10,487,369.72 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 3,910,865.59 | \$ 4,730,642.79 | \$ 835,866.26 | \$ 11,776,207.47 | |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Balance Sheet
Governmental Funds
April 30, 2011

| | | Total Governmental <u>Funds</u> |
|--|-----------------------|---------------------------------------|
| Amounts Reported For Governmental Activities In The Statement Of Net Assets 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 | | 818,065.65 |
| Capital Assets Used In Governmental Activities Are Not Financial Resources And, Therefore, Are Not Reported In The Funds, Net Of Accumulated Depreciation Of \$13,375,742.00 | | 41,312,411.45 |
| 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 | | 8,434,114.62 |
| Long-Term Liabilities Are Not Due And Payable In The Current Period And, Therefore, Are Not Reported In The Funds: | | |
| Interest Payable | \$ (272,717.89) | |
| Bonds, Debt Certificates, And Note Payable | <u>(9,662,524.96)</u> | |
| | | <u>(9,935,242.85)</u> |
| Net Assets Of Governmental Activities | | <u><u>\$ 51,116,718.59</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, 2011

| | General Fund | North TIF Fund | Dayton TIF Fund | Other Governmental Funds | Total Governmental Funds |
|---|------------------|-------------------|--------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 10,325,491.95 | \$ 2,450,782.35 | \$ 822,249.40 | \$ 4,164,241.62 | \$ 17,762,765.32 |
| Intergovernmental | 289,476.93 | 28,061.60 | 195,846.30 | 359,142.07 | 872,526.90 |
| Charges For Services | 13,739.58 | --- | --- | 510,985.49 | 524,725.07 |
| Fines, Fees, and Expense Reimbursements | 165,600.38 | 5,855.00 | 448,409.77 | 277,638.85 | 897,504.00 |
| Licenses And Permits | 353,255.35 | --- | --- | 533,946.73 | 887,202.08 |
| Investment Income | 3,955.48 | 1,847.75 | --- | 8,141.77 | 13,945.00 |
| Miscellaneous | 1,592,977.05 | --- | --- | 305,030.42 | 1,898,007.47 |
| Total Revenues | \$ 12,744,496.72 | \$ 2,486,546.70 | \$ 1,466,505.47 | \$ 6,159,126.95 | \$ 22,856,675.84 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | | | | | |
| Mayor | \$ 169,314.62 | \$ --- | \$ --- | \$ --- | \$ 169,314.62 |
| Liquor Commissioner | 5,370.27 | --- | --- | --- | 5,370.27 |
| Fire And Police Commission | 5,024.76 | --- | --- | --- | 5,024.76 |
| Civil Service Commission | 8,468.08 | --- | --- | --- | 8,468.08 |
| General Administration | 3,033,794.04 | --- | --- | 1,471,184.53 | 4,504,978.57 |
| Accounts And Finance Commissioner | 12,676.48 | --- | --- | --- | 12,676.48 |
| Total General Government | \$ 3,234,648.25 | \$ --- | \$ --- | \$ 1,471,184.53 | \$ 4,705,832.78 |
| Public Safety | | | | | |
| Police | \$ 3,512,953.91 | \$ --- | \$ --- | \$ --- | \$ 3,512,953.91 |
| Fire | 2,302,675.26 | --- | --- | --- | 2,302,675.26 |
| Public Health And Safety | 13,737.27 | --- | --- | 185,468.55 | 199,205.82 |
| Total Public Safety | \$ 5,829,366.44 | \$ --- | \$ --- | \$ 185,468.55 | \$ 6,014,834.99 |
| Transportation | | | | | |
| Streets | \$ 1,810,803.91 | \$ --- | \$ --- | \$ 447,380.80 | \$ 2,258,184.71 |
| Vehicle Maintenance | 127,188.83 | --- | --- | --- | 127,188.83 |
| Public Improvements | 12,787.48 | --- | --- | --- | 12,787.48 |
| Mini Bus And Taxicab | 88,479.45 | --- | --- | --- | 88,479.45 |
| Total Transportation | \$ 2,039,259.67 | \$ --- | \$ --- | \$ 447,380.80 | \$ 2,486,640.47 |
| Cultural, Parks And Recreation | | | | | |
| Public Property | \$ 13,519.26 | \$ --- | \$ --- | \$ --- | \$ 13,519.26 |
| Parks And Public Buildings | 862,771.41 | --- | --- | 254,787.34 | 1,117,558.75 |
| Tourism | --- | --- | --- | 353,339.06 | 353,339.06 |
| Total Cultural, Parks And Recreation | \$ 876,290.67 | \$ --- | \$ --- | \$ 608,126.40 | \$ 1,484,417.07 |
| Community/Economic Development | | | | | |
| Community Development | \$ 679,976.59 | \$ 1,845,558.69 | \$ 795,254.93 | \$ 803,389.82 | \$ 4,124,180.03 |
| Economic Development | --- | --- | --- | --- | --- |
| Total Community/Economic Development | \$ 679,976.59 | \$ 1,845,558.69 | \$ 795,254.93 | \$ 803,389.82 | \$ 4,124,180.03 |
| Debt Service | | | | | |
| Principal | \$ 125,636.95 | \$ --- | \$ --- | \$ 722,300.43 | \$ 847,937.38 |
| Interest And Other Charges | 23,830.69 | --- | --- | 354,312.58 | 378,143.27 |
| Total Debt Service | \$ 149,467.64 | \$ --- | \$ --- | \$ 1,076,613.01 | \$ 1,226,080.65 |
| Capital Outlay | | | | | |
| | \$ 1,542,254.34 | \$ 63,414.30 | \$ 168,049.81 | \$ 3,689,613.14 | \$ 5,463,331.59 |
| Total Expenditures | \$ 14,351,263.60 | \$ 1,908,972.99 | \$ 963,304.74 | \$ 8,281,776.25 | \$ 25,505,317.58 |

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, 2011

| | General Fund | North TIF Fund | Dayton TIF Fund | Other Governmental Funds | Total Governmental Funds |
|--|-------------------|-------------------|--------------------|--------------------------------|--------------------------------|
| Excess (Deficiency) Of Revenues Over Expenditures | \$ (1,606,766.88) | \$ 577,573.71 | \$ 503,200.73 | \$ (2,122,649.30) | \$ (2,648,641.74) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | \$ 270,624.41 | \$ --- | \$ --- | \$ 2,592,235.66 | \$ 2,862,860.07 |
| Transfers Out | (100,000.00) | (203,100.00) | (88,801.00) | (2,570,959.07) | (2,962,860.07) |
| Debt Proceeds | --- | --- | --- | 2,500,000.00 | 2,500,000.00 |
| Sale Of Land | 129,450.00 | --- | --- | --- | 129,450.00 |
| Total Other Financing Sources (Uses) | \$ 300,074.41 | \$ (203,100.00) | \$ (88,801.00) | \$ 2,521,276.59 | \$ 2,529,450.00 |
| Net Change In Fund Balances | \$ (1,306,692.47) | \$ 374,473.71 | \$ 414,399.73 | \$ 398,627.29 | \$ (119,191.74) |
| Fund Balances - Beginning | 2,843,083.12 | 1,902,147.78 | (808,670.68) | 6,670,001.24 | 10,606,561.46 |
| Fund Balances - Ending | \$ 1,536,390.65 | \$ 2,276,621.49 | \$ (394,270.95) | \$ 7,068,628.53 | \$ 10,487,369.72 |

Reconciliation Of The Change In Fund Balances - Total Governmental Funds To The
Change In Net Assets Of Governmental Activities:

Net Change In Fund Balances - Total Governmental Funds Amounts Reported For
Governmental Activities In The Statement Of Activities Are Different Because:

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 | \$ 5,262,688.16 |
| Depreciation Expense | (1,065,070.00) |
| | <u>\$ 4,197,618.16</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 Decreased Revenue) | \$ (313,537.86) |
| Long-Term Receivables (Increased Revenue) | 162,860.98 |
| | <u>\$ (150,676.88)</u> |

Governmental Funds Report Proceeds Of Long-Term Debt As Other Financing Sources
While The Statement Of Net Assets Reports Proceeds As Liabilities

\$ (2,500,000.00)

Repayment Of Debt Principal Is An Expenditure In The Governmental Funds, But
The Repayment Reduces Long-Term Liabilities In The Statement Of Net Assets:

| | |
|--|----------------------|
| Long-Term Debt Obligation Principal Payments | <u>\$ 847,937.38</u> |
|--|----------------------|

Some Expenditures Reported In The Governmental Funds Do Not Include Amounts
Reported Currently In The Statement Of Activities:

| | |
|------------------|-----------------------|
| Interest Payable | <u>\$ (71,248.25)</u> |
|------------------|-----------------------|

| | |
|---|------------------------|
| Change In Net Assets Of Governmental Activities | <u>\$ 2,204,438.67</u> |
|---|------------------------|

City Of Ottawa, Illinois
Statement Of Net Assets
Proprietary Funds
April 30, 2011

| | Enterprise Funds | | |
|-------------------------------------|-------------------------------|----------------------------|------------------|
| | Waterworks And Sewerage | Other Nonmajor Funds | Total |
| <u>ASSETS</u> | | | |
| Current Assets: | | | |
| Cash | \$ --- | \$ 49,131.22 | \$ 49,131.22 |
| Investments | 424,877.20 | 15,958.68 | 440,835.88 |
| Water And Sewer Receivable | 691,803.45 | --- | 691,803.45 |
| Due From General Corporate Fund | 153,451.12 | --- | 153,451.12 |
| Total Current Assets | \$ 1,270,131.77 | \$ 65,089.90 | \$ 1,335,221.67 |
| Noncurrent Assets: | | | |
| Restricted Assets: | | | |
| Cash - Unspent Debt Proceeds | \$ 934,421.24 | \$ --- | \$ 934,421.24 |
| Total Restricted Assets | \$ 934,421.24 | \$ --- | \$ 934,421.24 |
| Capital Assets: | | | |
| Property And Equipment, Net | \$ 22,044,212.67 | \$ 336,119.97 | \$ 22,380,332.64 |
| Construction In Progress | 8,772,416.00 | --- | 8,772,416.00 |
| Total Capital Assets | \$ 30,816,628.67 | \$ 336,119.97 | \$ 31,152,748.64 |
| Total Noncurrent Assets | \$ 31,751,049.91 | \$ 336,119.97 | \$ 32,087,169.88 |
| TOTAL ASSETS | \$ 33,021,181.68 | \$ 401,209.87 | \$ 33,422,391.55 |
| <u>LIABILITIES</u> | | | |
| Current Liabilities: | | | |
| Cash Overdraft | \$ 153,368.53 | \$ 8,635.50 | \$ 162,004.03 |
| Accounts Payable | 530,487.62 | --- | 530,487.62 |
| Accrued Salaries | 7,714.95 | --- | 7,714.95 |
| Interest Payable | 106,621.67 | --- | 106,621.67 |
| Current Portion - EPA Loans Payable | 393,176.11 | --- | 393,176.11 |
| Current Portion - Debt Certificates | 697,302.61 | --- | 697,302.61 |
| Current Portion - Vactor Truck Loan | 29,658.86 | --- | 29,658.86 |
| Due To EZ Capital Improvement Fund | 383,540.00 | --- | 383,540.00 |
| Total Current Liabilities | \$ 2,301,870.35 | \$ 8,635.50 | \$ 2,310,505.85 |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Net Assets
Proprietary Funds
April 30, 2011

| | Enterprise Funds | | |
|--|-------------------------------|----------------------------|----------------------|
| | Waterworks And Sewerage | Other Nonmajor Funds | Total |
| Noncurrent Liabilities: | | | |
| EPA Loans Payable | \$ 10,958,449.75 | \$ --- | \$ 10,958,449.75 |
| Debt Certificates | 3,998,060.59 | --- | 3,998,060.59 |
| Vactor Truck Loan | 177,779.66 | --- | 177,779.66 |
| Total Noncurrent Liabilities | \$ 15,134,290.00 | \$ --- | \$ 15,134,290.00 |
| TOTAL LIABILITIES | \$ 17,436,160.35 | \$ 8,635.50 | \$ 17,444,795.85 |
| <u>NET ASSETS</u> | | | |
| Invested In Capital Assets, Net Of Related Debt | \$ 15,496,622.33 | \$ 336,119.97 | \$ 15,832,742.30 |
| Restricted | --- | --- | --- |
| Unrestricted | 88,399.00 | 56,454.40 | 144,853.40 |
| TOTAL NET ASSETS | \$ 15,585,021.33 | \$ 392,574.37 | \$ 15,977,595.70 |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Revenues, Expenses, And Changes In Fund Net Assets
Proprietary Funds
Year Ended April 30, 2011

| | Enterprise Funds | | |
|--------------------------------------|--------------------------------------|-----------------------------------|-------------------------|
| | Waterworks And <u>Sewerage</u> | Other Nonmajor <u>Funds</u> | <u>Total</u> |
| Operating Revenues: | | | |
| Charges For Services | \$ 4,210,670.97 | \$ --- | \$ 4,210,670.97 |
| Gate Receipts And Concessions | --- | 56,766.50 | 56,766.50 |
| Rents | --- | --- | --- |
| Events Revenues | --- | 119,110.50 | 119,110.50 |
| Miscellaneous | 23,405.10 | 159.00 | 23,564.10 |
| Total Operating Revenues | <u>\$ 4,234,076.07</u> | <u>\$ 176,036.00</u> | <u>\$ 4,410,112.07</u> |
| Operating Expenses: | | | |
| Payroll And Benefits | \$ 1,219,642.82 | \$ 69,169.19 | \$ 1,288,812.01 |
| Plant And Operations | 1,871,949.73 | 221,185.90 | 2,093,135.63 |
| Administration And Other | 84,274.08 | 1,048.39 | 85,322.47 |
| Depreciation | 1,201,040.00 | --- | 1,201,040.00 |
| Total Operating Expenses | <u>\$ 4,376,906.63</u> | <u>\$ 291,403.48</u> | <u>\$ 4,668,310.11</u> |
| Net Operating Income (Loss) | <u>\$ (142,830.56)</u> | <u>\$ (115,367.48)</u> | <u>\$ (258,198.04)</u> |
| Non-Operating Income (Expense): | | | |
| Investment Income | \$ 3,327.83 | \$ 2,446.24 | \$ 5,774.07 |
| Interest Expense | (401,699.37) | --- | (401,699.37) |
| Total Non-Operating Income (Expense) | <u>\$ (398,371.54)</u> | <u>\$ 2,446.24</u> | <u>\$ (395,925.30)</u> |
| Transfers In | <u>\$ ---</u> | <u>\$ 100,000.00</u> | <u>\$ 100,000.00</u> |
| Net Income (Loss) | <u>\$ (541,202.10)</u> | <u>\$ (12,921.24)</u> | <u>\$ (554,123.34)</u> |
| Net Assets - Beginning Of Year | <u>16,126,223.43</u> | <u>405,495.61</u> | <u>16,531,719.04</u> |
| Net Assets - End Of Year | <u>\$ 15,585,021.33</u> | <u>\$ 392,574.37</u> | <u>\$ 15,977,595.70</u> |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Cash Flows
Proprietary Funds
Year Ended April 30, 2011

| | Enterprise Funds | | |
|---|--------------------------------------|-----------------------------------|-------------------|
| | Waterworks And <u>Sewerage</u> | Other Nonmajor <u>Funds</u> | <u>Total</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts From Customers | \$ 4,200,761.59 | \$ 176,036.00 | \$ 4,376,797.59 |
| Payments To Suppliers | (2,121,691.28) | (222,234.29) | (2,343,925.57) |
| Payments To Employees | (1,217,972.95) | (69,169.19) | (1,287,142.14) |
| Other Receipts | 23,405.10 | --- | 23,405.10 |
| Net Cash Provided (Used) By Operating Activities | \$ 884,502.46 | \$ (115,367.48) | \$ 769,134.98 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | \$ --- | \$ --- | \$ --- |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Transfers In | \$ --- | \$ 100,000.00 | \$ 100,000.00 |
| Purchases Of Capital Assets | (7,135,594.11) | --- | (7,135,594.11) |
| Proceeds Of EZ Capital Improvement Fund Loan | 383,540.00 | --- | 383,540.00 |
| Payoff - TIF Funds Loans | (36,949.90) | --- | (36,949.90) |
| Proceeds Of EPA Loan | 5,976,071.00 | --- | 5,976,071.00 |
| Principal Paid On Capital Debt | (1,099,438.34) | --- | (1,099,438.34) |
| Interest Paid On Capital Debt | (409,295.06) | --- | (409,295.06) |
| Net Cash Provided (Used) By Capital And Related Financing Activities | \$ (2,321,666.41) | \$ 100,000.00 | \$ (2,221,666.41) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment Income | \$ 3,327.83 | \$ 2,446.24 | \$ 5,774.07 |
| Net Cash Provided By Investing Activities | \$ 3,327.83 | \$ 2,446.24 | \$ 5,774.07 |
| Net Increase (Decrease) In Cash | \$ (1,433,836.12) | \$ (12,921.24) | \$ (1,446,757.36) |
| Balance - Beginning Of Year | 2,639,766.03 | 69,375.64 | 2,709,141.67 |
| Balance - End Of Year | \$ 1,205,929.91 | \$ 56,454.40 | \$ 1,262,384.31 |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Cash Flows
Proprietary Funds
Year Ended April 30, 2011

| | Enterprise Funds | | |
|---|--------------------------------------|-----------------------------------|------------------------|
| | Waterworks And <u>Sewerage</u> | Other Nonmajor <u>Funds</u> | <u>Total</u> |
| Consisting Of: | | | |
| Cash | \$ (153,368.53) | \$ 40,495.72 | \$ (112,872.81) |
| Cash - Restricted | 934,421.24 | --- | 934,421.24 |
| Investments | 424,877.20 | 15,958.68 | 440,835.88 |
| | <u>\$ 1,205,929.91</u> | <u>\$ 56,454.40</u> | <u>\$ 1,262,384.31</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ (142,830.56) | \$ (115,367.48) | \$ (258,198.04) |
| Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities | | | |
| Cash Flows Reported In Other Categories | | | |
| Depreciation | 1,201,040.00 | --- | 1,201,040.00 |
| Change In Assets And Liabilities | | | |
| Increase In Receivables | (9,909.38) | --- | (9,909.38) |
| Decrease In Accounts Payable | (164,266.73) | --- | (164,266.73) |
| Increase In Accrued Salaries | 1,669.87 | --- | 1,669.87 |
| Decrease In Water Users' Deposits | (1,200.74) | --- | (1,200.74) |
| Net Cash Provided (Used) By Operating Activities | <u>\$ 884,502.46</u> | <u>\$ (115,367.48)</u> | <u>\$ 769,134.98</u> |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Net Assets
Fiduciary Funds
April 30, 2011

| | Pension Trust <u>Funds</u> |
|--|------------------------------------|
| ASSETS | |
| Cash | \$ 2,647,764.76 |
| Investments, At Fair Value | 21,664,323.76 |
| Taxes Receivable | 1,378,964.12 |
| Accrued Interest Receivable | <u>27,335.58</u> |
| TOTAL ASSETS | <u>\$ 25,718,388.22</u> |
| LIABILITIES | <u>\$ ---</u> |
| TOTAL LIABILITIES | <u>\$ ---</u> |
| NET ASSETS | |
| Held In Trust For Pension Benefits And Other Purposes | <u><u>\$ 25,718,388.22</u></u> |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
Statement Of Changes In Net Assets
Fiduciary Funds
Year Ended April 30, 2011

| | Pension Trust <u>Funds</u> |
|--|----------------------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 1,511,996.62 |
| Employee | 377,189.89 |
| Total Contributions | <u>\$ 1,889,186.51</u> |
| Investment Income | |
| Net Increase In Fair Value Of Investments | \$ 1,642,181.95 |
| Interest And Dividends | 530,358.35 |
| Realized Gain On Sale Of Investments | 44,660.59 |
| Total Investment Income | <u>\$ 2,217,200.89</u> |
| Other Income | <u>\$ 47.74</u> |
| Total Additions | <u>\$ 4,106,435.14</u> |
| DEDUCTIONS | |
| Pension Benefits | \$ 1,859,454.28 |
| Contribution Refunds | 7,667.06 |
| Administrative Expenses | 55,841.50 |
| Total Deductions | <u>\$ 1,922,962.84</u> |
| Change In Net Assets | \$ 2,183,472.30 |
| Net Assets Held In Trust - Beginning Of Year | <u>23,534,915.92</u> |
| Net Assets Held In Trust - End Of Year | <u><u>\$ 25,718,388.22</u></u> |

See Accompanying Notes To Basic Financial Statements

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

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, 2011

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 |

However, financial statements for Ottawa Visitors Center at April 30, 2011, were not available for audit and not included with these financial statements.

(B) BASIS OF PRESENTATION

Government-wide Financial Statements:

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

Fund Financial Statements:

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

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

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 1 - Summary Of Significant Accounting Policies (Continued)

(B) BASIS OF PRESENTATION (Continued)

Fund Financial Statements: (Continued)

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

Debt Service Funds

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

Permanent Funds

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

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 1 - Summary Of Significant Accounting Policies (Continued)

(B) BASIS OF PRESENTATION (Continued)

Proprietary Fund

Enterprise Funds

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

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

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

Major Funds

The funds classified as major are as follows:

| Fund | Brief Description |
|--|---|
| <i>Major:</i> General | See above for description. |
| <i>Capital Projects Fund:</i> North Tax Increment Financing District | Accounts for transactions related to redevelopment projects along Interstate 80. |
| Dayton Tax Increment Financing District | Accounts for transactions related to redevelopment projects along Dayton Road. |
| <i>Proprietary Fund:</i> 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, 2011

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

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

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 1 - Summary Of Significant Accounting Policies (Continued)

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

Basis Of Accounting (Continued)

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

(D) ASSETS, LIABILITIES, AND EQUITY

Cash And Investments

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

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, AND EQUITY (Continued)

Receivables

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

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

Fixed Assets

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

Government-wide Statements

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

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

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, AND EQUITY (Continued)

Fixed Assets (Continued)

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

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

Fund Financial Statements

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

Restricted Assets

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

Long-term Debt

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

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

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

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 1 - Summary Of Significant Accounting Policies (Continued)

(D) ASSETS, LIABILITIES, AND EQUITY (Continued)

Compensated Absences

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

Equity Classifications

Government-wide Statements

Equity is classified as net assets 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. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. 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.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 2 - Budgets (Continued)

- 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 20, 2010, with the exceptions of City Council approved transfers which were not material in relation to the budgets taken as a whole.

Expenditures exceeded budget in the following individual funds for the year ended April 30, 2011.

| | <u>Budget</u> | <u>Actual</u> |
|-------------------------------|---------------|---------------|
| Illinois Municipal Retirement | \$ 623,302.00 | \$ 731,948.97 |
| Public Liability | 490,279.00 | 500,091.30 |
| Playground And Recreation | 377,900.00 | 467,852.73 |
| Downtown TIF | 296,000.00 | 375,317.13 |
| Swimming Pool | 164,800.00 | 173,297.36 |

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 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

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 4 - Deposits And Investments (Continued)

agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain other investments as allowed by Illinois Compiled Statutes.

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

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> |
|-------------------------------|-------------------------|---|
| Dayton TIF | \$(394,238.45) | \$(394,270.95) |
| Illinois Municipal Retirement | (353,585.63) | (349,287.70) |
| Public Liability Insurance | (178,630.53) | (178,630.53) |
| Downtown TIF | (31,307.27) | (43,355.69) |
| Canal TIF | (240,910.51) | (656,943.01) |
| Waterworks And Sewerage | (153,368.53) | |
| Swimming Pool | (8,635.50) | (8,635.50) |
| Total | <u>\$(1,360,676.42)</u> | |

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

| | |
|-------------------|------------------------|
| Cash – Current | \$ 6,659,263.73 |
| Cash – Restricted | 4,389,656.20 |
| Cash Overdraft | <u>(1,360,676.42)</u> |
| Total | <u>\$ 9,688,243.51</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 \$9,687,043.51, excluding cash on hand, and the respective bank balances totaled \$10,169,506.77. These amounts are exclusive of the pension funds.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 4 - Deposits And Investments (Continued)

Deposits (Continued)

At April 30, 2011, 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, except for \$1,648,000.00, which is both uninsured and uncollateralized.

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, 2011, the City had the following investments (*):

| <u>Type Of Investments</u> | <u>Fair Value/ Carrying Amount</u> | <u>Cost</u> | <u>Average Credit Quality/Ratings (1)</u> | <u>Weighted Average Days To Maturity (2)</u> |
|--------------------------------------|--|--------------|---|--|
| <u>POOLED INVESTMENTS</u> | | | | |
| Illinois Funds | \$385,787.47 | \$385,787.47 | N/A | N/A |
| <u>NON-POOLED INVESTMENTS</u> | | | | |
| Money Market Accounts | 434,409.54 | 434,409.54 | N/A | N/A |
| Savings Accounts | 55,223.33 | 55,223.33 | N/A | N/A |
| Certificates Of Deposit | 70,372.46 | 70,372.46 | N/A | 105.78 |
| Mutual Fund | 15,958.68 | 15,958.68 | 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, 2011

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, state income tax, utility tax, magistrate fines, telephone franchise tax, land contract, refunds, hotel/motel taxes, and emergency 911 surcharges. Receivables dated at April 30, 2011, are as follows:

| <u>Accounts Receivable</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---------------------------------|------------------------------------|-------------------------------------|-----------------------|
| Sales Tax | \$1,298,646.72 | \$ --- | \$1,298,646.72 |
| State Income Tax | 536,454.97 | --- | 536,454.97 |
| Utility Tax | 122,885.67 | --- | 122,885.67 |
| Magistrate Fines | 11,600.79 | --- | 11,600.79 |
| Telephone Franchise Tax | 2,832.52 | --- | 2,832.52 |
| Land Contract | 147,512.51 | --- | 147,512.51 |
| Refunds | 4,297.93 | --- | 4,297.93 |
| Hotel/Motel Taxes | 36,799.48 | --- | 36,799.48 |
| Emergency 911 Surcharges | 24,907.66 | --- | 24,907.66 |
| Water And Sewer | --- | 741,803.45 | 741,803.45 |
| Allowance For Doubtful Accounts | --- | (50,000.00) | (50,000.00) |
| Net Accounts Receivable | <u>\$2,185,938.25</u> | <u>\$691,803.45</u> | <u>\$2,877,741.70</u> |

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 6 - Capital Assets

Capital asset activity for the year ended April 30, 2011, was as follows:

| | Balance At <u>April 30, 2010</u> | <u>Additions</u> | <u>Disposals</u> | Balance At <u>April 30, 2011</u> |
|---|-------------------------------------|-------------------------|----------------------|-------------------------------------|
| Governmental Activities: | | | | |
| Land | \$12,296,722.90 | \$ 40,569.98 | \$ --- | \$12,337,292.88 |
| Buildings | 5,000,532.83 | 1,183,953.31 | --- | 6,184,486.14 |
| Improvements | 2,875,520.39 | 161,380.25 | --- | 3,036,900.64 |
| Machinery And Equipment | 6,411,718.41 | 258,348.00 | --- | 6,670,066.41 |
| Infrastructure | 19,949,819.13 | 1,683,219.58 | --- | 21,633,038.71 |
| Construction-In-Progress | 2,891,151.63 | 2,371,810.62 | 436,593.58 | 4,826,368.67 |
| Totals At Estimated And Historical Cost | <u>\$49,425,465.29</u> | <u>\$5,699,281.74</u> | <u>\$ 436,593.58</u> | <u>\$54,688,153.45</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | \$ 2,266,379.00 | \$ 123,690.00 | \$ --- | \$ 2,390,069.00 |
| Improvements | 1,139,707.00 | 128,980.00 | --- | 1,268,687.00 |
| Machinery And Equipment | 4,024,093.00 | 399,905.00 | --- | 4,423,998.00 |
| Infrastructure | 4,880,493.00 | 412,495.00 | --- | 5,292,988.00 |
| Total Accumulated Depreciation | <u>\$12,310,672.00</u> | <u>* \$1,065,070.00</u> | <u>\$ ---</u> | <u>\$13,375,742.00</u> |
| Governmental Activities Capital Assets, Net | <u>\$37,114,793.29</u> | <u>\$4,634,211.74</u> | <u>\$ 436,593.58</u> | <u>\$41,312,411.45</u> |
| Business-Type Activities: | | | | |
| Land | \$ 407,740.32 | \$ --- | \$ --- | \$ 407,740.32 |
| Property And Equipment | 40,332,434.73 | 262,011.69 | --- | 40,594,446.42 |
| Construction-In-Progress | 1,384,728.34 | 7,613,037.32 | 225,349.66 | 8,772,416.00 |
| Totals At Historical Cost | <u>\$42,124,903.39</u> | <u>\$7,875,049.01</u> | <u>\$ 225,349.66</u> | <u>\$49,774,602.74</u> |
| Less Accumulated Depreciation | | | | |
| Property And Equipment | 17,420,814.10 | 1,201,040.00 | --- | 18,621,854.10 |
| Business-Type Activities Capital Assets, Net | <u>\$24,704,089.29</u> | <u>\$6,674,009.01</u> | <u>\$ 225,349.66</u> | <u>\$31,152,748.64</u> |

* Depreciation expense was charged to governmental activities as follows:

| | |
|--------------------------------------|-----------------------|
| General Government: | |
| General Government | <u>\$ 58,408.00</u> |
| Public Safety: | |
| Police | \$ 67,231.00 |
| Fire | 139,322.00 |
| Public Health And Safety | 71,827.00 |
| Total Public Safety | <u>\$ 278,380.00</u> |
| Transportation: | |
| Streets | \$ 310,604.00 |
| Mini Bus And Taxicab | 14,495.00 |
| Total Transportation | <u>\$ 325,099.00</u> |
| Cultural, Parks And Recreation: | |
| Parks And Public Buildings | \$ 184,542.00 |
| Tourism | 6,790.00 |
| Recreation | 15,620.00 |
| Total Cultural, Parks And Recreation | <u>\$ 206,952.00</u> |
| Community Development | <u>\$ 196,231.00</u> |
| Total Depreciation Expense | <u>\$1,065,070.00</u> |

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

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, 2011, the governmental long-term debt of the financial reporting entity consisted of the following:

\$400,000.00 general obligation corporate purpose debt certificate Series 2006 provides for retirement of certificates on November 10 of each year in installments of \$50,000.00 through November 10, 2014. Interest is due annually on November 10 of each year at a rate of 4.72%. \$ 200,000.00

\$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 \$258,648.86 is included and debt is serviced by Waterworks and Sewerage Fund. 2,611,351.14

\$6,420,000.00 general obligation corporate purpose debt certificate (limited tax) Series 2008 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 annually on December 1 of each year at rates of 3.63% to 5.43%.

Balance of \$3,537,003.00 is included and debt is serviced by Waterworks and Sewerage Fund. 1,598,997.00

\$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. 2,485,000.00

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 7 - Long-Term Debt (Continued)

Governmental Activities: (Continued)

\$2,500,000.00 general obligation corporate purpose debt certificate (limited tax) Series 2010 provides for retirement of certificates on December 1 of each year in installments of \$125,000.00 plus interest through September 1, 2031. Interest is due annually on December 1 of each year at rates of 3.752% to 5.330%. Certificates are subject to redemption prior to maturity at the option of the City.

\$ 2,500,000.00

Installment note for purchase of fire truck.

267,176.82

Total Governmental Activity Debt

\$ 9,662,524.96

Current Portion

\$ 826,541.13

Noncurrent Portion

8,835,983.83

Total Governmental Activity Debt

\$ 9,662,524.96

Business-type Activities:

As of April 30, 2011, 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 had received loan disbursements from Illinois EPA of \$6,362,600.00 for construction. The accrued construction period interest amounted to \$167,844.79. The City is authorized to issue general obligation waterworks and sewerage bonds (alternate revenue source) as a single junior lien bond payable to the IEPA or registered agent not to exceed \$7,000,000.00. This loan is payable in semiannual payments of principal and interest currently of \$226,665.63 starting February 15, 2003 with a final payment due February 15, 2022. Interest rate is 2.905%.

\$ 4,242,312.93

\$1,800,000.00 plus \$42,941.10 construction period interest general obligation debt certificate Series 2005 dated July 1, 2005, issued for a sanitary sewer extension to Pilkington. Monthly payments begin March 1, 2006, for two months of \$7,500.00 and then \$17,500.00 thereafter, through March 1, 2015, except May of each year starting in 2007 when payment is \$57,500.00 at a 4.05% fixed rate.

899,711.34

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 7 - Long-Term Debt (Continued)

Business-type Activities: (Continued)

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%.

\$ 1,133,241.93

Waterworks and sewerage construction loan for improvements to the combined waterworks and sewerage system. The City received loan disbursements from Illinois EPA of \$5,976,071.00 for construction to date. The total approved loan is for \$7,720,293.00 at a 0.00% interest rate. Repayment will begin at an undetermined date and \$1,930,074 of the total loan will be forgiven upon proper compliance with loan specifications. No repayment schedule exists at this time.

5,976,071.00

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

258,648.86

Waterworks and Sewerage share of 2008 debt certificates described in Governmental Activities section of Note 7.

3,537,003.00

Installment note for purchase of Vactor truck.

207,438.52

Total Business-type Activity Debt

\$16,254,427.58

Current Portion

\$ 1,120,137.58

Noncurrent Portion

15,134,290.00

Total Business-type Activity Debt

\$16,254,427.58

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

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, 2011:

| | Balance May 1, 2010 | Additions | Deductions | Balance April 30, 2011 | Amounts Due Within One Year |
|---|------------------------|-----------------------|-----------------------|---------------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds And Debt Certificates | \$ 7,667,648.57 | \$2,500,000.00 | \$ 772,300.43 | \$ 9,395,348.14 | \$ 817,481.52 |
| Equipment Note | 342,813.77 | --- | 75,636.95 | 267,176.82 | 9,059.61 |
| Total | <u>\$ 8,010,462.34</u> | <u>\$2,500,000.00</u> | <u>\$ 847,937.38</u> | <u>\$ 9,662,524.96</u> | <u>\$ 826,541.13</u> |
| Business-type Activities: | | | | | |
| General Obligation Debt Certificates And Loans | \$11,141,885.92 | \$5,976,071.00 | \$1,070,967.86 | \$16,046,989.06 | \$1,090,478.72 |
| Equipment Note | 235,909.00 | --- | 28,470.48 | 207,438.52 | 29,658.86 |
| Total | <u>\$11,377,794.92</u> | <u>\$5,976,071.00</u> | <u>\$1,099,438.34</u> | <u>\$16,254,427.58</u> | <u>\$1,120,137.58</u> |

Annual Debt Service Requirements:

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of April 30, 2011, are as follows:

| Year Ending April 30, | Governmental Activities | | Business-type Activities | |
|--------------------------|-------------------------|-----------------------|--------------------------|-----------------------|
| | Principal | Interest | Principal | Interest |
| 2012 | \$ 826,541.13 | \$ 500,453.32 | \$ 1,120,137.58 | \$ 370,005.21 |
| 2013 | 829,689.72 | 438,109.71 | 1,141,758.18 | 328,756.03 |
| 2014 | 832,939.13 | 403,147.94 | 1,164,029.97 | 286,219.20 |
| 2015 | 769,702.44 | 368,108.11 | 1,158,105.75 | 241,556.18 |
| 2016 | 817,924.10 | 334,902.04 | 954,296.46 | 201,830.20 |
| 2017-2021 | 2,680,728.44 | 1,151,671.51 | 3,843,528.93 | 460,545.14 |
| 2022-2026 | 1,560,000.00 | 672,932.50 | 852,726.41 | 43,809.15 |
| 2027-2031 | 1,345,000.00 | 195,431.88 | 43,773.30 | 547.13 |
| | <u>\$9,662,524.96</u> | <u>\$4,064,757.01</u> | <u>\$10,278,356.58</u> | <u>\$1,933,268.24</u> |

The waterworks and sewerage construction loan for \$5,976,071.00 has no repayment schedule at this time, so it is not included in the above schedule.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 8 - Interfund Transactions And Balances

| Operating Transfers | Transfers <u>In</u> | Transfers <u>Out</u> |
|-----------------------|------------------------|-------------------------|
| Major Governmental | \$ 270,624.41 | \$ 391,901.00 |
| Nonmajor Governmental | 2,592,235.66 | 2,570,959.07 |
| Enterprise Funds | 100,000.00 | --- |
| Fiduciary Funds | --- | --- |
| Totals | <u>\$2,962,860.07</u> | <u>\$2,962,860.07</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, 2011 are as follows:

| General Fund: | Due From | Due To |
|-------------------------------|----------------------|----------------------|
| Waterworks And Sewerage | \$ --- | \$ 153,451.12 |
| Waterworks And Sewerage: | | |
| General | \$ 153,451.12 | \$ --- |
| Nonmajor Governmental | --- | 383,540.00 |
| Total Waterworks And Sewerage | <u>\$ 153,451.12</u> | <u>\$ 383,540.00</u> |
| Nonmajor Governmental: | | |
| Waterworks And Sewerage | \$ 383,540.00 | \$ --- |
| Nonmajor | 416,000.00 | 416,000.00 |
| Total Nonmajor Funds | <u>\$ 799,540.00</u> | <u>\$ 416,000.00</u> |
| Totals | <u>\$ 952,991.12</u> | <u>\$ 952,991.12</u> |

Individual fund interfund receivable and payable balances as of April 30, 2011 are as follows:

| | | |
|--|----------------------|----------------------|
| General Fund: | | |
| Waterworks And Sewerage | \$ --- | \$ 153,451.12 |
| Waterworks And Sewerage: | | |
| General | \$ 153,451.12 | \$ --- |
| Enterprise Zone Capital Improvement | --- | 383,540.00 |
| | <u>\$ 153,451.12</u> | <u>\$ 383,540.00</u> |
| Revolving Loan Fund: | | |
| Canal Tax Increment Financing District | \$ 416,000.00 | \$ --- |
| Enterprise Zone Capital Improvement Fund | | |
| Waterworks And Sewerage | \$ 383,540.00 | \$ --- |
| Canal Tax Increment Financing District: | | |
| Revolving Loan | \$ --- | \$ 416,000.00 |
| Totals | <u>\$ 952,991.12</u> | <u>\$ 952,991.12</u> |

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 9 - Segment Information

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

| | Waterworks And <u>Sewerage</u> | Swimming <u>Pool</u> | Canal Rental And Purchase | Friendly City <u>Riverfest</u> | <u>Total</u> |
|-------------------------|--------------------------------------|-------------------------|------------------------------|--------------------------------------|-----------------|
| Operating Revenue | \$ 4,234,076.07 | \$ 56,925.50 | \$ --- | \$119,110.50 | \$ 4,410,112.07 |
| Depreciation Expense | 1,201,040.00 | --- | --- | --- | 1,201,040.00 |
| Operating Income (Loss) | (142,830.56) | (116,371.86) | --- | 1,004.38 | (258,198.04) |
| Net Income (Loss) | (541,202.10) | (16,370.42) | 35.13 | 3,414.05 | (554,123.34) |
| Total Assets | 34,890,611.55 | --- | 382,584.27 | 18,625.60 | 35,291,821.42 |
| Net Working Capital | (2,901,168.45) | (8,635.50) | 46,464.30 | 18,625.60 | (2,844,714.05) |
| Debt Certificates | 4,695,363.20 | --- | --- | --- | 4,695,363.20 |
| EPA Loans Payable | 11,351,625.86 | --- | --- | --- | 11,351,625.86 |
| Vactor Truck Loan | 207,438.52 | --- | --- | --- | 207,438.52 |
| Total Equity | 15,585,021.33 | (8,635.50) | 382,584.27 | 18,625.60 | 15,977,595.70 |

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City contribution rate for calendar year 2010 used by the employer was 13.82 percent of annual covered payroll. The City annual required contribution rate for calendar year 2010 was 17.64 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 10 - Pension And Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost. For the calendar year ending December 31, 2010, the City's actual contributions for the Regular plan were \$400,103. Its required contribution for calendar year 2010 was \$510,695.

Three-Year Trend Information for the Regular Plan

| Fiscal Year <u>Ending</u> | Annual Pension <u>Cost (APC)</u> | Percent of APC <u>Contributed</u> | Net Pension <u>Obligation</u> |
|------------------------------|-------------------------------------|--------------------------------------|----------------------------------|
| 12/31/10 | \$510,695 | 78% | \$144,042 |
| 12/31/09 | 358,054 | 100 | 0 |
| 12/31/08 | 248,570 | 100 | 0 |

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Your Regular plan's unfunded actuarial accrued liability at December 31, 2008, is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 57.95 percent funded. The actuarial accrued liability for benefits was \$6,934,967 and the actuarial value of assets was \$4,018,884, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,916,083. The covered payroll (annual payroll of active employees covered by the plan) was \$2,895,098, and the ratio of the UAAL to the covered payroll was 101 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 10 - Pension And Retirement Plan Commitments (Continued)

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. The employer rate for fiscal year 2011 was 14.01% of covered payroll.

The annual required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2010, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, compounded annually, (b) projected salary increases of 5.5%, and (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2010, was 23.1699 years.

| TREND INFORMATION | | | |
|--------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Fiscal Year Ending | Annual Pension Cost (APC) | Annual Contributions Made | Percentage of APC Contributed |
| 04/30/2011 | \$595,756 | \$651,559 | 109.37% |
| 04/30/2010 | 552,619 | 603,566 | 109.21 |
| 04/30/2009 | 396,250 | 433,239 | 109.33 |

Membership in the plan consisted of the following as of April 30, 2010, the date of the latest actuarial valuation:

| | |
|---|-----------|
| Retirees and beneficiaries receiving benefits | 26 |
| Retirees not yet eligible for benefits | 0 |
| Active plan members | <u>36</u> |
| Total members | <u>62</u> |

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

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 employer rate for the fiscal year ended April 30, 2011, was 20.554% of covered payroll.

The required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2010, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7% investment rate of return, (b) projected salary increases of 5.5%, and (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2010, was 23.1699 years.

TREND INFORMATION

| Fiscal Year <u>Ending</u> | Annual Pension <u>Cost (APC)</u> | Annual Contributions <u>Made</u> | Percentage of APC <u>Contributed</u> |
|---------------------------------|--|--|--|
| 04/30/2011 | \$784,542 | \$860,438 | 109.67% |
| 04/30/2010 | 811,440 | 881,651 | 108.65 |
| 04/30/2009 | 675,514 | 741,481 | 109.77 |

City Of Ottawa, Illinois
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended April 30, 2011

Note 10 - Pension And Retirement Plan Commitments (Continued)

Firefighters' Pension Plan (Continued)

Membership in the plan consisted of the following as of April 30, 2010, the date of the latest actuarial valuation:

| | |
|---|------------------|
| Retirees and beneficiaries receiving benefits | 36 |
| Active vested plan members | 18 |
| Active nonvested plan members | <u>11</u> |
| Total members | <u>65</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, 2011, was \$669,427.84. Information required by GASB #45 for future cost to the City is not available at this time.

Note 12 - 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.

Note 13 - 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
Illinois Municipal Retirement Fund
Year Ended April 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) --Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 12/31/10 | \$4,018,884 | \$6,934,967 | \$2,916,083 | 57.95% | \$2,895,098 | 100.72% |
| 12/31/09 | 3,338,620 | 6,182,098 | 2,843,478 | 54.00 | 2,696,189 | 105.46 |
| 12/31/08 | 2,528,195 | 5,715,599 | 3,187,404 | 44.23 | 2,655,665 | 120.02 |

On a market value basis, the actuarial value of assets as of December 31, 2010, is \$4,574,429. On a market basis, the funded ratio would be 65.96%.

City Of Ottawa, Illinois
Required Supplementary Information
Schedule Of Funding Progress
Police Pension Fund
Year Ended April 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) --Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 04/30/10 | \$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 |

City Of Ottawa, Illinois
Required Supplementary Information
Schedule Of Funding Progress
Firefighters' Pension Fund
Year Ended April 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) --Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 04/30/10 | \$11,297,252 | \$20,775,785 | \$ 9,478,533 | 54.38% | \$1,466,783 | 646.21% |
| 04/30/09 | 9,739,481 | 20,168,334 | 10,428,853 | 48.29 | 1,589,897 | 655.95 |
| 04/30/08 | 11,693,071 | 19,057,993 | 7,364,922 | 61.36 | 1,531,858 | 480.78 |

City Of Ottawa, Illinois
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|---|------------------------|------------------------|
| Beginning Budgetary Fund Balance | \$ 2,843,083.12 | \$ 2,843,083.12 |
| Resources (Inflows): | | |
| Taxes | 10,434,270.00 | 10,325,491.95 |
| Intergovernmental | 1,653,820.00 | 468,816.89 |
| Licenses And Permits | 403,700.00 | 353,255.35 |
| Investment Income | 35,000.00 | 3,955.48 |
| Miscellaneous | 1,523,550.00 | 1,592,977.05 |
| Other Financing Sources: | | |
| Sale Of Public Property | --- | 129,450.00 |
| Transfers From Other Funds | <u>240,000.00</u> | <u>270,624.41</u> |
| Amounts Available For Appropriation | <u>\$17,133,423.12</u> | <u>\$15,987,654.25</u> |
| Charges To Appropriations (Outflows): | | |
| Department Of Mayor | \$ 174,850.00 | \$ 169,314.62 |
| Department Of Liquor Commissioner | 5,400.00 | 5,370.27 |
| Department Of Fire And Police Commission | 4,400.00 | 5,024.76 |
| Department Of Civil Service Commission | 11,000.00 | 8,468.08 |
| Department Of General Administration | 3,361,350.00 | 3,061,418.30 |
| Department Of Accounts And Finance Commissioner | 12,980.00 | 12,676.48 |
| Community Development Department | 1,462,200.00 | 1,205,391.05 |
| Police Department | 3,547,040.00 | 3,556,567.91 |
| Fire Department | 2,391,589.00 | 2,441,605.95 |
| Department Of Public Health And Safety Commissioner | 12,980.00 | 13,737.27 |
| Department Of Streets | 2,575,365.00 | 2,634,883.80 |
| Department Of Vehicle Maintenance | 116,594.00 | 127,188.83 |
| Department Of Commissioner Of Public Improvements | 12,980.00 | 12,787.48 |
| Mini Bus Department | 61,200.00 | 60,855.19 |
| Department Of Commissioner Of Public Property | 12,980.00 | 13,519.26 |
| Department Of Parks And Public Buildings | 937,407.00 | 896,817.40 |
| Other Financing Uses: | | |
| Principal Payments – Debt Certificates | 50,000.00 | 50,000.00 |
| Principal Payments – Fire Truck Loan | 75,635.00 | 75,636.95 |
| Transfers To Other Funds | <u>100,000.00</u> | <u>100,000.00</u> |
| Total Charges To Appropriations | <u>\$14,925,950.00</u> | <u>\$14,451,263.60</u> |
| Ending Budgetary Fund Balance | <u>\$ 2,207,473.12</u> | <u>\$ 1,536,390.65</u> |

City Of Ottawa, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2011

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Nonmajor Capital Projects</u> | <u>Net</u> |
|--|----------------------------|-------------------------|--|-------------------------|
| <u>ASSETS</u> | | | | |
| Cash | \$ 1,712,228.60 | \$ 49,875.70 | \$ 5,155,958.22 | \$ 6,918,062.52 |
| Investments, At Cost | 443,627.37 | --- | --- | 443,627.37 |
| Receivables: | | | | |
| Property Taxes | 1,963,663.71 | --- | 1,453,294.48 | 3,416,958.19 |
| Special Assessments | 4,081.44 | --- | 7,097.12 | 11,178.56 |
| Notes | 82,190.93 | --- | --- | 82,190.93 |
| Allotments Due From State Of Illinois | 38,644.83 | --- | --- | 38,644.83 |
| Hotel/Motel Taxes | 36,799.48 | --- | --- | 36,799.48 |
| Emergency 911 Surcharges | 24,907.66 | --- | --- | 24,907.66 |
| Other | 4,297.93 | --- | --- | 4,297.93 |
| Due From Other Funds | 416,000.00 | --- | 383,540.00 | 799,540.00 |
| TOTAL ASSETS | \$ 4,726,441.95 | \$ 49,875.70 | \$ 6,999,889.82 | \$ 11,776,207.47 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Cash Overdraft | \$ 532,216.16 | \$ --- | \$ 272,217.78 | \$ 804,433.94 |
| Accounts Payable | 33,236.41 | --- | 25,534.76 | 58,771.17 |
| Accrued Wages And Taxes | 237.08 | --- | --- | 237.08 |
| Deferred Revenue | 1,967,745.15 | --- | 1,460,391.60 | 3,428,136.75 |
| Due To Other Funds | --- | --- | 416,000.00 | 416,000.00 |
| Total Liabilities | \$ 2,533,434.80 | \$ --- | \$ 2,174,144.14 | \$ 4,707,578.94 |
| Fund Balances: | | | | |
| Reserved | --- | --- | 3,828,469.12 | 3,828,469.12 |
| Unreserved | 2,193,007.15 | 49,875.70 | 997,276.56 | 3,240,159.41 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 4,726,441.95 | \$ 49,875.70 | \$ 6,999,889.82 | \$ 11,776,207.47 |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2011

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Nonmajor Capital Projects</u> | <u>Net</u> |
|--|----------------------------|-------------------------|--|------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 1,777,806.70 | \$ 155,947.87 | \$ 1,325,504.55 | \$ 3,259,259.12 |
| Replacement Taxes | 75,986.10 | --- | --- | 75,986.10 |
| Sales Tax | --- | --- | 19,570.77 | 19,570.77 |
| Special Assessments | --- | --- | 252.14 | 252.14 |
| Interest On Investments | 2,204.24 | 61.53 | 4,153.21 | 6,418.98 |
| Interest On Special Assessments | --- | --- | 22.70 | 22.70 |
| Interest On Loans | 1,700.09 | --- | --- | 1,700.09 |
| Motor Fuel Taxes | 473,683.71 | --- | --- | 473,683.71 |
| State Of Illinois Program | 8,927.00 | --- | --- | 8,927.00 |
| Foreign Fire Insurance Tax | 31,506.46 | --- | --- | 31,506.46 |
| Hotel/Motel Tax | 295,308.46 | --- | --- | 295,308.46 |
| Fines, Fees & Expense Reimbursements | 34,497.85 | --- | 243,141.00 | 277,638.85 |
| Fees And Sales Of Concessions | 89,007.31 | --- | 1,613.54 | 90,620.85 |
| Permits | --- | --- | 533,946.73 | 533,946.73 |
| 911 Emergency Service Surcharge | 194,773.50 | --- | --- | 194,773.50 |
| Grants | 81,312.00 | --- | 277,830.07 | 359,142.07 |
| Drug & Task Force Revenue | 35,226.41 | --- | --- | 35,226.41 |
| Donations | 49,384.50 | --- | 106,000.00 | 155,384.50 |
| Growth Impact Fee | 225,339.00 | --- | --- | 225,339.00 |
| Rents | --- | --- | 72,050.00 | 72,050.00 |
| Refunds | 14,130.25 | 28,239.26 | --- | 42,369.51 |
| Total Revenues | <u>\$ 3,390,793.58</u> | <u>\$ 184,248.66</u> | <u>\$ 2,584,084.71</u> | <u>\$ 6,159,126.95</u> |
| Expenditures: | | | | |
| General Government | \$ 1,536,897.63 | \$ --- | \$ --- | \$ 1,536,897.63 |
| Public Safety | 221,016.70 | --- | --- | 221,016.70 |
| Transportation | 447,380.80 | --- | --- | 447,380.80 |
| Cultural, Parks And Recreation | 821,191.79 | --- | --- | 821,191.79 |
| Community Development | --- | --- | 4,178,676.32 | 4,178,676.32 |
| Debt Service | --- | 1,076,613.01 | --- | 1,076,613.01 |
| Total Expenditures | <u>\$ 3,026,486.92</u> | <u>\$ 1,076,613.01</u> | <u>\$ 4,178,676.32</u> | <u>\$ 8,281,776.25</u> |
| Excess (Deficit) Revenues Over Expenditures | \$ 364,306.66 | \$ (892,364.35) | \$ (1,594,591.61) | \$ (2,122,649.30) |
| Other Financing Sources (Uses): | | | | |
| Transfer From (To) Other Funds | (409,318.00) | 889,814.59 | (459,220.00) | 21,276.59 |
| Bond Proceeds | --- | --- | 2,500,000.00 | 2,500,000.00 |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ (45,011.34) | \$ (2,549.76) | \$ 446,188.39 | \$ 398,627.29 |
| Fund Balance, May 1, 2010 | 2,238,018.49 | 52,425.46 | 4,379,557.29 | 6,670,001.24 |
| Fund Balance, April 30, 2011 | <u>\$ 2,193,007.15</u> | <u>\$ 49,875.70</u> | <u>\$ 4,825,745.68</u> | <u>\$ 7,068,628.53</u> |

City Of Ottawa, Illinois
Combining Balance Sheet
Special Revenue Funds
April 30, 2011

ASSETS

| | <u>Crossing Guard</u> | <u>Auditing</u> | <u>Illinois Municipal Retirement</u> | <u>Public Liability Insurance</u> | <u>Motor Fuel Tax</u> |
|---------------------------------------|---------------------------|---------------------|--|---|---------------------------|
| Cash | \$ 225.91 | \$ 10,524.91 | \$ --- | \$ --- | \$ --- |
| Investments, At Cost | --- | --- | --- | --- | 385,787.47 |
| Receivables: | | | | | |
| Property Taxes | 41,677.27 | 62,213.89 | 796,700.22 | 552,676.81 | --- |
| Special Assessments | --- | --- | --- | --- | --- |
| Notes | --- | --- | --- | --- | --- |
| Allotments Due From State Of Illinois | --- | --- | --- | --- | 38,644.83 |
| Hotel/Motel Taxes | --- | --- | --- | --- | --- |
| Emergency 911 Surcharges | --- | --- | --- | --- | --- |
| Refunds | --- | --- | 4,297.93 | --- | --- |
| Due From Other Funds | --- | --- | --- | --- | --- |
| TOTAL ASSETS | \$ 41,903.18 | \$ 72,738.80 | \$ 800,998.15 | \$ 552,676.81 | \$ 424,432.30 |

LIABILITIES AND FUND BALANCES

Liabilities:

| | | | | | |
|--------------------------|---------------------|---------------------|------------------------|----------------------|--------------------|
| Cash Overdraft | \$ --- | \$ --- | \$ 353,585.63 | \$ 178,630.53 | \$ --- |
| Accounts Payable | --- | --- | --- | --- | 1,010.00 |
| Accrued Wages And Taxes | --- | --- | --- | --- | --- |
| Deferred Revenue | 41,677.27 | 62,213.89 | 796,700.22 | 552,676.81 | --- |
| Total Liabilities | \$ 41,677.27 | \$ 62,213.89 | \$ 1,150,285.85 | \$ 731,307.34 | \$ 1,010.00 |

Fund Balances:

| | | | | | |
|------------|--------|-----------|--------------|--------------|------------|
| Reserved | --- | --- | --- | --- | --- |
| Unreserved | 225.91 | 10,524.91 | (349,287.70) | (178,630.53) | 423,422.30 |

**TOTAL LIABILITIES AND
FUND BALANCES**

| | | | | |
|---------------------|---------------------|----------------------|----------------------|----------------------|
| \$ 41,903.18 | \$ 72,738.80 | \$ 800,998.15 | \$ 552,676.81 | \$ 424,432.30 |
|---------------------|---------------------|----------------------|----------------------|----------------------|

City Of Ottawa, Illinois
Combining Balance Sheet
Special Revenue Funds
April 30, 2011

ASSETS

| | Foreign Fire <u>Insurance</u> | Playground And <u>Recreation</u> | Industrial Development <u>Commission</u> | Ottawa Police Dept. Drug <u>Education</u> | Emergency Telephone <u>System Board</u> |
|---------------------------------------|-------------------------------------|--|--|---|---|
| Cash | \$ 1,335.71 | \$ 87,052.88 | \$ 29,465.74 | \$ 165,875.27 | \$ 475,209.81 |
| Investments, At Cost | 57,839.90 | --- | --- | --- | --- |
| Receivables: | | | | | |
| Property Taxes | --- | 271,808.27 | --- | --- | --- |
| Special Assessments | --- | --- | --- | --- | --- |
| Notes | --- | --- | 3,552.20 | --- | --- |
| Allotments Due From State Of Illinois | --- | --- | --- | --- | --- |
| Hotel/Motel Taxes | --- | --- | --- | --- | --- |
| Emergency 911 Surcharges | --- | --- | --- | --- | 24,907.66 |
| Refunds | --- | --- | --- | --- | --- |
| Due From Other Funds | --- | --- | --- | --- | --- |
| TOTAL ASSETS | \$ 59,175.61 | \$ 358,861.15 | \$ 33,017.94 | \$ 165,875.27 | \$ 500,117.47 |

LIABILITIES AND FUND BALANCES

Liabilities:

| | | | | | |
|--------------------------|---------------|----------------------|---------------|------------------|------------------|
| Cash Overdraft | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Accounts Payable | --- | 2,534.74 | --- | 934.90 | 120.51 |
| Accrued Wages And Taxes | --- | 237.08 | --- | --- | --- |
| Deferred Revenue | --- | 271,808.27 | --- | --- | --- |
| Total Liabilities | \$ --- | \$ 274,580.09 | \$ --- | \$ 934.90 | \$ 120.51 |

Fund Balances:

| | | | | | |
|------------|-----------|-----------|-----------|------------|------------|
| Reserved | --- | --- | --- | --- | --- |
| Unreserved | 59,175.61 | 84,281.06 | 33,017.94 | 164,940.37 | 499,996.96 |

**TOTAL LIABILITIES AND
FUND BALANCES**

| | | | | |
|---------------------|----------------------|---------------------|----------------------|----------------------|
| \$ 59,175.61 | \$ 358,861.15 | \$ 33,017.94 | \$ 165,875.27 | \$ 500,117.47 |
|---------------------|----------------------|---------------------|----------------------|----------------------|

City Of Ottawa, Illinois
Combining Balance Sheet
Special Revenue Funds
April 30, 2011

| | Growth <u>Impact Fee</u> | Fire Dept. <u>First Aid</u> | Main St. <u>Loan</u> | Community Development Revolving <u>Loan</u> | Ottawa Police Dept. <u>Fed. Drug</u> |
|--|-----------------------------|--------------------------------|-------------------------|--|--|
| <u>ASSETS</u> | | | | | |
| Cash | \$ 196,185.70 | \$ 26,676.88 | \$ 28,836.09 | \$ 44,846.59 | \$ 8,903.44 |
| Investments, At Cost | --- | --- | --- | --- | --- |
| Receivables: | | | | | |
| Property Taxes | --- | --- | --- | --- | --- |
| Special Assessments | --- | --- | --- | --- | --- |
| Notes | --- | --- | 15,949.90 | 62,688.83 | --- |
| Allotments Due From State Of Illinois | --- | --- | --- | --- | --- |
| Hotel/Motel Taxes | --- | --- | --- | --- | --- |
| Emergency 911 Surcharges | --- | --- | --- | --- | --- |
| Refunds | --- | --- | --- | --- | --- |
| Due From Other Funds | --- | --- | --- | 416,000.00 | --- |
| TOTAL ASSETS | \$ 196,185.70 | \$ 26,676.88 | \$ 44,785.99 | \$ 523,535.42 | \$ 8,903.44 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Cash Overdraft | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Accounts Payable | --- | --- | --- | --- | --- |
| Accrued Wages And Taxes | --- | --- | --- | --- | --- |
| Deferred Revenue | --- | --- | --- | --- | --- |
| Total Liabilities | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Fund Balances: | | | | | |
| Reserved | --- | --- | --- | --- | --- |
| Unreserved | 196,185.70 | 26,676.88 | 44,785.99 | 523,535.42 | 8,903.44 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 196,185.70 | \$ 26,676.88 | \$ 44,785.99 | \$ 523,535.42 | \$ 8,903.44 |

City Of Ottawa, Illinois
Combining Balance Sheet
Special Revenue Funds
April 30, 2011

ASSETS

| | Ottawa Police Dept. <u>Drug Lab</u> | Ottawa Police Dept. <u>DUI</u> | Hotel/ Motel <u>Tax</u> | Public <u>Benefit</u> | <u>Garbage</u> |
|---------------------------------------|---|--------------------------------------|-------------------------------|--------------------------|----------------------|
| Cash | \$ 2,755.36 | \$ 43,583.98 | \$ 57,990.49 | \$ 71,219.71 | \$ 212,224.54 |
| Investments, At Cost | --- | --- | --- | --- | --- |
| Receivables: | | | | | |
| Property Taxes | --- | --- | --- | --- | 77,314.35 |
| Special Assessments | --- | --- | --- | --- | --- |
| Notes | --- | --- | --- | --- | --- |
| Allotments Due From State Of Illinois | --- | --- | --- | --- | --- |
| Hotel/Motel Taxes | --- | --- | 36,799.48 | --- | --- |
| Emergency 911 Surcharges | --- | --- | --- | --- | --- |
| Refunds | --- | --- | --- | --- | --- |
| Due From Other Funds | --- | --- | --- | --- | --- |
| TOTAL ASSETS | \$ 2,755.36 | \$ 43,583.98 | \$ 94,789.97 | \$ 71,219.71 | \$ 289,538.89 |

LIABILITIES AND FUND BALANCES

Liabilities:

| | | | | | |
|--------------------------|---------------|---------------|---------------------|---------------|---------------------|
| Cash Overdraft | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Accounts Payable | --- | --- | 17,130.00 | --- | --- |
| Accrued Wages And Taxes | --- | --- | --- | --- | --- |
| Deferred Revenue | --- | --- | --- | --- | 77,314.35 |
| Total Liabilities | \$ --- | \$ --- | \$ 17,130.00 | \$ --- | \$ 77,314.35 |

Fund Balances:

| | | | | | |
|------------|----------|-----------|-----------|-----------|------------|
| Reserved | --- | --- | --- | --- | --- |
| Unreserved | 2,755.36 | 43,583.98 | 77,659.97 | 71,219.71 | 212,224.54 |

**TOTAL LIABILITIES AND
FUND BALANCES**

| | | | | |
|--------------------|---------------------|---------------------|---------------------|----------------------|
| \$ 2,755.36 | \$ 43,583.98 | \$ 94,789.97 | \$ 71,219.71 | \$ 289,538.89 |
|--------------------|---------------------|---------------------|---------------------|----------------------|

City Of Ottawa, Illinois
Combining Balance Sheet
Special Revenue Funds
April 30, 2011

| | <u>Lease</u> | <u>Street Lighting</u> | <u>Stevenson Road Improvement</u> | <u>Huron Street Roadway</u> | <u>Total</u> |
|--|----------------------|----------------------------|---|-------------------------------------|------------------------|
| <u>ASSETS</u> | | | | | |
| Cash | \$ 204,751.92 | \$ 33,417.35 | \$ 5,258.92 | \$ 5,887.40 | \$ 1,712,228.60 |
| Investments, At Cost | --- | --- | --- | --- | 443,627.37 |
| Receivables: | | | | | |
| Property Taxes | 10,268.31 | 151,004.59 | --- | --- | 1,963,663.71 |
| Special Assessments | --- | --- | 3,923.64 | 157.80 | 4,081.44 |
| Notes | --- | --- | --- | --- | 82,190.93 |
| Allotments Due From State Of Illinois | --- | --- | --- | --- | 38,644.83 |
| Hotel/Motel Taxes | --- | --- | --- | --- | 36,799.48 |
| Emergency 911 Surcharges | --- | --- | --- | --- | 24,907.66 |
| Refunds | --- | --- | --- | --- | 4,297.93 |
| Due From Other Funds | --- | --- | --- | --- | 416,000.00 |
| TOTAL ASSETS | \$ 215,020.23 | \$ 184,421.94 | \$ 9,182.56 | \$ 6,045.20 | \$ 4,726,441.95 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Cash Overdraft | \$ --- | \$ --- | \$ --- | \$ --- | \$ 532,216.16 |
| Accounts Payable | --- | 11,506.26 | --- | --- | 33,236.41 |
| Accrued Wages And Taxes | --- | --- | --- | --- | 237.08 |
| Deferred Revenue | 10,268.31 | 151,004.59 | 3,923.64 | 157.80 | 1,967,745.15 |
| Total Liabilities | \$ 10,268.31 | \$ 162,510.85 | \$ 3,923.64 | \$ 157.80 | \$ 2,533,434.80 |
| Fund Balances: | | | | | |
| Reserved | --- | --- | --- | --- | --- |
| Unreserved | 204,751.92 | 21,911.09 | 5,258.92 | 5,887.40 | 2,193,007.15 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 215,020.23 | \$ 184,421.94 | \$ 9,182.56 | \$ 6,045.20 | \$ 4,726,441.95 |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Special Revenue Funds
Year Ended April 30, 2011

| | <u>Crossing Guard</u> | <u>Auditing</u> | <u>Illinois Municipal Retirement</u> | <u>Public Liability Insurance</u> | <u>Motor Fuel Tax</u> |
|--|---------------------------|---------------------|--|---|---------------------------|
| Revenues: | | | | | |
| Property Taxes | \$ 39,611.28 | \$ 58,324.77 | \$ 575,447.50 | \$ 489,364.64 | \$ --- |
| Replacement Taxes | --- | --- | 75,986.10 | --- | --- |
| Special Assessments | --- | --- | --- | --- | --- |
| Interest On Investments | 8.09 | 13.16 | --- | 64.60 | 450.62 |
| Interest On Special Assessments | --- | --- | --- | --- | --- |
| Interest On Loans | --- | --- | --- | --- | --- |
| Motor Fuel Taxes | --- | --- | --- | --- | 473,683.71 |
| State Of Illinois Program | --- | --- | --- | --- | 8,927.00 |
| Foreign Fire Insurance Tax | --- | --- | --- | --- | --- |
| Hotel/Motel Tax | --- | --- | --- | --- | --- |
| Fines, Fees And Expense Reimbursements | --- | --- | --- | --- | --- |
| Fees And Sales Of Concessions | --- | --- | --- | --- | --- |
| 911 Emergency Service Surcharge | --- | --- | --- | --- | --- |
| Drug And Task Force Revenue | --- | --- | --- | --- | --- |
| Donations | --- | --- | --- | --- | --- |
| Growth Impact Fees | --- | --- | --- | --- | --- |
| Grants | --- | --- | --- | --- | 81,312.00 |
| Refunds | --- | --- | 14,130.25 | --- | --- |
| Total Revenues | <u>\$ 39,619.37</u> | <u>\$ 58,337.93</u> | <u>\$ 665,563.85</u> | <u>\$ 489,429.24</u> | <u>\$ 564,373.33</u> |
| Expenditures: | | | | | |
| General Government | \$ --- | \$ 51,500.00 | \$ 731,948.97 | \$ 500,091.30 | \$ --- |
| Public Safety | 39,611.28 | --- | --- | --- | --- |
| Transportation | --- | --- | --- | --- | 447,380.80 |
| Cultural, Parks And Recreation | --- | --- | --- | --- | --- |
| Total Expenditures | <u>\$ 39,611.28</u> | <u>\$ 51,500.00</u> | <u>\$ 731,948.97</u> | <u>\$ 500,091.30</u> | <u>\$ 447,380.80</u> |
| Excess (Deficit) Revenues Over Expenditures | \$ 8.09 | \$ 6,837.93 | \$ (66,385.12) | \$ (10,662.06) | \$ 116,992.53 |
| Other Financing Sources (Uses): | | | | | |
| Transfer From (To) Other Funds | --- | --- | --- | --- | --- |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ 8.09 | \$ 6,837.93 | \$ (66,385.12) | \$ (10,662.06) | \$ 116,992.53 |
| Fund Balance, May 1, 2010 | 217.82 | 3,686.98 | (282,902.58) | (167,968.47) | 306,429.77 |
| Fund Balance, April 30, 2011 | <u>\$ 225.91</u> | <u>\$ 10,524.91</u> | <u>\$ (349,287.70)</u> | <u>\$ (178,630.53)</u> | <u>\$ 423,422.30</u> |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Special Revenue Funds
Year Ended April 30, 2011

| | <u>Foreign Fire Insurance</u> | <u>Playground And Recreation</u> | <u>Industrial Development Commission</u> | <u>Ottawa Police Dept. Drug Education</u> | <u>Emergency Telephone System Board</u> |
|--|---------------------------------------|--|--|---|---|
| Revenues: | | | | | |
| Property Taxes | \$ --- | \$ 280,706.21 | \$ --- | \$ --- | \$ --- |
| Replacement Taxes | --- | --- | --- | --- | --- |
| Special Assessments | --- | --- | --- | --- | --- |
| Interest On Investments | 129.93 | 120.13 | 21.90 | 124.25 | 343.71 |
| Interest On Special Assessments | --- | --- | --- | --- | --- |
| Interest On Loans | --- | --- | 36.07 | --- | --- |
| Motor Fuel Taxes | --- | --- | --- | --- | --- |
| State Of Illinois Program | --- | --- | --- | --- | --- |
| Foreign Fire Insurance Tax | 31,506.46 | --- | --- | --- | --- |
| Hotel/Motel Tax | --- | --- | --- | --- | --- |
| Fines, Fees And Expense Reimbursements | 523.00 | --- | --- | --- | --- |
| Fees And Sales Of Concessions | --- | 89,007.31 | --- | --- | --- |
| 911 Emergency Service Surcharge | --- | --- | --- | --- | 194,773.50 |
| Drug And Task Force Revenue | --- | --- | --- | 35,226.41 | --- |
| Donations | --- | 4,700.00 | --- | --- | --- |
| Growth Impact Fees | --- | --- | --- | --- | --- |
| Grants | --- | --- | --- | --- | --- |
| Refunds | --- | --- | --- | --- | --- |
| Total Revenues | \$ 32,159.39 | \$ 374,533.65 | \$ 57.97 | \$ 35,350.66 | \$ 195,117.21 |
| Expenditures: | | | | | |
| General Government | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Public Safety | 11,041.50 | --- | --- | 21,521.21 | 143,393.74 |
| Transportation | --- | --- | --- | --- | --- |
| Cultural, Parks And Recreation | --- | 467,852.73 | --- | --- | --- |
| Total Expenditures | \$ 11,041.50 | \$ 467,852.73 | \$ --- | \$ 21,521.21 | \$ 143,393.74 |
| Excess (Deficit) Revenues Over Expenditures | \$ 21,117.89 | \$ (93,319.08) | \$ 57.97 | \$ 13,829.45 | \$ 51,723.47 |
| Other Financing Sources (Uses): | | | | | |
| Transfer From (To) Other Funds | --- | --- | --- | --- | --- |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ 21,117.89 | \$ (93,319.08) | \$ 57.97 | \$ 13,829.45 | \$ 51,723.47 |
| Fund Balance, May 1, 2010 | 38,057.72 | 177,600.14 | 32,959.97 | 151,110.92 | 448,273.49 |
| Fund Balance, April 30, 2011 | \$ 59,175.61 | \$ 84,281.06 | \$ 33,017.94 | \$ 164,940.37 | \$ 499,996.96 |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Special Revenue Funds
Year Ended April 30, 2011

| | <u>Growth Impact Fee</u> | <u>Fire Dept. First Aid</u> | <u>Main St. Loan</u> | <u>Community Development Revolving Loan</u> | <u>Ottawa Police Dept. Fed. Drug</u> |
|--|------------------------------|---------------------------------|--------------------------|---|--|
| Revenues: | | | | | |
| Property Taxes | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Replacement Taxes | --- | --- | --- | --- | --- |
| Special Assessments | --- | --- | --- | --- | --- |
| Interest On Investments | 363.78 | 34.73 | 30.50 | 34.33 | 6.64 |
| Interest On Special Assessments | --- | --- | --- | --- | --- |
| Interest On Loans | --- | --- | 384.15 | 1,279.87 | --- |
| Motor Fuel Taxes | --- | --- | --- | --- | --- |
| State Of Illinois Program | --- | --- | --- | --- | --- |
| Foreign Fire Insurance Tax | --- | --- | --- | --- | --- |
| Hotel/Motel Tax | --- | --- | --- | --- | --- |
| Fines, Fees And Expense Reimbursements | --- | --- | --- | --- | --- |
| Fees And Sales Of Concessions | --- | --- | --- | --- | --- |
| 911 Emergency Service Surcharge | --- | --- | --- | --- | --- |
| Drug And Task Force Revenue | --- | --- | --- | --- | --- |
| Donations | --- | 1,727.00 | --- | --- | --- |
| 74 Growth Impact Fees | 225,339.00 | --- | --- | --- | --- |
| Grants | --- | --- | --- | --- | --- |
| Refunds | --- | --- | --- | --- | --- |
| Total Revenues | <u>\$ 225,702.78</u> | <u>\$ 1,761.73</u> | <u>\$ 414.65</u> | <u>\$ 1,314.20</u> | <u>\$ 6.64</u> |
| Expenditures: | | | | | |
| General Government | \$ 65,713.10 | \$ --- | \$ --- | \$ 16,060.46 | \$ --- |
| Public Safety | --- | --- | --- | --- | --- |
| Transportation | --- | --- | --- | --- | --- |
| Cultural, Parks And Recreation | --- | --- | --- | --- | --- |
| Total Expenditures | <u>\$ 65,713.10</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 16,060.46</u> | <u>\$ ---</u> |
| Excess (Deficit) Revenues Over Expenditures | \$ 159,989.68 | \$ 1,761.73 | \$ 414.65 | \$ (14,746.26) | \$ 6.64 |
| Other Financing Sources (Uses): | | | | | |
| Transfer From (To) Other Funds | (409,318.00) | --- | --- | --- | --- |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | <u>\$(249,328.32)</u> | <u>\$ 1,761.73</u> | <u>\$ 414.65</u> | <u>\$ (14,746.26)</u> | <u>\$ 6.64</u> |
| Fund Balance, May 1, 2010 | 445,514.02 | 24,915.15 | 44,371.34 | 538,281.68 | 8,896.80 |
| Fund Balance, April 30, 2011 | <u>\$ 196,185.70</u> | <u>\$ 26,676.88</u> | <u>\$ 44,785.99</u> | <u>\$ 523,535.42</u> | <u>\$ 8,903.44</u> |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Special Revenue Funds
Year Ended April 30, 2011

| | Ottawa Police Dept. <u>Drug Lab</u> | Ottawa Police Dept. <u>DUI</u> | Hotel/ Motel <u>Tax</u> | Public <u>Benefit</u> | <u>Garbage</u> |
|--|---|--------------------------------------|-------------------------------|--------------------------|----------------|
| Revenues: | | | | | |
| Property Taxes | \$ --- | \$ --- | \$ --- | \$ --- | \$ 72,671.82 |
| Replacement Taxes | --- | --- | --- | --- | --- |
| Special Assessments | --- | --- | --- | --- | --- |
| Interest On Investments | 2.31 | 27.85 | 44.42 | 53.84 | 148.08 |
| Interest On Special Assessments | --- | --- | --- | --- | --- |
| Interest On Loans | --- | --- | --- | --- | --- |
| Motor Fuel Taxes | --- | --- | --- | --- | --- |
| State Of Illinois Program | --- | --- | --- | --- | --- |
| Foreign Fire Insurance Tax | --- | --- | --- | --- | --- |
| Hotel/Motel Tax | --- | --- | 295,308.46 | --- | --- |
| Fines, Fees And Expense Reimbursements | --- | 14,344.85 | 19,630.00 | --- | --- |
| Fees And Sales Of Concessions | --- | --- | --- | --- | --- |
| 911 Emergency Service Surcharge | --- | --- | --- | --- | --- |
| Drug And Task Force Revenue | --- | --- | --- | --- | --- |
| Donations | --- | --- | 42,957.50 | --- | --- |
| Growth Impact Fees | --- | --- | --- | --- | --- |
| Grants | --- | --- | --- | --- | --- |
| Refunds | --- | --- | --- | --- | --- |
| Total Revenues | \$ 2.31 | \$ 14,372.70 | \$ 357,940.38 | \$ 53.84 | \$ 72,819.90 |
| Expenditures: | | | | | |
| General Government | \$ --- | \$ --- | \$ --- | \$ --- | \$ 18,376.06 |
| Public Safety | 308.00 | 5,140.97 | --- | --- | --- |
| Transportation | --- | --- | --- | --- | --- |
| Cultural, Parks And Recreation | --- | --- | 353,339.06 | --- | --- |
| Total Expenditures | \$ 308.00 | \$ 5,140.97 | \$ 353,339.06 | \$ --- | \$ 18,376.06 |
| Excess (Deficit) Revenues Over Expenditures | \$ (305.69) | \$ 9,231.73 | \$ 4,601.32 | \$ 53.84 | \$ 54,443.84 |
| Other Financing Sources (Uses): | | | | | |
| Transfer From (To) Other Funds | --- | --- | --- | --- | --- |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ (305.69) | \$ 9,231.73 | \$ 4,601.32 | \$ 53.84 | \$ 54,443.84 |
| Fund Balance, May 1, 2010 | 3,061.05 | 34,352.25 | 73,058.65 | 71,165.87 | 157,780.70 |
| Fund Balance, April 30, 2011 | \$ 2,755.36 | \$ 43,583.98 | \$ 77,659.97 | \$ 71,219.71 | \$ 212,224.54 |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Special Revenue Funds
Year Ended April 30, 2011

| | <u>Lease</u> | <u>Street Lighting</u> | <u>Stevenson Road Improvement</u> | <u>Huron Street Roadway</u> | <u>Total</u> |
|--|---------------|----------------------------|---|-------------------------------------|-----------------|
| Revenues: | | | | | |
| Property Taxes | \$ 105,732.61 | \$155,947.87 | \$ --- | \$ --- | \$ 1,777,806.70 |
| Replacement Taxes | --- | --- | --- | --- | 75,986.10 |
| Special Assessments | --- | --- | --- | --- | --- |
| Interest On Investments | 128.18 | 44.75 | 3.99 | 4.45 | 2,204.24 |
| Interest On Special Assessments | --- | --- | --- | --- | --- |
| Interest On Loans | --- | --- | --- | --- | 1,700.09 |
| Motor Fuel Taxes | --- | --- | --- | --- | 473,683.71 |
| State Of Illinois Program | --- | --- | --- | --- | 8,927.00 |
| Foreign Fire Insurance Tax | --- | --- | --- | --- | 31,506.46 |
| Hotel/Motel Tax | --- | --- | --- | --- | 295,308.46 |
| Fines, Fees And Expense Reimbursements | --- | --- | --- | --- | 34,497.85 |
| Fees And Sales Of Concessions | --- | --- | --- | --- | 89,007.31 |
| 911 Emergency Service Surcharge | --- | --- | --- | --- | 194,773.50 |
| Drug And Task Force Revenue | --- | --- | --- | --- | 35,226.41 |
| Donations | --- | --- | --- | --- | 49,384.50 |
| Growth Impact Fees | --- | --- | --- | --- | 225,339.00 |
| Grants | --- | --- | --- | --- | 81,312.00 |
| Refunds | --- | --- | --- | --- | 14,130.25 |
| Total Revenues | \$ 105,860.79 | \$155,992.62 | \$ 3.99 | \$ 4.45 | \$ 3,390,793.58 |
| Expenditures: | | | | | |
| General Government | \$ 9,027.63 | \$144,180.11 | \$ --- | \$ --- | \$ 1,536,897.63 |
| Public Safety | --- | --- | --- | --- | 221,016.70 |
| Transportation | --- | --- | --- | --- | 447,380.80 |
| Cultural, Parks And Recreation | --- | --- | --- | --- | 821,191.79 |
| Total Expenditures | \$ 9,027.63 | \$144,180.11 | \$ --- | \$ --- | \$ 3,026,486.92 |
| Excess (Deficit) Revenues Over Expenditures | \$ 96,833.16 | \$ 11,812.51 | \$ 3.99 | \$ 4.45 | \$ 364,306.66 |
| Other Financing Sources (Uses): | | | | | |
| Transfer From (To) Other Funds | --- | --- | --- | --- | (409,318.00) |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ 96,833.16 | \$ 11,812.51 | \$ 3.99 | \$ 4.45 | \$ (45,011.34) |
| Fund Balance, May 1, 2010 | 107,918.76 | 10,098.58 | 5,254.93 | 5,882.95 | 2,238,018.49 |
| Fund Balance, April 30, 2011 | \$ 204,751.92 | \$ 21,911.09 | \$ 5,258.92 | \$ 5,887.40 | \$ 2,193,007.15 |

City Of Ottawa, Illinois
Combining Balance Sheet
Debt Service Funds
April 30, 2011

| | Corporate Purpose Bond And Interest | Series 2007 Debt Certificate Bond And Interest | Series 2008 Debt Certificate Bond And Interest | Series 2009 Recovery Zone Economic Bond And Interest | Total |
|--|---|---|---|--|--------------------|
| <u>ASSETS</u> | | | | | |
| Cash | \$ --- | \$21,630.30 | \$ --- | \$28,245.40 | \$49,875.70 |
| TOTAL ASSETS | <u>\$ ---</u> | <u>\$21,630.30</u> | <u>\$ ---</u> | <u>\$28,245.40</u> | <u>\$49,875.70</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Fund Balances: | | | | | |
| Unreserved | <u>---</u> | <u>21,630.30</u> | <u>---</u> | <u>28,245.40</u> | <u>49,875.70</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ ---</u> | <u>\$21,630.30</u> | <u>\$ ---</u> | <u>\$28,245.40</u> | <u>\$49,875.70</u> |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures
And Changes In Fund Balances
Debt Service Funds
Year Ended April 30, 2011

| | Corporate Purpose Bond And Interest | Series 2007 Debt Certificate Bond And Interest | Series 2008 Debt Certificate Bond And Interest | Series 2009 Recovery Zone Economic Bond And Interest | Total |
|--|---|---|---|--|-----------------------|
| Revenues: | | | | | |
| Property Taxes | \$155,947.87 | \$ --- | \$ --- | \$ --- | \$ 155,947.87 |
| Interest | 50.26 | 5.13 | --- | 6.14 | 61.53 |
| Rebate | --- | --- | --- | 28,239.26 | 28,239.26 |
| Total Revenues | <u>\$155,998.13</u> | <u>\$ 5.13</u> | <u>\$ ---</u> | <u>\$ 28,245.40</u> | <u>\$ 184,248.66</u> |
| Expenditures: | | | | | |
| Principal Retirement | \$149,377.33 | \$ 373,050.10 | \$ 199,873.00 | \$ --- | \$ 722,300.43 |
| Interest | <u>6,796.68</u> | <u>132,059.90</u> | <u>84,468.00</u> | <u>130,988.00</u> | <u>354,312.58</u> |
| Total Expenditures | <u>\$156,174.01</u> | <u>\$ 505,110.00</u> | <u>\$ 284,341.00</u> | <u>\$ 130,988.00</u> | <u>\$1,076,613.01</u> |
| Excess (Deficit) Revenues Over Expenditures | \$ (175.88) | \$ (505,104.87) | \$ (284,341.00) | \$ (102,742.60) | \$ (892,364.35) |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers In (Out) | <u>(30,624.41)</u> | <u>505,110.00</u> | <u>284,341.00</u> | <u>130,988.00</u> | <u>889,814.59</u> |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ (30,800.29) | \$ 5.13 | \$ --- | \$ 28,245.40 | \$ (2,549.76) |
| Fund Balances: | | | | | |
| May 1, 2010 | <u>30,800.29</u> | <u>21,625.17</u> | <u>---</u> | <u>---</u> | <u>52,425.46</u> |
| April 30, 2011 | <u>\$ ---</u> | <u>\$ 21,630.30</u> | <u>\$ ---</u> | <u>\$ 28,245.40</u> | <u>\$ 49,875.70</u> |

City Of Ottawa, Illinois
Combining Balance Sheet
Nonmajor Capital Projects Funds
April 30, 2011

| | East Tax Increment Financing District | Downtown Tax Increment Financing District | Ottawa Industrial Park Tax Increment Financing District | Canal Tax Increment Financing District |
|--|--|--|---|---|
| <u>ASSETS</u> | | | | |
| Cash | \$ 1,515,128.65 | \$ --- | \$ 44,109.64 | \$ --- |
| Receivables: | | | | |
| Property Taxes | 598,783.98 | 228,064.26 | 249,696.82 | 376,749.42 |
| Special Assessments | --- | --- | --- | --- |
| Due From Other Funds | --- | --- | --- | --- |
| | <hr/> | | | |
| TOTAL ASSETS | \$ 2,113,912.63 | \$ 228,064.26 | \$ 293,806.46 | \$ 376,749.42 |
| | <hr/> | | | |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Cash Overdraft | \$ --- | \$ 31,307.27 | \$ --- | \$ 240,910.51 |
| Accounts Payable | 3,115.50 | 12,048.42 | 32.50 | 32.50 |
| Deferred Revenue | 598,783.98 | 228,064.26 | 249,696.82 | 376,749.42 |
| Due To Other Funds | --- | --- | --- | 416,000.00 |
| | <hr/> | | | |
| Total Liabilities | \$ 601,899.48 | \$ 271,419.95 | \$ 249,729.32 | \$ 1,033,692.43 |
| | <hr/> | | | |
| Fund Balances: | | | | |
| Reserved | --- | --- | --- | --- |
| Unreserved | 1,512,013.15 | (43,355.69) | 44,077.14 | (656,943.01) |
| | <hr/> | | | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 2,113,912.63 | \$ 228,064.26 | \$ 293,806.46 | \$ 376,749.42 |
| | <hr/> | | | |

City Of Ottawa, Illinois
Combining Balance Sheet
Nonmajor Capital Projects Funds
April 30, 2011

| | Enterprise Zone Capital <u>Improvement</u> | Flood <u>Buyout</u> | Bellevue Ave. <u>Roadway</u> |
|------------------------|---|------------------------|---------------------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 205,731.62 | \$ 3,653.28 | \$ 134,668.21 |
| Receivables: | | | |
| Property Taxes | --- | --- | --- |
| Special Assessments | --- | --- | 7,097.12 |
| Due From Other Funds | 383,540.00 | --- | --- |
| | <hr/> | | |
| TOTAL ASSETS | \$ 589,271.62 | \$ 3,653.28 | \$ 141,765.33 |
| | <hr/> | | |
| <u>LIABILITIES AND</u> | | | |
| <u>FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Cash Overdraft | \$ --- | \$ --- | \$ --- |
| Accounts Payable | 10,305.84 | --- | --- |
| Deferred Revenue | --- | --- | 7,097.12 |
| Due To Other Funds | --- | --- | --- |
| Total Liabilities | \$ 10,305.84 | \$ --- | \$ 7,097.12 |
| | <hr/> | | |
| Fund Balances: | | | |
| Reserved | 578,965.78 | --- | --- |
| Unreserved | --- | 3,653.28 | 134,668.21 |
| | <hr/> | | |
| TOTAL LIABILITIES AND | | | |
| FUND BALANCES | \$ 589,271.62 | \$ 3,653.28 | \$ 141,765.33 |
| | <hr/> | | |

City Of Ottawa, Illinois
Combining Balance Sheet
Nonmajor Capital Projects Funds
April 30, 2011

| | Series 2009 Bond Project | Series 2010 Debt Certificate Project | Total |
|--|-----------------------------|---|-----------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 765,627.96 | \$ 2,487,038.86 | \$ 5,155,958.22 |
| Receivables: | | | |
| Property Taxes | --- | --- | 1,453,294.48 |
| Special Assessments | --- | --- | 7,097.12 |
| Due From Other Funds | --- | --- | 383,540.00 |
| | <hr/> | | |
| TOTAL ASSETS | \$ 765,627.96 | \$ 2,487,038.86 | \$ 6,999,889.82 |
| | <hr/> | | |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Cash Overdraft | \$ --- | \$ --- | \$ 272,217.78 |
| Accounts Payable | --- | --- | 25,534.76 |
| Deferred Revenue | --- | --- | 1,460,391.60 |
| Due To Other Funds | --- | --- | 416,000.00 |
| | <hr/> | | |
| Total Liabilities | \$ --- | \$ --- | \$ 2,174,144.14 |
| <hr/> | | | |
| Fund Balances: | | | |
| Reserved | 763,503.34 | 2,486,000.00 | 3,828,469.12 |
| Unreserved | 2,124.62 | 1,038.86 | 997,276.56 |
| | <hr/> | | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 765,627.96 | \$ 2,487,038.86 | \$ 6,999,889.82 |
| | <hr/> | | |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Nonmajor Capital Projects Funds
Year Ended April 30, 2011

| | East Tax Increment Financing <u>District</u> | Downtown Tax Increment Financing <u>District</u> | Ottawa Industrial Park Tax Increment Financing <u>District</u> | Canal Tax Increment Financing <u>District</u> |
|--|---|---|--|--|
| Revenues: | | | | |
| Property Taxes | \$ 585,353.03 | \$ 221,353.74 | \$ 189,648.85 | \$ 329,148.93 |
| Sales Taxes | 505.23 | 19,065.54 | --- | --- |
| Special Assessments | --- | --- | --- | --- |
| Interest On Special Assessments | --- | --- | --- | --- |
| Interest | 1,133.93 | 11.26 | 61.09 | 41.81 |
| Grants | --- | 18,750.00 | --- | 259,080.07 |
| Rents | --- | --- | 6,050.00 | --- |
| Fees | --- | --- | --- | --- |
| Donations | --- | 6,000.00 | --- | --- |
| Reimbursed Expenses | --- | --- | --- | 243,141.00 |
| Permits | --- | --- | --- | --- |
| Total Revenues | \$ 586,992.19 | \$ 265,180.54 | \$ 195,759.94 | \$ 831,411.81 |
| Expenditures: | | | | |
| Capital Projects: | | | | |
| Construction | \$ 361,041.83 | \$ 247,310.93 | \$ 11,667.25 | \$ 1,846,951.07 |
| Purchase Of Property | --- | --- | --- | --- |
| Contractual Services | 40,343.87 | 54,387.05 | 44,677.87 | 69,512.44 |
| Reimbursed Taxes | 152,798.70 | 73,619.15 | --- | 233,622.50 |
| Total Expenditures | \$ 554,184.40 | \$ 375,317.13 | \$ 56,345.12 | \$ 2,150,086.01 |
| Excess (Deficit) Revenues Over Expenditures | \$ 32,807.79 | \$ (110,136.59) | \$ 139,414.82 | \$ (1,318,674.20) |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In (Out) | --- | --- | (132,692.00) | 1,345,268.66 |
| Debt Certificate Proceeds | --- | --- | --- | --- |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ 32,807.79 | \$ (110,136.59) | \$ 6,722.82 | \$ 26,594.46 |
| Fund Balances: | | | | |
| May 1, 2010 | 1,479,205.36 | 66,780.90 | 37,354.32 | (683,537.47) |
| April 30, 2011 | \$ 1,512,013.15 | \$ (43,355.69) | \$ 44,077.14 | \$ (656,943.01) |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Nonmajor Capital Projects Funds
Year Ended April 30, 2011

| | Enterprise Zone Capital <u>Improvement</u> | Flood <u>Buyout</u> | Bellevue Ave. <u>Roadway</u> |
|--|---|------------------------|---------------------------------|
| Revenues: | | | |
| Property Taxes | \$ --- | \$ --- | \$ --- |
| Sales Taxes | --- | --- | --- |
| Special Assessments | --- | --- | 252.14 |
| Interest On Special Assessments | --- | --- | 22.70 |
| Interest | 317.51 | --- | 101.63 |
| Grants | --- | --- | --- |
| Rents | 66,000.00 | --- | --- |
| Fees | 1,613.54 | --- | --- |
| Donations | 100,000.00 | --- | --- |
| Reimbursed Expenses | --- | --- | --- |
| Permits | 533,946.73 | --- | --- |
| Total Revenues | <u>\$ 701,877.78</u> | <u>\$ ---</u> | <u>\$ 376.47</u> |
| Expenditures: | | | |
| Capital Projects: | | | |
| Construction | \$ 908,315.42 | \$ --- | \$ --- |
| Purchase Of Property | --- | --- | --- |
| Contractual Services | 120,428.24 | --- | --- |
| Reimbursed Taxes | --- | --- | --- |
| Total Expenditures | <u>\$ 1,028,743.66</u> | <u>\$ ---</u> | <u>\$ ---</u> |
| Excess (Deficit) Revenues Over Expenditures | \$ (326,865.88) | \$ --- | \$ 376.47 |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In (Out) | --- | --- | --- |
| Debt Certificate Proceeds | --- | --- | --- |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ (326,865.88) | \$ --- | \$ 376.47 |
| Fund Balances: | | | |
| May 1, 2010 | <u>905,831.66</u> | <u>3,653.28</u> | <u>134,291.74</u> |
| April 30, 2011 | <u>\$ 578,965.78</u> | <u>\$ 3,653.28</u> | <u>\$ 134,668.21</u> |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Nonmajor Capital Projects Funds
Year Ended April 30, 2011

| | Series 2009 <u>Bond Project</u> | Series 2010 Debt Certificate <u>Project</u> | <u>Total</u> |
|--|------------------------------------|--|-------------------|
| Revenues: | | | |
| Property Taxes | \$ --- | \$ --- | \$ 1,325,504.55 |
| Sales Taxes | --- | --- | 19,570.77 |
| Special Assessments | --- | --- | 252.14 |
| Interest On Special Assessments | --- | --- | 22.70 |
| Interest | 1,447.12 | 1,038.86 | 4,153.21 |
| Grants | --- | --- | 277,830.07 |
| Rents | --- | --- | 72,050.00 |
| Fees | --- | --- | 1,613.54 |
| Donations | --- | --- | 106,000.00 |
| Reimbursed Expenses | --- | --- | 243,141.00 |
| Permits | --- | --- | 533,946.73 |
| Total Revenues | \$ 1,447.12 | \$ 1,038.86 | \$ 2,584,084.71 |
| Expenditures: | | | |
| Capital Projects: | | | |
| Construction | \$ --- | \$ --- | \$ 3,375,286.50 |
| Purchase Of Property | --- | --- | --- |
| Contractual Services | --- | 14,000.00 | 343,349.47 |
| Reimbursed Taxes | --- | --- | 460,040.35 |
| Total Expenditures | \$ --- | \$ 14,000.00 | \$ 4,178,676.32 |
| Excess (Deficit) Revenues Over Expenditures | \$ 1,447.12 | \$ (12,961.14) | \$ (1,594,591.61) |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In (Out) | (1,671,796.66) | --- | (459,220.00) |
| Debt Certificate Proceeds | --- | 2,500,000.00 | 2,500,000.00 |
| Excess (Deficit) Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses) | \$ (1,670,349.54) | \$ 2,487,038.86 | \$ 446,188.39 |
| Fund Balances: | | | |
| May 1, 2010 | 2,435,977.50 | --- | 4,379,557.29 |
| April 30, 2011 | \$ 765,627.96 | \$ 2,487,038.86 | \$ 4,825,745.68 |

City Of Ottawa, Illinois
Combining Statement Of Net Assets
Proprietary Funds
April 30, 2011

| | Waterworks And Sewerage | Swimming Pool | Canal Rental And Purchase | Friendly City Riverfest | Total |
|--|-------------------------------|------------------|------------------------------|----------------------------|-------------------------|
| <u>ASSETS</u> | | | | | |
| Current Assets: | | | | | |
| Cash | \$ --- | \$ --- | \$ 46,464.30 | \$ 2,666.92 | \$ 49,131.22 |
| Investments | 424,877.20 | --- | --- | 15,958.68 | 440,835.88 |
| Water And Sewer Receivable | 691,803.45 | --- | --- | --- | 691,803.45 |
| Due From General Corporate Fund | 153,451.12 | --- | --- | --- | 153,451.12 |
| Total Current Assets | <u>\$ 1,270,131.77</u> | <u>\$ ---</u> | <u>\$ 46,464.30</u> | <u>\$ 18,625.60</u> | <u>\$ 1,335,221.67</u> |
| Restricted Assets: | | | | | |
| Cash - Unspent Debt Proceeds | \$ 934,421.24 | \$ --- | \$ --- | \$ --- | \$ 934,421.24 |
| Total Restricted Assets | <u>\$ 934,421.24</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 934,421.24</u> |
| Property And Equipment, Net Of Accumulated Depreciation | <u>\$ 22,044,212.67</u> | <u>\$ ---</u> | <u>\$ 336,119.97</u> | <u>\$ ---</u> | <u>\$ 22,380,332.64</u> |
| Construction In Progress | <u>\$ 8,772,416.00</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 8,772,416.00</u> |
| Total Assets | <u>\$ 33,021,181.68</u> | <u>\$ ---</u> | <u>\$ 382,584.27</u> | <u>\$ 18,625.60</u> | <u>\$ 33,422,391.55</u> |

City Of Ottawa, Illinois
Combining Statement Of Net Assets
Proprietary Funds
April 30, 2011

| | Waterworks And Sewerage | Swimming Pool | Canal Rental And Purchase | Friendly City Riverfest | Total |
|--|-------------------------------|------------------|------------------------------|----------------------------|------------------|
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Cash Overdraft | \$ 153,368.53 | \$ 8,635.50 | \$ --- | \$ --- | \$ 162,004.03 |
| Accounts Payable | 530,487.62 | --- | --- | --- | 530,487.62 |
| Accrued Salaries | 7,714.95 | --- | --- | --- | 7,714.95 |
| Interest Payable | 106,621.67 | --- | --- | --- | 106,621.67 |
| Current Portion - EPA Loans Payable | 393,176.11 | --- | --- | --- | 393,176.11 |
| Current Portion - Debt Certificates | 697,302.61 | --- | --- | --- | 697,302.61 |
| Current Portion - Vactor Truck Loan | 29,658.86 | --- | --- | --- | 29,658.86 |
| Due To EZ Capital Improvement Fund | 383,540.00 | --- | --- | --- | 383,540.00 |
| Total Current Liabilities | \$ 2,301,870.35 | \$ 8,635.50 | \$ --- | \$ --- | \$ 2,310,505.85 |
| Noncurrent Liabilities: | | | | | |
| EPA Loans Payable | \$ 10,958,449.75 | \$ --- | \$ --- | \$ --- | \$ 10,958,449.75 |
| Debt Certificates | 3,998,060.59 | --- | --- | --- | 3,998,060.59 |
| Vactor Truck Loan | 177,779.66 | --- | --- | --- | 177,779.66 |
| Total Noncurrent Liabilities | \$ 15,134,290.00 | \$ --- | \$ --- | \$ --- | \$ 15,134,290.00 |
| Total Liabilities | \$ 17,436,160.35 | \$ 8,635.50 | \$ --- | \$ --- | \$ 17,444,795.85 |
| NET ASSETS | | | | | |
| Invested In Capital Assets, Net Of Related Debt | \$ 15,496,622.33 | \$ --- | \$ 336,119.97 | \$ --- | \$ 15,832,742.30 |
| Restricted | --- | --- | --- | --- | --- |
| Unrestricted | 88,399.00 | (8,635.50) | 46,464.30 | 18,625.60 | 144,853.40 |
| TOTAL NET ASSETS | \$ 15,585,021.33 | \$ (8,635.50) | \$ 382,584.27 | \$ 18,625.60 | \$ 15,977,595.70 |

City Of Ottawa, Illinois
Combining Statement Of Revenues, Expenses
And Changes In Fund Net Assets
Proprietary Funds
Year Ended April 30, 2011

| | Waterworks And <u>Sewerage</u> | Swimming <u>Pool</u> | Canal Rental And Purchase | Friendly City <u>Riverfest</u> | <u>Total</u> |
|--------------------------------|--------------------------------------|-------------------------|------------------------------|-----------------------------------|-------------------------|
| Operating Revenues | | | | | |
| Charges For Services | \$ 4,210,670.97 | \$ --- | \$ --- | \$ --- | \$ 4,210,670.97 |
| Gate Receipts And Concessions | --- | 56,766.50 | --- | --- | 56,766.50 |
| Rents | --- | --- | --- | --- | --- |
| Events Revenues | --- | --- | --- | 119,110.50 | 119,110.50 |
| Miscellaneous | 23,405.10 | 159.00 | --- | --- | 23,564.10 |
| Total Operating Revenues | <u>\$ 4,234,076.07</u> | <u>\$ 56,925.50</u> | <u>\$ ---</u> | <u>\$ 119,110.50</u> | <u>\$ 4,410,112.07</u> |
| Operating Expenses | | | | | |
| 87 Payroll And Benefits | \$ 1,219,642.82 | \$ 69,169.19 | \$ --- | \$ --- | \$ 1,288,812.01 |
| Plant And Operations | 1,871,949.73 | 103,079.78 | --- | 118,106.12 | 2,093,135.63 |
| Administration And Other | 84,274.08 | 1,048.39 | --- | --- | 85,322.47 |
| Depreciation | 1,201,040.00 | --- | --- | --- | 1,201,040.00 |
| Total Operating Expenses | <u>\$ 4,376,906.63</u> | <u>\$ 173,297.36</u> | <u>\$ ---</u> | <u>\$ 118,106.12</u> | <u>\$ 4,668,310.11</u> |
| Net Operating Income (Loss) | \$ (142,830.56) | \$ (116,371.86) | \$ --- | \$ 1,004.38 | \$ (258,198.04) |
| Non-Operating Income (Expense) | | | | | |
| Transfers In | --- | 100,000.00 | --- | --- | 100,000.00 |
| Investment Income | 3,327.83 | 1.44 | 35.13 | 2,409.67 | 5,774.07 |
| Interest Expense | (401,699.37) | --- | --- | --- | (401,699.37) |
| Net Income (Loss) | \$ (541,202.10) | \$ (16,370.42) | \$ 35.13 | \$ 3,414.05 | \$ (554,123.34) |
| Net Assets, May 1, 2010 | <u>16,126,223.43</u> | <u>7,734.92</u> | <u>382,549.14</u> | <u>15,211.55</u> | <u>16,531,719.04</u> |
| Net Assets, April 30, 2011 | <u>\$ 15,585,021.33</u> | <u>\$ (8,635.50)</u> | <u>\$ 382,584.27</u> | <u>\$ 18,625.60</u> | <u>\$ 15,977,595.70</u> |

City Of Ottawa, Illinois
Combining Statement Of Cash Flows
Proprietary Funds
Year Ended April 30, 2011

| | Enterprise Funds | | | | |
|---|-------------------------------|------------------|------------------------------|----------------------------|-------------------|
| | Waterworks And Sewerage | Swimming Pool | Canal Rental And Purchase | Friendly City Riverfest | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts From Customers | \$ 4,200,761.59 | \$ 56,925.50 | \$ --- | \$ 119,110.50 | \$ 4,376,797.59 |
| Payments To Suppliers | (2,121,691.28) | (104,128.17) | --- | (118,106.12) | (2,343,925.57) |
| Payments To Employees | (1,217,972.95) | (69,169.19) | --- | --- | (1,287,142.14) |
| Other Receipts | 23,405.10 | --- | --- | --- | 23,405.10 |
| Net Cash Provided (Used) By Operating Activities | \$ 884,502.46 | \$ (116,371.86) | \$ --- | \$ 1,004.38 | \$ 769,134.98 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Transfers In | \$ --- | \$ 100,000.00 | \$ --- | \$ --- | \$ 100,000.00 |
| Purchases Of Capital Assets | (7,135,594.11) | --- | --- | --- | (7,135,594.11) |
| Proceeds Of EZ Capital Improvement Fund Loan | 383,540.00 | --- | --- | --- | 383,540.00 |
| Payoff - TIF Funds Loans | (36,949.90) | --- | --- | --- | (36,949.90) |
| Proceeds Of EPA Loan | 5,976,071.00 | --- | --- | --- | 5,976,071.00 |
| Principal Paid On Capital Debt | (1,099,438.34) | --- | --- | --- | (1,099,438.34) |
| Interest Paid On Capital Debt | (409,295.06) | --- | --- | --- | (409,295.06) |
| Net Cash Provided (Used) By Capital And Related Financing Activities | \$ (2,321,666.41) | \$ 100,000.00 | \$ --- | \$ --- | \$ (2,221,666.41) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Investment Income | \$ 3,327.83 | \$ 1.44 | \$ 35.13 | \$ 2,409.67 | \$ 5,774.07 |
| Net Cash Provided By Investing Activities | \$ 3,327.83 | \$ 1.44 | \$ 35.13 | \$ 2,409.67 | \$ 5,774.07 |

City Of Ottawa, Illinois
Combining Statement Of Cash Flows
Proprietary Funds
Year Ended April 30, 2011

| | Enterprise Funds | | | | |
|--|--------------------------------------|-------------------------|------------------------------|-----------------------------------|-------------------|
| | Waterworks And <u>Sewerage</u> | Swimming <u>Pool</u> | Canal Rental And Purchase | Friendly City <u>Riverfest</u> | <u>Total</u> |
| Net Increase (Decrease) In Cash | \$ (1,433,836.12) | \$ (16,370.42) | \$ 35.13 | \$ 3,414.05 | \$ (1,446,757.36) |
| Balances - Beginning Of Year | 2,639,766.03 | 7,734.92 | 46,429.17 | 15,211.55 | 2,709,141.67 |
| Balances - End Of Year | \$ 1,205,929.91 | \$ (8,635.50) | \$ 46,464.30 | \$ 18,625.60 | \$ 1,262,384.31 |
| Consisting Of: | | | | | |
| Cash | \$ (153,368.53) | \$ (8,635.50) | \$ 46,464.30 | \$ 2,666.92 | \$ (112,872.81) |
| Cash - Restricted | 934,421.24 | --- | --- | --- | 934,421.24 |
| Investments | 424,877.20 | --- | --- | 15,958.68 | 440,835.88 |
| | \$ 1,205,929.91 | \$ (8,635.50) | \$ 46,464.30 | \$ 18,625.60 | \$ 1,262,384.31 |
| 8 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating Income (Loss) | \$ (142,830.56) | \$ (116,371.86) | \$ --- | \$ 1,004.38 | \$ (258,198.04) |
| Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities | | | | | |
| Cash Flows Reported In Other Categories | | | | | |
| Depreciation | 1,201,040.00 | --- | --- | --- | 1,201,040.00 |
| Change In Assets And Liabilities | | | | | |
| Increase In Receivables | (9,909.38) | --- | --- | --- | (9,909.38) |
| Decrease In Accounts Payable | (164,266.73) | --- | --- | --- | (164,266.73) |
| Increase In Accrued Salaries | 1,669.87 | --- | --- | --- | 1,669.87 |
| Decrease In Water Users' Deposits | (1,200.74) | --- | --- | --- | (1,200.74) |
| Net Cash Provided (Used) By Operating Activities | \$ 884,502.46 | \$ (116,371.86) | \$ --- | \$ 1,004.38 | \$ 769,134.98 |

City Of Ottawa, Illinois
Schedule Of Revenues - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|-------------------------------------|-------------------------|-------------------------|
| Taxes: | | |
| Property Taxes | \$ 2,123,270.00 | \$ 1,948,665.14 |
| Sales Taxes | 5,100,000.00 | 5,202,241.23 |
| Utility Taxes | 1,360,000.00 | 1,276,590.87 |
| State Income Taxes | 1,500,000.00 | 1,721,872.43 |
| Personal Property Replacement Taxes | 345,000.00 | 171,007.86 |
| Gambling Taxes | 6,000.00 | 5,114.42 |
| Total Taxes | <u>\$ 10,434,270.00</u> | <u>\$ 10,325,491.95</u> |
| Intergovernmental: | | |
| Parking Meter Fees | \$ 700.00 | \$ 377.58 |
| Registrar Fees | 12,000.00 | 13,362.00 |
| Circuit Clerk Fines | 150,000.00 | 139,392.88 |
| Parking Fines | 30,000.00 | 24,707.50 |
| Liquor Fines | 3,000.00 | 1,500.00 |
| Highway Maintenance | 36,000.00 | 56,443.69 |
| Traffic Light Reimbursement | 40,000.00 | 20,317.94 |
| Police And Fire Training | 15,000.00 | 4,368.75 |
| Law Enforcement Grant | 93,300.00 | 88,000.00 |
| Other Grants | 1,273,820.00 | 120,346.55 |
| Total Intergovernmental | <u>\$ 1,653,820.00</u> | <u>\$ 468,816.89</u> |
| Licenses And Permits: | | |
| Peddlers License | \$ 3,000.00 | \$ 575.00 |
| Liquor License | 50,000.00 | 47,225.00 |
| Sign Filing Fee | 1,500.00 | 1,131.00 |
| T.V. Franchise Fee | 170,000.00 | 160,227.74 |
| Sidewalk Café License Permit | 200.00 | 100.00 |
| Electrical License | 40,000.00 | 47,100.00 |
| Raffle License | 300.00 | 220.00 |
| Use Of Sidewalk License | 200.00 | --- |
| Contractor License | 13,000.00 | 19,900.00 |
| Electrical Test Fee | 3,500.00 | 4,750.00 |
| Dog Release Fees | 3,000.00 | 2,975.00 |
| Plumbing Permit | 4,000.00 | 110.00 |
| Rezoning Filing Fee | 2,500.00 | 4,275.00 |
| Building Permit | 50,000.00 | 41,668.36 |
| Swimming Pool Permit | 700.00 | 725.00 |
| Subtotal | <u>\$ 341,900.00</u> | <u>\$ 330,982.10</u> |

City Of Ottawa, Illinois
Schedule Of Revenues - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|--|--------------------------------|--------------------------------|
| Licenses And Permits (Continued): | | |
| Subtotal Forward | \$ 341,900.00 | \$ 330,982.10 |
| Wrecking Permit | 900.00 | 625.00 |
| Electrical Permit | 5,000.00 | 7,300.00 |
| Property Vacation Permit | 1,600.00 | 1,562.00 |
| Home Occupation/Business Permit | 100.00 | 175.00 |
| Fence Permit | 3,000.00 | 4,150.00 |
| Other Licenses And Permits | 1,200.00 | 2,108.00 |
| Plat Design Review Fee Permit | 50,000.00 | 6,353.25 |
| Total Licenses And Permits | <u>\$ 403,700.00</u> | <u>\$ 353,255.35</u> |
| Investment Income | <u>\$ 35,000.00</u> | <u>\$ 3,955.48</u> |
| Miscellaneous: | | |
| Police Other | \$ 7,000.00 | \$ 5,639.50 |
| Character Counts | 900.00 | 50.00 |
| Sex Offender Registration Fees | 400.00 | 90.00 |
| Police Vehicle Replacement Fees | 9,500.00 | 11,358.20 |
| Group Insurance Payments | 550,000.00 | 528,663.62 |
| Group Insurance Payments - Water And Sewer Fund | 200,000.00 | 220,622.02 |
| Telephone Franchise | 40,000.00 | 35,137.46 |
| Special Duty Officers | 132,000.00 | 159,214.00 |
| Tree Removal | 4,000.00 | 4,400.00 |
| Recoup Liens | 30,000.00 | 17,639.95 |
| Tree Program Donations | 4,000.00 | 7,339.16 |
| Rents | 1,250.00 | 1,400.00 |
| Reddick Mansion Utilities | 10,000.00 | 8,695.43 |
| Museum Reimbursement | 4,500.00 | 3,808.55 |
| Ambulance Fees | 500,000.00 | 529,564.04 |
| Other | 30,000.00 | 59,355.12 |
| Total Miscellaneous | <u>\$ 1,523,550.00</u> | <u>\$ 1,592,977.05</u> |
| Total General Fund Revenues | <u><u>\$ 14,050,340.00</u></u> | <u><u>\$ 12,744,496.72</u></u> |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|--|---------------|---------------|
| Department Of Mayor: | | |
| Elected Official | \$ 61,000.00 | \$ 60,629.88 |
| Clerical | 49,700.00 | 49,808.03 |
| Part-Time | 47,000.00 | 46,960.07 |
| Dues, Education, Seminars | 1,500.00 | 1,498.41 |
| Office Supplies | 300.00 | 77.50 |
| Operating Supplies | 8,500.00 | 5,206.98 |
| Telephone And Pager Expense | 500.00 | 480.00 |
| Gasoline And Diesel Fuel | 350.00 | 1,079.40 |
| Miscellaneous | 6,000.00 | 3,574.35 |
| | <hr/> | <hr/> |
| Total Department Of Mayor | \$ 174,850.00 | \$ 169,314.62 |
| | <hr/> | <hr/> |
| Department Of Liquor Commissioner: | | |
| Elected Official | \$ 5,000.00 | \$ 4,970.13 |
| Clerical | 400.00 | 400.14 |
| | <hr/> | <hr/> |
| Total Department Of Liquor Commissioner | \$ 5,400.00 | \$ 5,370.27 |
| | <hr/> | <hr/> |
| Department Of Fire And Police Commission: | | |
| Dues, Education, Seminars | \$ 700.00 | \$ --- |
| Office Supplies | 200.00 | 142.00 |
| Publishing | 1,500.00 | 1,659.26 |
| Professional Services | 2,000.00 | 3,223.50 |
| | <hr/> | <hr/> |
| Total Department Of Fire And Police Commission | \$ 4,400.00 | \$ 5,024.76 |
| | <hr/> | <hr/> |
| Department Of Civil Service Commission: | | |
| Publishing | \$ 2,500.00 | \$ --- |
| Professional Services | 8,500.00 | 8,468.08 |
| | <hr/> | <hr/> |
| Total Department Of Civil Service Commission | \$ 11,000.00 | \$ 8,468.08 |
| | <hr/> | <hr/> |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|---|-----------------|-----------------|
| Department Of General Administration: | | |
| Administrative | \$ 58,400.00 | \$ 59,848.33 |
| Clerical | 73,500.00 | 74,952.28 |
| Clothing Reimbursement | 2,250.00 | 2,244.97 |
| Dues, Education, Seminars | 20,000.00 | 20,059.60 |
| Health Insurance And Claims | 2,860,800.00 | 2,555,962.01 |
| Office Supplies | 8,000.00 | 11,598.01 |
| Operating Supplies | 5,000.00 | 5,199.08 |
| Repairs And Maintenance | 4,000.00 | 3,004.25 |
| Telephone And Pager Expense | 7,200.00 | 7,552.81 |
| Postage | 7,200.00 | 5,519.55 |
| Publishing | 13,000.00 | 13,471.19 |
| Miscellaneous | 15,000.00 | 15,755.70 |
| Professional Services | 90,000.00 | 88,879.87 |
| Allocations/River Rescue Squad | 2,000.00 | 2,000.00 |
| Subsidy/Taxicab | 35,000.00 | 27,624.26 |
| Legal Fees | 160,000.00 | 167,746.39 |
| | <hr/> | <hr/> |
| Total Department Of General Administration | \$ 3,361,350.00 | \$ 3,061,418.30 |
| | <hr/> | <hr/> |
| Department Of Accounts And Finance Commissioner: | | |
| Elected Official | \$ 12,000.00 | \$ 12,057.48 |
| Dues, Education, Seminars | 500.00 | 139.00 |
| Telephone And Pager Expense | 480.00 | 480.00 |
| | <hr/> | <hr/> |
| Total Department Of Accounts And Finance Commissioner | \$ 12,980.00 | \$ 12,676.48 |
| | <hr/> | <hr/> |
| Community Development Department: | | |
| Clerical | \$ 49,800.00 | \$ 51,134.58 |
| Professional | 163,600.00 | 162,686.42 |
| Other Employees | 114,500.00 | 120,175.67 |
| Part-Time | 45,000.00 | 47,430.74 |
| | <hr/> | <hr/> |
| Subtotal Forward | \$ 372,900.00 | \$ 381,427.41 |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|---|-----------------|-----------------|
| Community Development Department (Continued): | | |
| Subtotal Forward | \$ 372,900.00 | \$ 381,427.41 |
| Meal Allowance | 200.00 | 140.21 |
| Clothing Reimbursement | 700.00 | 510.34 |
| Dues, Education, Seminars | 10,000.00 | 4,643.10 |
| Office Supplies | 4,000.00 | 3,944.00 |
| Operating Supplies | 9,000.00 | 6,257.70 |
| Repairs And Maintenance | 1,000.00 | 818.83 |
| Repairs And Maintenance/Sidewalk Program | 27,000.00 | 17,500.29 |
| Telephone And Pager Expense | 2,400.00 | 2,413.02 |
| Postage | 500.00 | 239.81 |
| Gasoline And Diesel Fuel | 6,500.00 | 6,289.09 |
| Publishing | 1,500.00 | 1,222.10 |
| Miscellaneous | 500.00 | 138.32 |
| Professional Services | 56,000.00 | 63,670.87 |
| Contractual/Tree Removal Program | 35,000.00 | 41,312.50 |
| Construction In Progress | 450,000.00 | 554.91 |
| Construction In Progress/Storm/Sanitary Separation | 40,000.00 | 524,859.55 |
| Construction In Progress/IV Rail Study | 395,000.00 | --- |
| Construction In Progress/Storm Sewer Maintenance | 50,000.00 | 32,244.00 |
| Sales Tax - Economic Incentive | --- | 117,205.00 |
| | <hr/> | <hr/> |
| Total Community Development Department | \$ 1,462,200.00 | \$ 1,205,391.05 |
| | <hr/> | <hr/> |
| Police Department: | | |
| Administrative | \$ 291,390.00 | \$ 279,285.05 |
| Clerical | 418,670.00 | 481,783.81 |
| Other Employees | 2,180,510.00 | 2,226,608.55 |
| Overtime | 195,000.00 | 129,687.54 |
| Special Duty | 132,000.00 | 131,426.25 |
| Clothing Allowance | 7,800.00 | 7,832.17 |
| Dues, Education, Seminars | 26,000.00 | 16,346.38 |
| Office Supplies | 6,500.00 | 9,271.66 |
| Subtotal Forward | \$ 3,257,870.00 | \$ 3,282,241.41 |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|-------------------------------------|-----------------|-----------------|
| Police Department (Continued): | | |
| Subtotal Forward | \$ 3,257,870.00 | \$ 3,282,241.41 |
| Operating Supplies | 42,500.00 | 37,301.40 |
| Repairs And Maintenance | 2,800.00 | 1,896.76 |
| Repairs And Maintenance - Equipment | 26,000.00 | 22,469.58 |
| Telephone And Pager Expense | 23,500.00 | 21,391.44 |
| Postage | 1,500.00 | 895.41 |
| Gasoline And Diesel Fuel | 65,000.00 | 76,556.46 |
| Publishing | 200.00 | 846.32 |
| Miscellaneous | 450.00 | 594.81 |
| Professional Services | 33,000.00 | 37,561.40 |
| Contractual/Animal Control | 8,000.00 | 13,490.02 |
| Grant Expense/Tobacco Grant | 2,420.00 | 72.35 |
| Grant Expense/Peer Jury | 11,000.00 | 10,185.15 |
| Character Counts | 1,600.00 | 2,063.54 |
| Sex Offender Fees Expense | 200.00 | --- |
| D.A.R.E. | 6,000.00 | 5,387.86 |
| Equipment | 65,000.00 | 43,614.00 |
| | <hr/> | <hr/> |
| Total Police Department | \$ 3,547,040.00 | \$ 3,556,567.91 |
| | <hr/> | <hr/> |
| Fire Department: | | |
| Administrative | \$ 198,548.00 | \$ 183,301.21 |
| Other Employees | 1,563,199.00 | 1,615,510.88 |
| Overtime | 250,000.00 | 262,981.06 |
| Clothing Allowance | 12,000.00 | 2,617.50 |
| Dues, Education, Seminars | 25,000.00 | 42,625.74 |
| Public Education/Prevention | 10,000.00 | 8,472.43 |
| Office Supplies | 4,500.00 | 3,501.48 |
| Operating Supplies | 40,000.00 | 21,342.98 |
| Repairs And Maintenance | 4,000.00 | 47.79 |
| Repairs And Maintenance - Equipment | 150,000.00 | 145,899.94 |
| Repairs And Maintenance - Vehicles | 35,000.00 | 33,521.28 |
| Telephone And Pager Expense | 15,000.00 | 16,925.67 |
| Postage | 300.00 | 229.84 |
| Gasoline And Diesel Fuel | 15,000.00 | 19,485.40 |
| Publishing | 500.00 | --- |
| | <hr/> | <hr/> |
| Subtotal Forward | \$ 2,323,047.00 | \$ 2,356,463.20 |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|--|------------------------|------------------------|
| Fire Department (Continued): | | |
| Subtotal Forward | \$ 2,323,047.00 | \$ 2,356,463.20 |
| Miscellaneous | 500.00 | 456.96 |
| Ambulance Expenses | 35,000.00 | 38,653.32 |
| Professional Services | 20,000.00 | 34,001.78 |
| Interest | <u>13,042.00</u> | <u>12,030.69</u> |
| Total Fire Department | <u>\$ 2,391,589.00</u> | <u>\$ 2,441,605.95</u> |
| Department Of Public Health And Safety | | |
| Commissioner: | | |
| Elected Official | \$ 12,000.00 | \$ 12,057.48 |
| Dues, Education, Seminars | 500.00 | 1,199.79 |
| Telephone And Pager Expense | <u>480.00</u> | <u>480.00</u> |
| Total Department Of Public Health And Safety | | |
| Commissioner | <u>\$ 12,980.00</u> | <u>\$ 13,737.27</u> |
| Department Of Streets: | | |
| Administrative | \$ 71,665.00 | \$ 70,544.24 |
| Other Employees | 237,000.00 | 239,275.61 |
| Part-Time | 30,000.00 | 32,863.17 |
| Overtime | 30,000.00 | 22,074.05 |
| Clothing Reimbursement | 2,700.00 | 1,941.88 |
| Dues, Education, Seminars | 300.00 | 245.00 |
| Office Supplies | 500.00 | 176.60 |
| Operating Supplies | 170,000.00 | 157,736.87 |
| Repairs And Maintenance | 22,000.00 | 22,046.25 |
| Repairs And Maintenance/Streets | 1,000,000.00 | 1,038,291.55 |
| Repairs And Maintenance/Bridge | 40,000.00 | 51,718.85 |
| Traffic Signal Maint./Labor | 20,000.00 | 21,296.94 |
| Street Light Maint./Labor | 5,000.00 | 659.10 |
| Repairs And Maintenance - Equipment | 200.00 | --- |
| Telephone And Pager Expense | 2,200.00 | 1,443.19 |
| Gasoline And Diesel Fuel | <u>35,000.00</u> | <u>34,475.17</u> |
| Subtotal Forward | <u>\$ 1,666,565.00</u> | <u>\$ 1,694,788.47</u> |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|---|-----------------|-----------------|
| Department Of Streets (Continued): | | |
| Subtotal Forward | \$ 1,666,565.00 | \$ 1,694,788.47 |
| Publishing | 500.00 | --- |
| Miscellaneous | 500.00 | 582.14 |
| Professional Services | 80,000.00 | 113,034.77 |
| Operating Lease | 3,000.00 | 2,398.53 |
| Equipment | 55,000.00 | 55,599.00 |
| Construction In Progress | 758,000.00 | 756,680.89 |
| Interest - Debt Certificates | 11,800.00 | 11,800.00 |
| | <hr/> | <hr/> |
| Total Department Of Streets | \$ 2,575,365.00 | \$ 2,634,883.80 |
| | <hr/> | <hr/> |
| Department Of Vehicle Maintenance: | | |
| Other Employees | \$ 47,544.00 | \$ 51,115.28 |
| Part-Time | 2,000.00 | --- |
| Overtime | 5,000.00 | 4,587.08 |
| Clothing Reimbursement | 450.00 | 128.30 |
| Dues, Education, Seminars | 200.00 | 207.00 |
| Office Supplies | 200.00 | 42.49 |
| Operating Supplies | 18,000.00 | 21,872.29 |
| Repairs And Maintenance | 200.00 | 77.86 |
| Repairs And Maintenance - Equipment | 200.00 | 248.05 |
| Repairs And Maint./Vehicles/Streets | 25,000.00 | 35,467.77 |
| Repairs And Maint./Vehicles/Parks | 5,000.00 | 4,478.16 |
| Repairs And Maint./Vehicles/Police | 7,500.00 | 6,251.59 |
| Repairs And Maint./Vehicles/Other | 4,000.00 | 837.54 |
| Gasoline And Diesel Fuel | 1,000.00 | 1,648.17 |
| Miscellaneous | 100.00 | 50.00 |
| Professional Services | 200.00 | 177.25 |
| | <hr/> | <hr/> |
| Total Department Of Vehicle Maintenance | \$ 116,594.00 | \$ 127,188.83 |
| | <hr/> | <hr/> |
| Department Of Commissioner Of Public | | |
| Improvements: | | |
| Elected Official | \$ 12,000.00 | \$ 12,057.48 |
| Dues, Education, Seminars | 500.00 | 250.00 |
| Telephone And Pager Expense | 480.00 | 480.00 |
| | <hr/> | <hr/> |
| Total Department Of Commissioner Of | | |
| Public Improvements | \$ 12,980.00 | \$ 12,787.48 |
| | <hr/> | <hr/> |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|--|---------------------|---------------------|
| Mini Bus Department: | | |
| Other Employees | \$ 44,100.00 | \$ 43,502.39 |
| Part-Time | 8,400.00 | 7,979.85 |
| Overtime | 200.00 | 215.50 |
| Operating Supplies | 100.00 | --- |
| Telephone And Pager Expense | 400.00 | 311.58 |
| Gasoline And Diesel Fuel | 8,000.00 | 8,845.87 |
| | <hr/> | <hr/> |
| Total Mini Bus Department | \$ 61,200.00 | \$ 60,855.19 |
| | <hr/> | <hr/> |
| Department Of Commissioner Of Public Property: | | |
| Elected Official | \$ 12,000.00 | \$ 12,057.48 |
| Dues, Education, Seminars | 500.00 | 981.78 |
| Telephone And Pager Expense | 480.00 | 480.00 |
| | <hr/> | <hr/> |
| Total Department Of Commissioner Of Public Property | \$ 12,980.00 | \$ 13,519.26 |
| | <hr/> | <hr/> |
| Department Of Parks And Public Buildings: | | |
| Other Employees | \$ 269,207.00 | \$ 276,061.84 |
| Part-Time | 35,000.00 | 39,720.56 |
| Overtime | 8,000.00 | 8,994.60 |
| Clothing Allowance | 2,700.00 | 2,035.32 |
| Dues, Education, Seminars | 2,000.00 | 4,015.92 |
| Office Supplies | 500.00 | 560.32 |
| Operating Supplies | 40,000.00 | 52,010.18 |
| Parks Advisory/Flowers & Lamppost | 10,000.00 | 13,149.87 |
| Tree Board/Trees | 7,000.00 | 9,202.39 |
| Repairs And Maintenance | 30,000.00 | 31,938.96 |
| Repairs And Maintenance - Christmas Lights | 3,000.00 | 4,017.59 |
| Subtotal Forward | <hr/> \$ 407,407.00 | <hr/> \$ 441,707.55 |

City Of Ottawa, Illinois
Schedule Of Expenditures - Budget And Actual
General Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|---|------------------|------------------|
| Department Of Parks And Public | | |
| Buildings (Continued): | | |
| Subtotal Forward | \$ 407,407.00 | \$ 441,707.55 |
| Repairs And Maintenance - Equipment | 8,000.00 | 16,886.19 |
| Telephone And Pager Expense | 1,500.00 | 1,217.67 |
| Gasoline And Diesel Fuel | 15,000.00 | 20,232.94 |
| Utilities | 165,000.00 | 152,750.33 |
| Miscellaneous | 2,000.00 | 1,880.94 |
| Professional Services | 65,000.00 | 59,651.35 |
| Contractual Repairs/Bldg./Streets | 2,000.00 | 5,337.00 |
| Contractual Repairs/Bldg./Peck Park | 15,000.00 | 8,729.08 |
| Contractual Repairs/Bldg./Police | 15,000.00 | 17,118.37 |
| Contractual Repairs/Bldg./Fire | 40,000.00 | 26,198.48 |
| Contractual Repairs/Bldg./City Hall | 10,000.00 | 4,449.03 |
| Contractual Repairs/Bldg./Other | 100,000.00 | 106,280.60 |
| Contractual Repairs/Bldg./IVCC | --- | 50.88 |
| Equipment Leases | 1,500.00 | 281.00 |
| Land And Options | --- | 1,464.90 |
| Equipment | 15,000.00 | 9,247.46 |
| Construction In Progress | 25,000.00 | 16,375.49 |
| Construction In Progress/Riverwalk | 5,000.00 | 1,647.93 |
| Construction In Progress/Boat Docks | 10,000.00 | 3,247.56 |
| Construction In Progress/Fox River Park | --- | 2,000.00 |
| Construction In Progress/Walsh Park Improv. | 5,000.00 | --- |
| Construction In Progress/East Main | 20,000.00 | --- |
| Construction In Progress/Allen Park | 10,000.00 | 62.65 |
| | <hr/> | <hr/> |
| Total Department Of Parks And Public | | |
| Buildings | \$ 937,407.00 | \$ 896,817.40 |
| | <hr/> | <hr/> |
| Total General Fund Expenditures | \$ 14,700,315.00 | \$ 14,225,626.65 |
| | <hr/> <hr/> | <hr/> <hr/> |

City Of Ottawa, Illinois
Schedule Of Operating Revenues - Budget And Actual
Waterworks And Sewerage Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|------------------------------------|-----------------------|-----------------------|
| Water And Sewer Departments: | | |
| Charges For Services | | |
| Water And Sewer Revenue | \$4,055,723.00 | \$3,890,329.73 |
| Penalty Revenue | 36,652.00 | 34,076.48 |
| Tapping Fees | 40,000.00 | 34,000.00 |
| Sewer Extension Fees | --- | 409.68 |
| Watermain Extension Fees | 1,000.00 | --- |
| Bulk Water Revenue | 3,500.00 | 6,230.00 |
| New Water Meter Revenue | 15,000.00 | 11,980.34 |
| Sewer Assessment Revenue | --- | 14.16 |
| Sewer Connection Fees | 40,000.00 | 15,178.77 |
| Leachate Treatment Fees | 35,000.00 | 26,863.69 |
| Septic Dumping Fees | 28,000.00 | 28,925.00 |
| Laboratory Service Fees | 2,000.00 | 1,687.00 |
| Account Activation Fees | 10,000.00 | 7,525.00 |
| Utility Tax - Pilkington | --- | 153,451.12 |
| Miscellaneous Revenues | 11,500.00 | 23,405.10 |
| | <hr/> | <hr/> |
| Total Waterworks And Sewerage Fund | <u>\$4,278,375.00</u> | <u>\$4,234,076.07</u> |

City Of Ottawa, Illinois
Schedule Of Operating Expenses - Budget And Actual
Waterworks And Sewerage Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|--|----------------|----------------|
| Water Department: | | |
| Salaries - Administrative | \$ 79,000.00 | \$ 75,880.81 |
| Salaries - Clerical | 43,973.00 | 43,521.50 |
| Salaries - Professional | 20,000.00 | 20,000.00 |
| Salaries - Other Employees | 259,560.00 | 291,625.74 |
| Salaries - Part-Time | 10,000.00 | 12,351.07 |
| Salaries - Overtime | 20,000.00 | 28,386.22 |
| Clothing Allowance | 3,600.00 | 3,245.33 |
| Dues, Education, Seminars | 7,000.00 | 4,080.82 |
| Health And Life Insurance | 80,000.00 | 129,264.96 |
| Office Supplies | 30,000.00 | 30,284.35 |
| Operating Supplies | 260,000.00 | 287,802.01 |
| Repairs And Maintenance - Building And Other | 700,000.00 | 702,357.24 |
| Repairs And Maintenance - Equipment | --- | 5,927.46 |
| Repairs And Maintenance - Vehicles | 45,000.00 | 19,749.22 |
| Telephone And Pager | 7,000.00 | 4,481.81 |
| Postage | 15,000.00 | 14,692.85 |
| Gasoline And Diesel Fuel | 20,000.00 | 26,449.07 |
| Publishing | 8,000.00 | 28.55 |
| Utilities | 350,000.00 | 277,602.78 |
| Miscellaneous | 5,000.00 | 2,014.56 |
| Professional/Contractual Services | 60,000.00 | 111,048.70 |
| Operating Leases | --- | 2,121.87 |
| Administration Fees - CDAP Center St. Grant | --- | 5,250.00 |
| | <hr/> | <hr/> |
| Total Water Department | \$2,023,133.00 | \$2,098,166.92 |

City Of Ottawa, Illinois
Schedule Of Operating Expenses - Budget And Actual
Waterworks And Sewerage Fund
Year Ended April 30, 2011

| | <u>Budget</u> | <u>Actual</u> |
|---|----------------|----------------|
| Sewer Department: | | |
| Salaries - Administrative | \$ 86,262.00 | \$ 85,908.41 |
| Salaries - Clerical | 40,962.00 | 42,040.99 |
| Salaries - Professional | 20,000.00 | 20,000.00 |
| Salaries - Other Employees | 335,042.00 | 354,013.77 |
| Salaries - Part-Time | 15,000.00 | 12,112.62 |
| Salaries - Overtime | 9,000.00 | 5,700.95 |
| Clothing Allowance | 4,050.00 | 4,233.39 |
| Dues, Education, Seminars | 7,000.00 | 2,743.18 |
| Health And Life Insurance | 91,000.00 | 91,357.06 |
| Office Supplies | 3,000.00 | 604.39 |
| Operating Supplies | 28,000.00 | 49,644.36 |
| Repairs And Maintenance - Building And Other | 213,295.00 | 147,121.74 |
| Repairs And Maintenance - Vehicles | 10,000.00 | 9,355.11 |
| Telephone And Pager | 8,000.00 | 6,909.81 |
| Postage | 15,000.00 | 12,831.66 |
| Gasoline And Diesel Fuel | 17,000.00 | 20,836.80 |
| Publishing | 1,500.00 | --- |
| Utilities | 215,274.00 | 154,868.86 |
| Miscellaneous | 3,000.00 | 352.10 |
| Professional/Contractual Services | 135,000.00 | 49,155.12 |
| Operating Leases | 5,000.00 | 7,909.39 |
| | <hr/> | <hr/> |
| Total Sewer Department | \$1,262,385.00 | \$1,077,699.71 |
| | <hr/> | <hr/> |
| Total Waterworks And Sewerage Fund Before Depreciation | \$3,285,518.00 | \$3,175,866.63 |
| | <hr/> | <hr/> |
| Depreciation | --- | 1,201,040.00 |
| | <hr/> | <hr/> |
| Total Waterworks And Sewerage Fund | \$3,285,518.00 | \$4,376,906.63 |
| | <hr/> | <hr/> |

City Of Ottawa, Illinois
Schedule Of Tax Extensions, Collections, Revenues And Taxes Receivable
Year Ended April 30, 2011

| Tax Levy Year | 2010 | | 2009 | | 2008 | |
|-------------------------------|----------------------|------------------|------------------------|------------------|------------------------|------------------|
| Assessed Valuations | <u>\$302,009,184</u> | | <u>\$312,513,777</u> | | <u>\$311,822,649</u> | |
| Tax Rates And Extensions: | <u>Rate</u> | <u>Extension</u> | <u>Rate</u> | <u>Extension</u> | <u>Rate</u> | <u>Extension</u> |
| Corporate | 0.2500 | \$ 755,031.31 | 0.2500 | \$ 781,293.24 | 0.2500 | \$ 779,564.67 |
| Bonds And Interest | 0.0000 | --- | 0.0500 | 156,256.89 | 0.1644 | 512,636.43 |
| Illinois Municipal Retirement | 0.1590 | 480,194.60 | 0.1017 | 317,826.51 | 0.0855 | 266,608.36 |
| Fire Protection | 0.1500 | 453,013.78 | 0.1500 | 468,770.67 | 0.1500 | 467,733.97 |
| Firemen Pension | 0.2598 | 784,619.86 | 0.2597 | 811,598.28 | 0.2167 | 675,719.68 |
| Police Protection | 0.1500 | 453,013.78 | 0.1500 | 468,770.67 | 0.1500 | 467,733.97 |
| Police Pension | 0.1973 | 595,864.12 | 0.1769 | 552,836.87 | 0.1271 | 396,326.59 |
| Garbage | 0.0256 | 77,314.35 | 0.0233 | 72,815.71 | 0.0220 | 68,600.98 |
| Audit | 0.0206 | 62,213.89 | 0.0187 | 58,440.08 | 0.0176 | 54,880.79 |
| Insurance | 0.1830 | 552,676.81 | 0.1569 | 490,334.12 | 0.1483 | 462,432.99 |
| Street Lighting | 0.0500 | 151,004.59 | 0.0500 | 156,256.89 | 0.0500 | 155,911.32 |
| Playground | 0.0900 | 271,808.27 | 0.0900 | 281,262.40 | 0.0900 | 280,640.38 |
| Social Security | 0.1048 | 316,505.62 | 0.0828 | 258,761.41 | 0.0722 | 225,135.95 |
| School Crossing Guard | 0.0138 | 41,677.27 | 0.0127 | 39,689.25 | 0.0121 | 37,730.54 |
| Lease | 0.0034 | 10,268.31 | 0.0339 | 105,942.17 | 0.0320 | 99,783.25 |
| Totals | 1.6573 | \$ 5,005,206.56 | 1.6066 | \$ 5,020,855.16 | 1.5879 | \$ 4,951,439.87 |
| Collections | <u>\$ ---</u> | | <u>\$ 5,010,484.83</u> | | <u>\$ 4,926,557.73</u> | |
| Percent Collections | <u>0.00%</u> | | <u>99.79%</u> | | <u>99.50%</u> | |

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2011

| | Year Ending April 30 | Governmental Fund Types | | Total |
|--------------------------------|----------------------------|----------------------------|------------------------|------------------------|
| | | Principal | Interest | |
| General Obligation | 2012 | \$ 50,000.00 | \$ 9,440.00 | \$ 59,440.00 |
| Corporate Purpose Debt | 2013 | 50,000.00 | 7,080.00 | 57,080.00 |
| Certificate, Series 2006: | 2014 | 50,000.00 | 4,720.00 | 54,720.00 |
| Interest and principal payable | 2015 | 50,000.00 | 2,360.00 | 52,360.00 |
| November 10 of each year | | <u>\$ 200,000.00</u> | <u>\$ 23,600.00</u> | <u>\$ 223,600.00</u> |
| at a rate of 4.72% | | | | |
| | | | | |
| General Obligation | 2012 | \$ 410,000.00 | \$ 127,715.00 | \$ 537,715.00 |
| Corporate Purpose Debt | 2013 | 410,000.00 | 110,085.00 | 520,085.00 |
| Certificate (Limited Tax), | 2014 | 410,000.00 | 92,250.00 | 502,250.00 |
| Series 2007: | 2015 | 410,000.00 | 74,210.00 | 484,210.00 |
| Interest and principal pay- | 2016 | 410,000.00 | 55,965.00 | 465,965.00 |
| able on June 15 of each | 2017 | 410,000.00 | 37,515.00 | 447,515.00 |
| year at a rate varying | 2018 | 410,000.00 | 18,860.00 | 428,860.00 |
| from 4.15% to 4.60% | | <u>\$ 2,870,000.00</u> | <u>\$ 516,600.00</u> | <u>\$ 3,386,600.00</u> |
| | | | | |
| General Obligation | 2012 | \$ 642,000.00 | \$ 246,592.20 | \$ 888,592.20 |
| Corporate Purpose Debt | 2013 | 642,000.00 | 220,398.60 | 862,398.60 |
| Certificate (Limited Tax), | 2014 | 642,000.00 | 193,306.20 | 835,306.20 |
| Series 2008 Dated | 2015 | 642,000.00 | 164,223.60 | 806,223.60 |
| December 18, 2008: | 2016 | 642,000.00 | 133,985.40 | 775,985.40 |
| Interest and principal pay- | 2017 | 642,000.00 | 102,013.80 | 744,013.80 |
| able on December 1 of | 2018 | 642,000.00 | 68,822.40 | 710,822.40 |
| each year at a rate varying | 2019 | 642,000.00 | 34,860.60 | 676,860.60 |
| from 3.63% to 5.43% | | <u>\$ 5,136,000.00</u> | <u>\$ 1,164,202.80</u> | <u>\$ 6,300,202.80</u> |

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2011

| | Year Ending April 30 | Governmental Fund Types | | Total |
|-------------------------------|----------------------------|----------------------------|------------------------|------------------------|
| | | Principal | Interest | |
| Taxable General Obligation | 2012 | \$ --- | \$ 149,227.00 | \$ 149,227.00 |
| Recovery Zone Economic Bonds, | 2013 | --- | 149,227.00 | 149,227.00 |
| Series 2009 Dated | 2014 | --- | 149,227.00 | 149,227.00 |
| January 15, 2010; | 2015 | --- | 149,227.00 | 149,227.00 |
| Interest payable June 1 | 2016 | 120,000.00 | 149,227.00 | 269,227.00 |
| and December 1 of each | 2017 | 130,000.00 | 143,599.00 | 273,599.00 |
| year at a rate varying | 2018 | 135,000.00 | 136,865.00 | 271,865.00 |
| from 4.69% to 6.75% | 2019 | 140,000.00 | 129,656.00 | 269,656.00 |
| | 2020 | 150,000.00 | 121,970.00 | 271,970.00 |
| | 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>\$ 2,485,000.00</u> | <u>\$ 1,910,415.00</u> | <u>\$ 4,395,415.00</u> |
| General Obligation | 2012 | \$ 125,000.00 | \$ 139,750.00 | \$ 264,750.00 |
| Corporate Purpose Debt | 2013 | 125,000.00 | 107,110.00 | 232,110.00 |
| Certificate (Limited Tax), | 2014 | 125,000.00 | 102,420.00 | 227,420.00 |
| Series 2010 Dated | 2015 | 125,000.00 | 97,730.00 | 222,730.00 |
| September 1, 2010: | 2016 | 125,000.00 | 93,040.00 | 218,040.00 |
| Interest and principal pay- | 2017 | 125,000.00 | 88,350.00 | 213,350.00 |
| able on December 1 of | 2018 | 125,000.00 | 83,437.50 | 208,437.50 |
| each year at a rate varying | 2019 | 125,000.00 | 78,262.50 | 203,262.50 |
| from 3.752% to 5.330% | 2020 | 125,000.00 | 72,950.00 | 197,950.00 |
| | 2021 | 125,000.00 | 67,587.50 | 192,587.50 |
| | 2022 | 125,000.00 | 62,112.50 | 187,112.50 |
| | 2023 | 125,000.00 | 56,450.00 | 181,450.00 |
| | 2024 | 125,000.00 | 50,712.50 | 175,712.50 |
| | 2025 | 125,000.00 | 44,825.00 | 169,825.00 |
| | 2026 | 125,000.00 | 38,787.50 | 163,787.50 |
| | 2027 | 125,000.00 | 32,625.00 | 157,625.00 |
| | 2028 | 125,000.00 | 26,262.50 | 151,262.50 |
| | 2029 | 125,000.00 | 19,800.00 | 144,800.00 |
| | 2030 | 125,000.00 | 13,262.50 | 138,262.50 |
| | 2031 | 125,000.00 | 4,996.88 | 129,996.88 |
| | | <u>\$ 2,500,000.00</u> | <u>\$ 1,280,471.88</u> | <u>\$ 3,780,471.88</u> |

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2011

| | Year Ending April 30 | Waterworks And Sewerage Fund | | Total |
|-----------------------------------|----------------------------|---------------------------------|----------------------|------------------------|
| | | Principal | Interest | |
| Waterworks And Sewerage | 2012 | \$ 332,489.36 | \$ 120,841.90 | \$ 453,331.26 |
| Construction Loan: | 2013 | 342,218.32 | 111,112.94 | 453,331.26 |
| Payments adjusted to \$226,665.63 | 2014 | 352,231.96 | 101,099.30 | 453,331.26 |
| due February 15 and August 15 | 2015 | 362,538.62 | 90,792.64 | 453,331.26 |
| starting February 15, 2003, | 2016 | 373,146.86 | 80,184.40 | 453,331.26 |
| through February 15, 2022, with | 2017 | 384,065.49 | 69,265.77 | 453,331.26 |
| interest rate of 2.905% | 2018 | 395,303.63 | 58,027.63 | 453,331.26 |
| | 2019 | 406,870.59 | 46,460.67 | 453,331.26 |
| | 2020 | 418,776.03 | 34,555.23 | 453,331.26 |
| | 2021 | 431,029.82 | 22,301.44 | 453,331.26 |
| | 2022 | 443,642.25 | 9,689.01 | 453,331.26 |
| | | <u>\$ 4,242,312.93</u> | <u>\$ 744,330.93</u> | <u>\$ 4,986,643.86</u> |
| Sanitary Sewer Extension | | | | |
| Debt Certificate, Series 2005: | | | | |
| Payments monthly of \$17,500, | 2012 | \$ 218,225.71 | \$ 31,774.29 | \$ 250,000.00 |
| starting March 1, 2006, through | 2013 | 227,310.97 | 22,689.03 | 250,000.00 |
| March 1, 2015, except May | 2014 | 236,689.87 | 13,310.13 | 250,000.00 |
| of each year starting in 2007 | 2015 | 217,484.77 | 3,582.30 | 221,067.07 |
| when payment is \$57,500 at | | <u>\$ 899,711.32</u> | <u>\$ 71,355.75</u> | <u>\$ 971,067.07</u> |
| a rate of 4.05% | | | | |
| Waterworks And Sewerage | 2012 | \$ 60,686.75 | \$ 27,954.11 | \$ 88,640.86 |
| Construction Loan: | 2013 | 62,213.40 | 26,427.46 | 88,640.86 |
| Payments of \$65,704.30 | 2014 | 63,778.46 | 24,862.40 | 88,640.86 |
| on October 30, 2007, then | 2015 | 65,382.88 | 23,257.98 | 88,640.86 |
| payments of \$44,320.43 due | 2016 | 67,027.67 | 21,613.19 | 88,640.86 |
| April 30 and October 30 | 2017 | 68,713.83 | 19,927.03 | 88,640.86 |
| starting April 30, 2008 | 2018 | 70,442.41 | 18,198.45 | 88,640.86 |
| through October 30, 2026, | 2019 | 72,214.48 | 16,426.38 | 88,640.86 |
| with interest rate of 2.50% | 2020 | 74,031.12 | 14,609.74 | 88,640.86 |
| | 2021 | 75,893.47 | 12,747.39 | 88,640.86 |
| | 2022 | 77,802.67 | 10,838.19 | 88,640.86 |
| | 2023 | 79,759.90 | 8,880.96 | 88,640.86 |
| | 2024 | 81,766.35 | 6,874.51 | 88,640.86 |
| | 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>\$ 1,133,241.93</u> | <u>\$ 240,691.40</u> | <u>\$ 1,373,933.33</u> |

City Of Ottawa, Illinois
Schedule Of Debt Service Requirements
April 30, 2011

| | <u>Year Ending April 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------|-------------------------------------|----------------------|---------------------|----------------------|
| Installment Note - | 2012 | \$ 78,618.03 | \$ 9,059.61 | \$ 87,677.64 |
| Dated June 16, 2009: | 2013 | 81,765.62 | 5,912.02 | 87,677.64 |
| 60 Monthly Payments of | 2014 | 85,015.03 | 2,662.61 | 87,677.64 |
| \$7,306.47 with interest | 2015 | 21,778.14 | 141.27 | 21,919.41 |
| rate of 3.85% | | <u>\$ 267,176.82</u> | <u>\$ 17,775.51</u> | <u>\$ 284,952.33</u> |

| | | | | |
|--------------------------|------|----------------------|---------------------|----------------------|
| Installment Note - | 2012 | \$ 29,658.86 | \$ 8,104.42 | \$ 37,763.28 |
| Dated July 16, 2009: | 2013 | 30,939.59 | 6,823.69 | 37,763.28 |
| 96 Monthly Payments of | 2014 | 32,253.78 | 5,509.50 | 37,763.28 |
| \$3,146.94 with interest | 2015 | 33,623.78 | 4,139.50 | 37,763.28 |
| rate of 4.11% | 2016 | 35,046.03 | 2,717.25 | 37,763.28 |
| | 2017 | 36,540.60 | 1,222.68 | 37,763.28 |
| | 2018 | 9,375.88 | 64.94 | 9,440.82 |
| | | <u>\$ 207,438.52</u> | <u>\$ 28,581.98</u> | <u>\$ 236,020.50</u> |

City Of Ottawa, Illinois
Schedule Of Expenditures Of Federal Awards
Year Ended April 30, 2011

| <u>Federal Grantor/Pass-Through Grantor</u> | <u>CFDA Number</u> | <u>State/Agency Project Number</u> | <u>Revenues 5/1/10 - 4/30/11</u> | <u>Expenditures</u> | <u>Budget</u> |
|--|------------------------|--|--------------------------------------|-----------------------|----------------|
| U.S. Environmental Protection Agency Passed Through Illinois Environmental Protection Agency | | | | | |
| Water Revolving Fund | 66.458 | L17050300 | \$3,860,147.00 | \$3,860,147.00 | \$3,860,147.00 |
| U.S. Department of Housing and Urban Development Passed Through Illinois Department Of Commerce & Economic Opportunity | | | | | |
| CDAP Public Infrastructure Grant | 14.228 | 10-242015 | 5,250.00 | 5,250.00 | 350,000.00 |
| CDAP Planning Grant For Historic Preservation/ Economic Development | 14.228 | 09-240015 | 18,750.00 | 18,750.00 | 56,250.00 |
| U.S. Federal Highways Administration Agency Passed Through Illinois Department Of Transportation | | | | | |
| Highway Planning & Construction Grants | 20.205 | TE-00D3(060) | 28,061.60 | 28,061.60 | 28,061.60 |
| U.S. National Highway Traffic Safety Administration Passed Through Illinois Department Of Transportation | | | | | |
| Safe Routes To School Grant | 20.601 | OPO4450624 | 4,306.55 | 4,306.55 | 4,306.55 |
| U.S. Environmental Protection Agency | | | | | |
| Brownfields Assessment And Cleanup Cooperative Agreements | 66.818 | BF- 00E61101-0 | 259,080.07 | 259,080.07 | 259,080.07 |
| U.S. Department Of Homeland Security Federal Emergency Management Agency | | | | | |
| Assistance To Firefighters Grant | 97.044 | EMW-2009- F0-03953 | 113,620.00 | 113,620.00 | 113,620.00 |
| Total Federal Financial Assistance | | | <u>\$4,289,215.22</u> | <u>\$4,289,215.22</u> | |

City Of Ottawa, Illinois
Notes To The Schedule Of Expenditures Of Federal Awards (SEFA)
Year Ended April 30, 2011

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Ottawa, Illinois, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* . Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Subrecipients

Of the federal disbursements presented in the schedule, the City of Ottawa, Illinois, provided no federal awards to subrecipients.

City Of Ottawa, Illinois
Schedule Of Findings And Questioned Costs
Year Ended April 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Qualified
(Unqualified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material weakness(es) identified? X YES NO

Significant Deficiency(s) identified that are not considered to be material weakness(es) YES X None Reported

Noncompliance material to financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

Material weakness(es) identified? YES X NO

Significant Deficiency(s) identified that are not considered to be material weakness(es) YES X None Reported

Type of auditor's report issued on compliance for major programs:

Unqualified
(Unqualified, Qualified, Adverse, Disclaimer)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)? YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:

CFDA NUMBER

66.458

NAME OF FEDERAL PROGRAM OR CLUSTER

Water Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? YES X NO

City Of Ottawa, Illinois
Schedule Of Findings And Questioned Costs
Year Ended April 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER: 1 2. THIS FINDING IS: New X Repeat from Prior Year?
Year originally reported: 2009

3. Criteria or specific requirement

The City must have functioning internal controls over external financial reporting.

4. Condition

The City relies upon the auditor for this expertise.

5. Context

It was determined that management did not have the expertise necessary to develop materially correct external financial statements.

6. Effect

Management may not be able to detect material errors and omissions to its financial statements.

7. Cause

The City has no current employees familiar with all requirements of external financial reporting.

8. Recommendation

We recommend that management considers training in financial reporting to allow them to be able to file their own financial statements.

9. Management's response

The cost of training will be considered, if it is cost effective.

City Of Ottawa, Illinois
Summary Schedule Of Prior Audit Findings
Year Ended April 30, 2011

| <u>Finding Number</u> | <u>Condition</u> | <u>Current Status</u> |
|-----------------------|---|-----------------------|
| 1 | No functioning internal controls over external financial reporting. | Ongoing |

City Of Ottawa, Illinois
Corrective Action Plan For Current Year Audit Findings
Year Ended April 30, 2011

Corrective Action Plan

Finding No.: 1

Condition:

The City does not have functioning internal controls over external financial reporting.

Plan:

Familiarize our staff with financial reporting requirements to the extent possible.

Anticipated Date of Completion: Ongoing

Name of Contact Person: Robert Eschbach

Management Response: The cost of training personnel will be considered, if cost effective.