

CITY OF HILL CITY, KANSAS

Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report

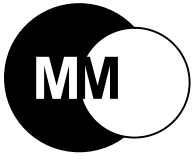
For the Year Ended December 31, 2017

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CITY OF HILL CITY, KANSAS
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To Honorable Mayor and City Council
City of Hill City
Hill City, Kansas 67642

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Hill City, Kansas, a Municipality, as of and for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Hill City, Kansas, as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Hill City, Kansas, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Other Matters

Supplementary Information

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

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
July 16, 2018

CITY OF HILL CITY, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

STATEMENT 1
Page 1

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Fund	\$ 425,772	737,061	671,560	491,273	2,192	493,465
Special Purpose Funds						
Airport Fund	57,884	43,019	43,243	57,660	1,360	59,020
Special City Highway Fund	30,081	38,950	23,364	45,667	0	45,667
Employee Benefits Fund	86,449	144,253	125,528	105,174	0	105,174
Special Parks and Recreation Fund	168,201	3,668	31,356	140,513	0	140,513
Equipment Reserve Fund	274,008	124,000	92,715	305,293	0	305,293
Capital Improvements Fund	420,182	105,437	70,014	455,605	0	455,605
Recreation Commission Fund	0	6	6	0	0	0
LE Seizure Trust Fund	961	168	0	1,129	0	1,129
Crime Prevention Fund	2,703	1,050	3,061	692	0	692
Tree and Park Fund	189	0	0	189	0	189
Ball Complex Lights Fund	20,471	0	0	20,471	0	20,471
Housing Grant Fund	1,966	0	0	1,966	0	1,966
Donations Fund	500	3,825	0	4,325	0	4,325
Industrial Park Lot Fund	7,500	0	0	7,500	0	7,500
Diversion Fund	985	0	0	985	0	985
Tort Liability Fund	58,470	0	0	58,470	0	58,470
Fema Disaster #1885 Fund	2,964	0	0	2,964	0	2,964
Swimming Pool Reserve Fund	22,252	6,210	0	28,462	0	28,462

The notes to the financial statement are an integral part of this statement.

CITY OF HILL CITY, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

STATEMENT 1
Page 2

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund						
Airport Bond and Interest Fund	9,152	44,435	47,026	6,561	0	6,561
Capital Project Funds						
Airport Runway Fund	50,956	0	0	50,956	0	50,956
Water Improvement Project Fund	25,548	0	0	25,548	0	25,548
Park Project Fund	0	1,492	1,492	0	0	0
Water Capital Improvement Fund	0	382,680	0	382,680	0	382,680
Business Funds						
Light Utility Fund	124,298	2,034,580	1,965,781	193,097	108,988	302,085
Water Utility Fund	836,503	441,948	389,301	889,150	1,990	891,140
Sewer Utility Fund	272,175	295,931	288,840	279,266	415	279,681
Golf Course Fund	2,458	37,674	38,658	1,474	0	1,474
Light Emergency Maintenance Fund	95,000	0	0	95,000	0	95,000
Light and Water Surplus Fund	4,916	0	0	4,916	0	4,916
Sewer Reserve Fund	63,619	134,000	133,668	63,951	0	63,951
Customer Deposits Fund	0	6,264	6,264	0	11,179	11,179
Total Reporting Entity	<u>\$ 3,066,163</u>	<u>4,586,651</u>	<u>3,931,877</u>	<u>3,720,937</u>	<u>126,124</u>	<u>3,847,061</u>

Compositon of Cash	Cash on Hand	\$ 100
	Checking Accounts - First State Bank	44,041
	Checking Account - Citizens State Bank	2,872,364
	Certificates of Deposit - First State Bank	360,185
	Certificates of Deposit - Solutions North Bank	570,371
	Total Reporting Entity	<u>\$ 3,847,061</u>

The notes to the financial statement are an integral part of this statement.

CITY OF HILL CITY, KANSAS
Notes to the Financial Statement
December 31, 2017

1. Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Hill City, Kansas, is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Hill City (the municipality). The following related municipal entity is not included in the financial statement:

Housing Authority. The City of Hill City Housing Authority operates the City's public housing facilities. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The governing body of the housing authority is appointed by the City. The audited financial statements for the Hill City Housing Authority may be obtained from the Executive Director, Hill City Housing Authority, Hill City, KS 67642.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017:

General Fund – the chief operating fund, used to account for all resources except those required to be accounted for in another fund.

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

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

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

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditures authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Equipment Reserve Fund, Capital Improvements Fund, LE Seizure Trust Fund, Crime Prevention Fund, Tree and Park Fund, Law Enforcement Training Fund, Ball Complex Lights Fund, Housing Grant Fund, Donations Fund, Industrial Park Lot Fund, Diversion Fund, Tort Liability Fund, the Fema Disaster #1885 Fund and the Swimming Pool Reserve Fund; and the following business funds: Emergency Maintenance Fund, Light and Water Surplus Fund, Sewer Reserve Fund, Sewer Construction Fund, and Customer Deposits Fund.

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

2. Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

No statute violations noted during 2017.

3. Deposits and Investments

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

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

Concentration of Credit Risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investments consist solely of certificates of deposits.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not use "peak periods" during 2017. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$3,846,961, and the bank balance was \$3,908,817. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$796,227 was covered by federal depository insurance and \$3,112,590 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

4. Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City of Hill City were \$53,263 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the city's proportionate share of the collective net pension liability reported by KPERS was \$490,621. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The city's proportion of the net pension liability was based on the ratio of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

5. Other Long-Term Obligations from Operations

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the municipality makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences. Full-time employees earn one day of vacation leave for each month worked. Employees who have been employed by the City for ten or more years earn 1 ¼ days of vacation leave per month. No vacation shall be taken until an employee has worked 12 consecutive, uninterrupted months. Permanent part-time employees who work 20 hours or more per week earn ½ day of vacation leave per month. Carryover of vacation leave from one year to the next is not permitted without authorization by the City Superintendent.

Full-time employees earn one day of sick leave for each month worked. Part-time employees who work 20 hours or more per week earn ½ day of sick leave per month. No more than 120 days of sick leave may accrue. Unused sick leave is not paid upon termination of employment with the City except upon retirement. All full-time City employees who retire and receive benefits pursuant to the Kansas Public Retirement System are entitled to a lump-sum cash payment equal to \$20 for each day of unused sick leave.

6. Capital Projects

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

Project	Project Authorization	Expenditures to Date
Airport Runway	\$4,043,151	\$3,858,884
Water Improvement Project	842,250	663,368
Park Project	200,027	200,027
Water Capital Improvement	382,680	0

7. Interfund Transfers

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes.

The City's operating transfers and regulatory authority for December 31, 2017, were as follows:

From	To	Regulatory Authority	Amount
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 50,000
General Fund	Capital Improvements Fund	K.S.A. 12-1,118	55,437
Light Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	64,000
Light Utility Fund	Capital Improvements Fund	K.S.A. 12-825d	50,000
Sewer Utility Fund	Employee Benefits Fund	K.S.A. 12-825d	10,000
Sewer Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	10,000
Sewer Utility Fund	Light Utility Fund	K.S.A. 12-825d	20,279
Sewer Utility Fund	Sewer Reserve Fund	K.S.A. 12-825d	134,000
Sewer Utility Fund	Swimming Pool Reserve Fund	K.S.A. 12-825d	6,210
Sewer Utility Fund	General	K.S.A. 12-825d	6,210

8. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event.

Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust's management.

The City continues to carry commercial insurance for all other risks of loss, including property, liability, and automobiles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. Claims and Judgments

The City participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

During the ordinary course of its operations the City is a party to various claims, legal actions, and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

10. Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

11. Long-term Debt

Changes in long-term liabilities for the City of Hill City, Kansas, for the year ended December 31, 2017, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Airport Improvement Bonds	3.25-5.50%	08/15/02	\$ 500,000	09/01/17	\$ 45,000	0	45,000	0	2,025
KDHE Loans:									
Water Improvement Loan	3.44%	12/05/05	2,360,731	02/01/28	1,546,958	0	111,752	1,435,206	52,262
Water Improvement Loan	3.47%	11/18/09	421,125	08/01/31	209,105	0	10,837	198,268	7,163
Sewer Construction Loan	2.50%	10/25/11	4,999,110	03/01/33	1,885,252	0	87,078	1,798,174	46,590
Total Contractual Indebtedness					\$ <u>3,686,315</u>	<u>0</u>	<u>254,667</u>	<u>3,431,648</u>	<u>108,040</u>

11. Long-term Debt (continued)

Current maturities of long-term debt for the City of Hill City, Kansas through maturity are as follows:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023-2027</u>	<u>2028-2032</u>	<u>2033-2037</u>	<u>Total</u>
Principal									
General Obligation Bonds:									
Airport Improvement Bonds	\$ 0	0	0	0	0	0	0	0	0
KDHE Loans:									
Water Improvement Loan	115,629	119,641	123,792	128,087	132,531	734,905	80,621	0	1,435,206
Water Improvement Loan	11,216	11,609	12,015	12,435	12,871	71,435	66,687	0	198,268
Sewer Construction Loan	89,269	91,514	93,817	96,177	98,596	531,456	601,752	195,593	1,798,174
Total Principal	216,114	222,764	229,624	236,699	243,998	1,337,796	749,060	195,593	3,431,648
Interest									
General Obligation Bonds:									
Airport Improvement Bonds	0	0	0	0	0	0	0	0	0
KDHE Loans:									
Water Improvement Loan	48,385	44,373	40,222	35,927	31,483	85,166	1,387	0	286,943
Water Improvement Loan	6,783	6,391	5,985	5,564	5,129	18,563	5,311	0	53,726
Sewer Construction Loan	44,400	42,154	39,852	37,492	35,073	136,886	66,590	4,910	407,357
Total Interest	99,568	92,918	86,059	78,983	71,685	240,615	73,288	4,910	748,026
Total Principal and Interest	<u>\$ 315,682</u>	<u>315,682</u>	<u>315,683</u>	<u>315,682</u>	<u>315,683</u>	<u>1,578,411</u>	<u>822,348</u>	<u>200,503</u>	<u>4,179,674</u>

CITY OF HILL CITY, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

CITY OF HILL CITY, KANSAS

SCHEDULE 1

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
Governmental Type Funds:					
General Fund	\$ 842,037	0	842,037	671,560	(170,477)
Special Purpose Funds					
Airport Fund	77,689	114	77,803	43,243	(34,560)
Special City Highway Fund	42,389	0	42,389	23,364	(19,025)
Employee Benefits Fund	173,200	0	173,200	125,528	(47,672)
Special Parks and Recreation Fund	92,972	0	92,972	31,356	(61,616)
Equipment Reserve Fund	208,287	0	208,287	92,715	*
Capital Improvements Fund	269,000	0	269,000	70,014	**
Recreation Commission Fund	371	0	371	6	(365)
LE Seizure Trust Fund	806	0	806	0	***
Bond and Interest Fund					
Airport Bond and Interest Fund	47,535	0	47,535	47,026	(509)
Business Funds:					
Light Utility Fund	2,169,720	0	2,169,720	1,965,781	(203,939)
Water Utility Fund	517,853	0	517,853	389,301	(128,552)
Sewer Utility Fund	338,484	0	338,484	288,840	(49,644)
Golf Course Fund	39,100	0	39,100	38,658	(442)
Light Emergency Maintenance Fund	47,500	0	47,500	0	****

* Exempt from the Budget Law K.S.A. 12-1,117.

** Exempt from the Budget Law K.S.A. 12-1,118.

*** Exempt from the Budget Law K.S.A. 60-4114d (2).

**** Exempt from the Budget Law K.S.A. 12-825d.

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2

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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 318,248	319,178	(930)
Delinquent Tax	12,735	0	12,735
Motor Vehicle Tax	57,285	46,142	11,143
Recreational Vehicle Tax	1,058	1,294	(236)
16/20M Vehicle Tax	493	578	(85)
Commercial Vehicle Tax	0	1,031	(1,031)
Sales and Compensating Use Tax	283,642	250,000	33,642
Local Liquor Tax	3,409	3,800	(391)
Licenses, Permits, and Fines			
Franchise Fees	24,685	17,500	7,185
Licenses and Permits	3,155	2,200	955
Court Fines	1,546	3,000	(1,454)
Dog Pound Fees	144	50	94
Charges for Services			
Swimming Pool	395	350	45
Cemetery	1,907	1,500	407
Interest on Idle Funds	8,412	2,400	6,012
Miscellaneous	6,073	0	6,073
Recycling Center	5,613	2,500	3,113
Reimbursements	2,051	0	2,051
Transfer from Sewer Utility (For Swimming Pool)	6,210	0	6,210
Total Receipts	<u>737,061</u>	<u>651,523</u>	<u>85,538</u>

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
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SCHEDULE 2

Page 2

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Expenditures:			
General Administration			
Personal Services	\$ 542	5,000	(4,458)
Contractual Services	40,098	74,000	(33,902)
Commodities	4,402	20,000	(15,598)
Miscellaneous	7,524	0	7,524
Alcohol Appropriation	500	2,000	(1,500)
	<u>53,066</u>	<u>101,000</u>	<u>(47,934)</u>
Total General Administration			
Police Department			
Personal Services	187,035	189,500	(2,465)
Contractual Services	59,302	57,443	1,859
Commodities	12,970	30,700	(17,730)
Capital Outlay	1,228	1,200	28
Miscellaneous	58	0	58
	<u>260,593</u>	<u>278,843</u>	<u>(18,250)</u>
Total Police Department			
Legal			
Personal Services	16,771	23,500	(6,729)
Contractual Services	1,628	1,780	(152)
Commodities	0	800	(800)
Capital Outlay	0	4,100	(4,100)
	<u>18,399</u>	<u>30,180</u>	<u>(11,781)</u>
Total Legal			
Airport, Parks, and Cemetery			
Personal Services	44,477	48,900	(4,423)
Contractual Services	5,785	13,000	(7,215)
Commodities	18,739	28,000	(9,261)
	<u>69,001</u>	<u>89,900</u>	<u>(20,899)</u>
Total Airport, Parks, and Cemetery			

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Fire Department			
Personal Services	\$ 8,455	8,975	(520)
Contractual Services	7,104	9,000	(1,896)
Commodities	1,332	3,900	(2,568)
Capital Outlay	2,624	6,600	(3,976)
	<u>19,515</u>	<u>28,475</u>	<u>(8,960)</u>
Total Fire Department			
Street Department			
Personal Services	33,461	40,560	(7,099)
Contractual Services	22,979	27,500	(4,521)
Commodities	30,918	75,000	(44,082)
Miscellaneous	500	0	500
	<u>87,858</u>	<u>143,060</u>	<u>(55,202)</u>
Total Street Department			
Oil Museum			
Contractual Services	626	750	(124)
Swimming Pool			
Personal Services	32,107	31,800	307
Contractual Services	4,992	4,500	492
Commodities	18,894	15,500	3,394
	<u>55,993</u>	<u>51,800</u>	<u>4,193</u>
Total Swimming Pool			
Scout House			
Contractual Services	1,072	1,500	(428)
Commodities	0	0	0
	<u>1,072</u>	<u>1,500</u>	<u>(428)</u>
Total Swimming Pool			

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2

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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Other			
Miscellaneous	\$ 0	1,092	(1,092)
Golf Course	0	0	0
Airport	0	10,000	(10,000)
	<u>0</u>	<u>11,092</u>	<u>(11,092)</u>
Total Other			
Operating Transfers			
Transfer to Equipment Reserve Fund	50,000	50,000	0
Transfer to Capital Improvements Fund	55,437	55,437	0
	<u>105,437</u>	<u>105,437</u>	<u>0</u>
Total Operating Transfers			
	<u>671,560</u>	<u>842,037</u>	<u>(170,049)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	65,501		
Unencumbered Cash, Beginning	<u>425,772</u>		
Unencumbered Cash, Ending	<u>\$ 491,273</u>		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 5

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Airport Fund			
Receipts:			
Rent	\$ 2,420	3,000	(580)
Farm Income	5,949	0	5,949
Fuel	34,531	43,470	(8,939)
Miscellaneous	5	0	5
Reimbursements	114	0	114
	<u>43,019</u>	<u>46,470</u>	<u>(3,451)</u>
Total Receipts	<u>43,019</u>	<u>46,470</u>	<u>(3,451)</u>
Expenditures:			
Contractual Services	11,738	9,000	2,738
Commodities	31,456	60,000	(28,544)
Capital Outlay	0	8,689	(8,689)
Miscellaneous	49	0	49
Adjustment for Qualifying Budget Credit:			
Reimbursed Expenses	0	114	(114)
	<u>43,243</u>	<u>77,803</u>	<u>(34,560)</u>
Total Expenditures	<u>43,243</u>	<u>77,803</u>	<u>(34,560)</u>
Receipts Over (Under) Expenditures	(224)		
Unencumbered Cash, Beginning	<u>57,884</u>		
Unencumbered Cash, Ending	<u>\$ 57,660</u>		

CITY OF HILL CITY, KANSAS
 Special Purpose Funds
 Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2

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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Special City Highway Fund			
Receipts:			
Intergovernmental	\$ <u>38,950</u>	<u>37,740</u>	<u>1,210</u>
Expenditures:			
Contractual Services	3,114	15,389	(12,275)
Commodities	20,250	27,000	(6,750)
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>23,364</u>	<u>42,389</u>	<u>(19,025)</u>
Receipts Over (Under) Expenditures	15,586		
Unencumbered Cash, Beginning	<u>30,081</u>		
Unencumbered Cash, Ending	\$ <u><u>45,667</u></u>		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Employee Benefits Fund			
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 112,440	112,841	(401)
Delinquent Tax	4,019	0	4,019
Motor Vehicle Tax	17,359	13,983	3,376
Recreational Vehicle Tax	321	392	(71)
16/20M Vehicle Tax	114	142	(28)
Commercial Vehicle	0	312	(312)
Transfer from Sewer Utility Fund	10,000	10,000	0
Total Receipts	<u>144,253</u>	<u>137,670</u>	<u>6,583</u>
Expenditures:			
Social Security / Medicare Tax	23,771	26,200	(2,429)
KPERs	22,140	32,000	(9,860)
Health Insurance Premiums	78,887	114,000	(35,113)
Unemployment Tax	730	1,000	(270)
Total Expenditures	<u>125,528</u>	<u>173,200</u>	<u>(47,672)</u>
Receipts Over (Under) Expenditures	18,725		
Unencumbered Cash, Beginning	<u>86,449</u>		
Unencumbered Cash, Ending	<u>\$ 105,174</u>		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2

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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Special Parks and Recreation Fund			
Receipts:			
Taxes			
Delinquent Tax	\$ 259	0	259
Local Liquor Tax	3,409	4,200	(791)
	<u>3,668</u>	<u>4,200</u>	<u>(532)</u>
Total Receipts	<u>3,668</u>	<u>4,200</u>	<u>(532)</u>
Expenditures:			
Personal Services	16,733	21,000	(4,267)
Contractual Services	0	14,707	(14,707)
Commodities	10,114	11,791	(1,677)
Capital Outlay	4,509	32,000	(27,491)
Golf Course	0	13,474	(13,474)
	<u>31,356</u>	<u>92,972</u>	<u>(61,616)</u>
Total Expenditures	<u>31,356</u>	<u>92,972</u>	<u>(61,616)</u>
Receipts Over (Under) Expenditures	(27,688)		
Unencumbered Cash, Beginning	<u>168,201</u>		
Unencumbered Cash, Ending	\$ <u>140,513</u>		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
Equipment Reserve Fund			
Receipts:			
Transfer from General Fund	\$ 50,000	50,000	0
Transfer from Light Utility Fund	64,000	64,000	0
Transfer from Sewer Utility Fund	10,000	10,000	0
	<u>124,000</u>	<u>124,000</u>	<u>0</u>
Total Receipts			
Expenditures:			
Sewer Equipment	11,775	47,000	(35,225)
Police Equipment	18,440	24,637	(6,197)
Street	21,152	46,800	(25,648)
Light Equipment	0	37,150	(37,150)
Water Equipment	0	21,200	(21,200)
Fire	9,990	12,500	(2,510)
Swimming Pool	0	6,000	(6,000)
Airport, Parks, Cemetery	31,358	13,000	18,358
	<u>92,715</u>	<u>208,287</u>	<u>(115,572)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	31,285		
Unencumbered Cash, Beginning	<u>274,008</u>		
Unencumbered Cash, Ending	<u>\$ 305,293</u>		

* Exempt from the Budget Law K.S.A. 12-1,117.

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
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	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
Capital Improvements Fund			
Receipts:			
Transfer from General Fund	\$ 55,437	55,437	0
Transfer from Light Utility Fund	50,000	50,000	0
Reimbursed Expense	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	<u>105,437</u>	<u>105,437</u>	<u>0</u>
Expenditures:			
Street Repair	950	85,000	(84,050)
Lights Capital Improvements	25,487	10,000	15,487
Water Capital Improvements	15,385	45,000	(29,615)
Curb, Gutter, and Sidewalks	26,192	40,000	(13,808)
Cemetery	0	5,000	(5,000)
Demo Match	0	32,000	(32,000)
Improve Dist. System	0	20,000	(20,000)
Update St. Lights - LED	0	32,000	(32,000)
Other Capital Improvements	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Expenditures	<u>70,014</u>	<u>269,000</u>	<u>(198,986)</u>
Receipts Over (Under) Expenditures	35,423		
Unencumbered Cash, Beginning	<u>420,182</u>		
Unencumbered Cash, Ending	<u>\$ 455,605</u>		

* Exempt from the Budget Law K.S.A. 12-1,118.

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Recreation Commission Fund			
Receipts:			
Taxes			
Delinquent Tax	\$ <u>6</u>	<u>13</u>	<u>(7)</u>
Expenditures:			
Appropriations	<u>6</u>	<u>371</u>	<u>(365)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

CITY OF HILL CITY, KANSAS
 Special Purpose Funds
 Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
LE Seizure Trust Fund			
Receipts:			
Other Revenue	\$ <u>168</u>	<u>100</u>	<u>68</u>
Expenditures:			
Contractual Services	<u>0</u>	<u>806</u>	<u>(806)</u>
Receipts Over (Under) Expenditures	<u>168</u>		
Unencumbered Cash, Beginning	<u>961</u>		
Unencumbered Cash, Ending	\$ <u><u>1,129</u></u>		

* Exempt from the Budget Law K.S.A. 60-4114d (2).

CITY OF HILL CITY, KANSAS
 Special Purpose Funds
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
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SCHEDULE 2
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	<u>Actual</u>
Crime Prevention Fund	
Receipts	\$ <u>1,050</u>
Expenditures	<u>3,061</u>
Receipts Over (Under) Expenditures	(2,011)
Unencumbered Cash, Beginning	<u>2,703</u>
Unencumbered Cash, Ending	\$ <u><u>692</u></u>
 Tree and Park Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>189</u>
Unencumbered Cash, Ending	\$ <u><u>189</u></u>

CITY OF HILL CITY, KANSAS
 Special Purpose Funds
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
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SCHEDULE 2
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	<u>Actual</u>
Ball Complex Lights Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>20,471</u>
Unencumbered Cash, Ending	\$ <u><u>20,471</u></u>
 Housing Grant Fund	
Receipts	
Federal Aid	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>1,966</u>
Unencumbered Cash, Ending	\$ <u><u>1,966</u></u>

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>
Donations Fund	
Receipts	\$ <u>3,825</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	3,825
Unencumbered Cash, Beginning	<u>500</u>
Unencumbered Cash, Ending	<u><u>\$ 4,325</u></u>
 Industrial Park Lot Fund	
Receipts:	
Lot sales	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>7,500</u>
Unencumbered Cash, Ending	<u><u>\$ 7,500</u></u>
 Diversion Fund	
Receipts:	
Diversion Fines	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>985</u>
Unencumbered Cash, Ending	<u><u>\$ 985</u></u>

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>
Tort Liability Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>58,470</u>
Unencumbered Cash, Ending	<u><u>\$ 58,470</u></u>
 Fema Disaster #1885 Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>2,964</u>
Unencumbered Cash, Ending	<u><u>\$ 2,964</u></u>
 Swimming Pool Reserve Fund	
Transfer from Sewer Utility Fund	\$ <u>6,210</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	6,210
Unencumbered Cash, Beginning	<u>22,252</u>
Unencumbered Cash, Ending	<u><u>\$ 28,462</u></u>

CITY OF HILL CITY, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Airport Bond and Interest Fund			
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 35,088	35,212	(124)
Delinquent Tax	1,445	0	1,445
Motor Vehicle Tax	7,720	6,219	1,501
Recreational Vehicle Tax	143	174	(31)
16/20M Vehicle Tax	39	0	39
Commercial Vehicle Tax	0	139	(139)
Total Receipts	<u>44,435</u>	<u>41,744</u>	<u>2,691</u>
Expenditures:			
Principal	45,000	45,000	0
Interest	2,025	2,025	0
Fees	1	10	(9)
Cash Basis Reserve	0	500	(500)
Total Expenditures	<u>47,026</u>	<u>47,535</u>	<u>(509)</u>
Receipts Over (Under) Expenditures	(2,591)		
Unencumbered Cash, Beginning	<u>9,152</u>		
Unencumbered Cash, Ending	<u>\$ 6,561</u>		

CITY OF HILL CITY, KANSAS
 Capital Project Funds
 Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>
Airport Runway Fund	
Receipts:	
FAA Grant	\$ <u>0</u>
Expenditures:	
Airport Project	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>50,956</u>
Unencumbered Cash, Ending	<u>\$ 50,956</u>
 Water Improvement Project Fund	
Receipts	\$ <u>0</u>
Expenditures:	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>25,548</u>
Unencumbered Cash, Ending	<u>\$ 25,548</u>
 Park Project Fund	
Receipts:	
State of Kansas	\$ <u>1,492</u>
Expenditures:	
Park Project	<u>1,492</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>
 Water Capital Improvement Fund	
Receipts:	
Reimbursed Expense	\$ <u>382,680</u>
Expenditures:	
Water Project	<u>0</u>
Receipts Over (Under) Expenditures	382,680
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 382,680</u>

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Light Utility Fund			
Receipts:			
Charges for Services	\$ 1,969,686	2,095,000	(125,314)
Other Sales and Services	2,053	2,000	53
Miscellaneous	40,068	20,000	20,068
Reimbursements	2,494	0	2,494
Transfer from Sewer Utility Fund	20,279	20,279	0
	<u>2,034,580</u>	<u>2,137,279</u>	<u>(102,699)</u>
Total Receipts	<u>2,034,580</u>	<u>2,137,279</u>	<u>(102,699)</u>
Expenditures:			
General and Administration			
Personal Services	262,229	273,500	(11,271)
Contractual Services	39,817	52,500	(12,683)
Commodities	10,111	16,000	(5,889)
Sales Tax	65,503	60,000	5,503
Miscellaneous	4,513	0	4,513
	<u>382,173</u>	<u>402,000</u>	<u>(19,827)</u>
Total General and Administration	<u>382,173</u>	<u>402,000</u>	<u>(19,827)</u>
Production			
Personal Services	67,685	70,720	(3,035)
Contractual Services	72,334	40,000	32,334
Commodities	15,312	12,500	2,812
Miscellaneous	0	0	0
Purchased Power	1,122,646	1,337,500	(214,854)
	<u>1,277,977</u>	<u>1,460,720</u>	<u>(182,743)</u>
Total Production	<u>1,277,977</u>	<u>1,460,720</u>	<u>(182,743)</u>

CITY OF HILL CITY, KANSAS
 Business Funds
 Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Light Utility Fund (Continued)			
Distribution			
Personal Services	\$ 123,466	115,500	7,966
Contractual Services	31,490	27,500	3,990
Commodities	36,675	50,000	(13,325)
	<u>191,631</u>	<u>193,000</u>	<u>(1,369)</u>
Operating Transfers			
Transfer to Equipment Reserve Fund	64,000	64,000	0
Transfer to Capital Improvements Fund	50,000	50,000	0
	<u>114,000</u>	<u>114,000</u>	<u>0</u>
Total Expenditures	<u>1,965,781</u>	<u>2,169,720</u>	<u>(203,939)</u>
Receipts Over (Under) Expenditures	68,799		
Unencumbered Cash, Beginning	<u>124,298</u>		
Unencumbered Cash, Ending	<u>\$ 193,097</u>		

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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Water Utility Fund			
Receipts:			
Charges for Services	\$ 437,292	465,000	(27,708)
Other Sales and Services	365	1,500	(1,135)
Miscellaneous	3,493	0	3,493
Reimbursements	798	0	798
	<u>441,948</u>	<u>466,500</u>	<u>(24,552)</u>
Total Receipts			
Expenditures:			
General and Administration			
Water Tax Fees	2,437	3,000	(563)
Sales Tax	7,322	10,000	(2,678)
Miscellaneous	3,492	0	3,492
	<u>13,251</u>	<u>13,000</u>	<u>251</u>
Total General and Administration			
Distribution			
Personal Services	78,300	65,100	13,200
Contractual Services	87,226	79,866	7,360
Commodities	28,510	79,173	(50,663)
Capital Outlay	0	98,700	(98,700)
	<u>194,036</u>	<u>322,839</u>	<u>(128,803)</u>
Total Distribution			
Debt Service			
KDHE Loan Principal	122,589	122,589	0
KDHE Loan Interest	59,425	59,425	0
	<u>182,014</u>	<u>182,014</u>	<u>0</u>
Total Debt Service			
Total Expenditures	<u>389,301</u>	<u>517,853</u>	<u>(128,552)</u>
Receipts Over (Under) Expenditures	52,647		
Unencumbered Cash, Beginning	<u>836,503</u>		
Unencumbered Cash, Ending	\$ <u>889,150</u>		

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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Sewer Utility Fund			
Receipts:			
Charges for Services	\$ 288,201	280,000	8,201
Other Sales and Services	0	600	(600)
Miscellaneous	5,664	0	5,664
Reimbursements	<u>2,066</u>	<u>0</u>	<u>2,066</u>
Total Receipts	<u>295,931</u>	<u>280,600</u>	<u>15,331</u>
Expenditures:			
Personal Services	59,838	59,000	838
Contractual Services	14,051	33,805	(19,754)
Commodities	28,004	50,700	(22,696)
Capital Outlay	0	20,700	(20,700)
Miscellaneous	248	0	248
Transfer to Swimming Pool Reserve Fund	6,210	0	6,210
Transfer to General (For Swimming Pool)	6,210	0	6,210
Transfer to Employee Benefits Fund	10,000	10,000	0
Transfer to Equipment Reserve Fund	10,000	10,000	0
Transfer to Light Utility Fund	20,279	20,279	0
Transfer to Sewer Reserve Fund	<u>134,000</u>	<u>134,000</u>	<u>0</u>
Total Expenditures	<u>288,840</u>	<u>338,484</u>	<u>(49,644)</u>
Receipts Over (Under) Expenditures	7,091		
Unencumbered Cash, Beginning	<u>272,175</u>		
Unencumbered Cash, Ending	<u>\$ 279,266</u>		

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Business Funds

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Schedule of Receipts and Expenditures - Actual and Budget

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For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Golf Course Fund			
Receipts:			
Charges for Services	\$ 5,637	5,000	637
Membership Dues	23,630	20,000	3,630
Rent	8,300	8,500	(200)
Miscellaneous	107	0	107
Total Receipts	<u>37,674</u>	<u>33,500</u>	<u>4,174</u>
Expenditures:			
Personal Services	16,979	16,000	979
Contractual Services	6,422	8,500	(2,078)
Commodities	15,257	13,900	1,357
Commodities	0	700	(700)
Total Expenditures	<u>38,658</u>	<u>39,100</u>	<u>(442)</u>
Receipts Over (Under) Expenditures	(984)		
Unencumbered Cash, Beginning	<u>2,458</u>		
Unencumbered Cash, Ending	\$ <u>1,474</u>		

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	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
Light Emergency Maintenance Fund			
Receipts	\$ <u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Emergency Maintenance	<u>0</u>	<u>47,500</u>	<u>(47,500)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>95,000</u>		
Unencumbered Cash, Ending	\$ <u>95,000</u>		

* Exempt from the Budget Law K.S.A. 12-825d.

CITY OF HILL CITY, KANSAS
Business Funds
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	<u>Actual</u>
Light and Water Surplus Fund	
Receipts	\$ <u>0</u>
Expenditures:	
Industrial Park Project	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>4,916</u>
Unencumbered Cash, Ending	\$ <u><u>4,916</u></u>

Sewer Reserve Fund	
Receipts:	
KDHE Principal Forgiveness	\$ 0
Transfer from Sewer Utility Fund	<u>134,000</u>
Total Receipts	<u>134,000</u>
Expenditures:	
Capital Outlay	0
KDHE Principal Payment	87,078
KDHE Interest Payment	<u>46,590</u>
Total Expenditures	<u>133,668</u>
Receipts Over (Under) Expenditures	332
Unencumbered Cash, Beginning	<u>63,619</u>
Unencumbered Cash, Ending	\$ <u><u>63,951</u></u>

Customer Deposits Fund	
Receipts:	
Customer Deposits	\$ <u>6,264</u>
Expenditures:	
Customer Refunds	<u>6,264</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>

* Exempt from the Budget Law K.S.A. 12-825d.