

CITY OF HILLSBORO, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2021

CITY OF HILLSBORO, KANSAS
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For the Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Hillsboro, Kansas
Hillsboro, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Hillsboro, Kansas**, as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2021, 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 accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2 and 3 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 basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated June 15, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipal-services>. The 2020 actual column 2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.



ADAMSBROWN, LLC

Certified Public Accountants

Great Bend, Kansas

August 16, 2022

CITY OF HILLSBORO, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 130,342	-	2,669,323	2,692,840	106,825	107,162	213,987
Special Purpose Funds							
Airport Revolving Fund	981	-	7,776	7,785	972	-	972
D.A.R.E. Fund	345	-	-	-	345	-	345
Equipment Reserve Fund	10,280	-	51,500	49,670	12,110	-	12,110
Fire Equipment Replacement Reserve Fund	78,072	-	55,123	-	133,195	-	133,195
Family Aquatic Center Fund	310,402	-	315,195	227,610	397,987	-	397,987
Museum Trust Fund	38,027	-	372	-	38,399	-	38,399
Industrial Fund	58,724	-	59,901	77,310	41,315	-	41,315
Library Fund	8,310	-	77,663	72,280	13,693	-	13,693
Municipal Court Fund	419	-	15,556	11,734	4,241	-	4,241
Recreation Fund	2,190	-	19,226	19,920	1,496	19,920	21,416
Special Highway Fund	30,805	-	85,882	109,948	6,739	1,890	8,629
Special Law Enforcement Fund	20,820	-	30,499	22,465	28,854	2,182	31,036
Special Parks and Recreation Fund	1,525	-	1,790	2,745	570	-	570
Township Fire Equipment Fund	21,506	-	66,747	66,747	21,506	-	21,506
Hillsboro 150th Fund	1,545	-	3	-	1,548	-	1,548
Capital Improvement Fund	328	-	86,771	78,684	8,415	3,339	11,754
Tree Screening Fund	16,033	-	-	-	16,033	-	16,033
CDBG Fund	-	-	85,000	85,000	-	-	-
ARPA Fund	-	-	214,874	-	214,874	-	214,874
Bond and Interest Funds							
Bond and Interest Fund	114,844	-	653,346	692,264	75,926	-	75,926
TIF Fund	610	-	30,698	30,697	611	-	611
General Obligation Bonds Refunding Fund	-	-	957,000	957,000	-	-	-
Capital Projects Funds							
Street Improvement Project Fund	56,085	-	-	-	56,085	-	56,085
Water Improvement Project Fund	(15,524)	-	15,524	-	-	-	-
Business Funds							
Electric Operating Fund	349,129	-	3,097,810	3,186,777	260,162	23,730	283,892
Refuse Operating Fund	65,509	-	294,625	296,125	64,009	-	64,009
Sewer Operating Fund	1,046,558	-	655,283	957,355	744,486	25,717	770,203
Water Operating Fund	505,178	-	902,485	1,076,127	331,536	3,917	335,453
Trust Fund							
Special Law Enforcement Trust Fund	4,147	-	406	61	4,492	-	4,492
Insurance Proceeds Fund	2,250	-	19,081	19,081	2,250	-	2,250
Total Primary Government	<u>2,859,440</u>	<u>-</u>	<u>10,469,459</u>	<u>10,740,225</u>	<u>2,588,674</u>	<u>187,857</u>	<u>2,776,531</u>
Related Municipal Entities							
Hillsboro Land Bank	-	-	9,082	6,746	2,336	-	2,336
Hillsboro Public Building Commission - Health Care Facilities	304,761	-	60,661	151,284	214,138	-	214,138
Hillsboro Public Building Commission - Family Aquatic Center	936	-	177,610	177,610	936	-	936
Total Related Municipal Entities	<u>305,697</u>	<u>-</u>	<u>247,353</u>	<u>335,640</u>	<u>217,410</u>	<u>-</u>	<u>217,410</u>
Total Primary Government (Excluding Agency Funds)	<u>\$ 3,165,137</u>	<u>-</u>	<u>10,716,812</u>	<u>11,075,865</u>	<u>2,806,084</u>	<u>187,857</u>	<u>2,993,941</u>

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

CITY OF HILLSBORO, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Composition of Cash

Checking Accounts	\$ 2,794,161
Petty Cash	500
Certificates of Deposit	<u>1,546</u>
Total Primary Government	2,796,207
Total Related Municipal Entities	217,410
Agency Funds per Schedule 3	<u>(19,676)</u>
Total Primary Government (Excluding Agency Funds)	\$ <u>2,993,941</u>

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

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Hillsboro, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected five-member council. This financial statement presents the City (the municipality) and its related municipal entities, Hillsboro Public Building Commission and Land Bank, shown below. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents. This financial statement does not include the related municipal entities, Hillsboro Public Library, Recreation Commission, Convention and Visitors Bureau, and Housing Authority of City of Hillsboro, Kansas, shown below.

Hillsboro Public Building Commission

The City's Public Building Commission was formed March 17, 1998, under K.S.A 12-1757 to 12-1768. The commission can sue and be sued, and can buy, sell, or lease real property. The commission can issue revenue bonds without City approval for the purpose of providing funds to acquire, erect, equip, repair, maintain, and operate buildings or other facilities maintained and operated by the City, as amended by Charter Ordinance No. 14.

Hillsboro Land Bank

The Hillsboro Land Bank is formed under the authority of K.S.A. 12-5901 *et seq.* The land bank develops, acquires and holds certain vacant, unused and abandoned properties within City limits. The land bank can sue and be sued, and can buy, sell, or lease real property.

Hillsboro Public Library

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City Council. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the Library.

Hillsboro Recreation Commission

The City's Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the City levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. Unaudited financial statements can be obtained by contacting the Recreation Commission.

Hillsboro Convention and Visitors Bureau

The Convention and Visitors Bureau operates as a separate governing body but the City levies the taxes for the convention and visitors bureau. Acquisition or disposition of real property by the Bureau must be approved by the City. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the Convention and Visitors Bureau.

Housing Authority of City of Hillsboro, Kansas

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2021.

Regulatory Basis Fund Types

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

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

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

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

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

Trust Fund – fund used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – fund used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Accounting

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

The City 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 City to use the regulatory basis of accounting.

CITY OF HILLSBORO, KANSAS
Notes to Financial Statement
December 31, 2021

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – 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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for this year for the Sewer Operating Fund, Water Operating Fund, and TIF Fund.

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 revenues 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund: D.A.R.E Fund, Hillsboro 150th Fund, Tree Screening Fund, CDBG Fund and ARPA 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.

CITY OF HILLSBORO, KANSAS
Notes to Financial Statement
December 31, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Hillsboro, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were not legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits was \$2,796,207 and the bank balance was \$2,890,404. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$297,067 was covered by federal depository insurance and \$2,593,337 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2021, the Hillsboro Public Building Commission's carrying amount of deposits was \$215,074 and the bank balance was \$209,574. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, the entire balance was covered by federal depository insurance.

At December 31, 2021, the Hillsboro Land Bank's carrying amount of deposits was \$2,336 and the bank balance was held in the City's bank account.

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. The City had no investments at December 31, 2021.

NOTE 4 – 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

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

authorized by Kansas statutes. **City of Hillsboro, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2021 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 7,500
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	80,000
General Fund	Fire Equipment Replacement Reserve Fund	K.S.A. 12-1,117	32,568
General Fund	Family Aquatic Center Fund	C.O. #11,14	315,195
General Fund	TIF Fund	K.S.A. 10-114	6,140
Township Fire Equipment Fund	Fire Equipment Replacement Reserve Fund	K.S.A. 12-1,117	22,555
Township Fire Equipment Fund	General Fund	K.S.A. 12-1,117	44,192
Water Operating Fund	General Fund	K.S.A. 12-825d	75,000
Water Operating Fund	Bond and Interest Fund	K.S.A. 12-825d	25,000
Electric Operating Fund	General Fund	K.S.A. 12-825d	534,000
Electric Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
Electric Operating Fund	Industrial Fund	K.S.A. 12-825d	40,000
Refuse Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
Refuse Operating Fund	General Fund	K.S.A. 12-825d	27,500
Family Aquatic Center Fund	Bond and Interest Fund	Ordinance	50,000
Sewer Operating Fund	Bond and Interest Fund	K.S.A. 12-825d	319,095
Sewer Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
Sewer Operating Fund	General Fund	K.S.A. 12-825d	150,000
General Obligation Bonds Refunding Fund	Bond and Interest Fund	Bond Agreement	667

NOTE 5 – LITIGATION

City of Hillsboro, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – RISK MANAGEMENT

City of Hillsboro, Kansas is exposed to various risks or 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 (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 174 participating members.

The City pays an annual premium to Kansas Municipal Insurance Trust (KMIT) 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 management. The City paid \$52,196 in premiums for the year ended December 31, 2021.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Hillsboro, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City's expenditures in the General Fund exceed budgeted authority, which is in violation of K.S.A. 79-2935.

The City did not publish the financial statements for the required four quarters, showing by fund the beginning and ending balances, receipts and expenditures, along with obligation/liability information, which is a violation of K.S.A. 12-1608.

NOTE 9 – DEFERRED COMPENSATION PLAN

City of Hillsboro, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b) and 401(a). Permanent and part-time employees are eligible to participate under the 457(b) plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions for either plan except as outlined in employment contracts. The City contributed \$8,965 to the 401(a) plan for the year ended December 31, 2021.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

City of Hillsboro, Kansas 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 S Kansas, Suite 100; Topeka, KS 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

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

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, 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 for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$135,617 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$933,314. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Hillsboro, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City 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 City 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.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

NOTE 12 – HEALTH REIMBURSEMENT ARRANGEMENT

City of Hillsboro, Kansas entered into a Health Reimbursement Arrangement (HRA) during 2021. The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employee, their spouse or their dependents. The maximum allowance per year through BCBS is \$7,000 for employee only, \$14,000 for employee and spouse, employee and children and employee and family. Of this amount the employee is responsible the employee is responsible for \$4,000 for employee only and \$8,000 for employee and spouse, employee

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

and children and employee and family. The City is responsible for the difference. The amount the City paid in HRA reimbursements was \$34,943 for the year ended December 31, 2021.

NOTE 13 – COMPENSATED ABSENCES

Vacation

City of Hillsboro, Kansas' policy regarding vacation for full-time employees is as follows:

<u>Years Worked</u>	<u>Amount Earned</u>
0-9	80 hours/year
10 and over	120 hours/year

The Public Library's policy regarding vacation for full-time employees is as follows:

<u>Years Worked</u>	<u>Minutes Earned per Hour Worked</u>	<u>Maximum</u>
0-4	1.5	45 hours/year
5-9	2.0	60 hours/year
10 and over	2.5	76 hours/year

Part-time employees who work at least 30 hours per week shall earn vacation at the rate of 4 hours each month of employment. Seasonal and temporary employees do not earn vacation. Training employees terminated prior to attaining full-time status are not paid for accrued vacation. Eligible employees shall be paid for all accumulated unused vacation upon termination.

Vacation may not be taken until the employee completes one full year of service. The maximum accrual for vacation at the date of the employee's employment anniversary shall be no more than 160 hours for employees with 1-9 years of service and 240 hours for employees with 10 years of service. Upon termination any unused vacation will be paid to the employee.

Sick Leave

The City's policy for sick leave permits a full-time employee to earn sick leave at the rate of 8 hours per calendar month up to a maximum of 480 hours. Twenty-four hour shift full-time employees shall earn sick leave at a rate of 4 hours per calendar month up to a maximum of 480 hours. Part-time employees who work at least 30 hours per week shall earn sick leave at the rate of 4 hours per month. Employees will complete a 90 days probationary period before earning sick leave. Seasonal and temporary employees do not earn sick leave. Sick leave will be paid for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job. Upon termination of employment an employee shall not be paid for accumulated sick leave.

Comp Time

Comp time is earned at the rate of 1½ hours per every hour worked over 40 hours during a one week period. At the discretion of the department head and with the agreement of the employee, an employee may be given compensatory time off in lieu of cash payments for the overtime worked. It must be taken as time off within two pay periods following the period in which it was earned. Upon termination any unused compensatory time will be paid to the employee. The liability for comp time at December 31, 2021 was \$6,278 for the City. This is reflected in the financial statement.

CITY OF HILLSBORO, KANSAS
Notes to Financial Statement
December 31, 2021

NOTE 14 – HILLSBORO PUBLIC BUILDING COMMISSION

Lease Receivable

Hillsboro Public Building Commission entered into two separate lease agreements with **City of Hillsboro, Kansas** for the lease of the aquatic center and hospital project. The City is obligated to make payments to the Commission equivalent to the debt that the Commission has assumed and to pay its outstanding revenue bonds. The Commission covenants that, unless the City is in default under the lease obligation, it will not, without the City's written consent unless required by law, sell or otherwise part with or encumber its fee or other ownership interest in the project at any time during the life of the lease obligation. The City covenants and agrees that it will, during the term of the lease obligation, keep and maintain the property and all parts thereof in good condition and repair, including but not limited to the furnishing of all parts, mechanisms and devices required to keep the machinery, equipment and personal property constituting a part of the project in good mechanical and working order, and that during said period of time it will keep the project and all parts thereof free from filth, nuisance or conditions unreasonably increasing the danger of fire. Total payments receivable are as follows:

<u>Years Ending December 31</u>	<u>Total</u>
2022	\$ 262,260
2023	264,765
2024	91,900
2025	90,150
2026	93,400
2027-2031	453,400
2032-2036	454,100
2037-2038	<u>181,475</u>
Total	\$ <u>1,891,450</u>

Long-Term Debt

The Commission issued Revenue Bonds, Series 2011 dated April 18, 2011 with an original issue amount of \$2,140,000. The bonds have varying maturities with annual payments. Interest rates range from 3.00%-4.00% depending on the maturity date. These bonds were callable on October 1, 2017.

The Commission issued Taxable Revenue Bonds, Series 2015 dated December 30, 2015 with an original issue amount of \$1,325,000. The bonds have varying maturities with annual payments. Interest rates range from 2.00%-4.50% depending on the maturity date.

NOTE 15 – CONDUIT DEBT

City of Hillsboro, Kansas has issued education facilities revenue bonds to provide financial assistance to a College for the purpose of financing the costs of certain education facilities and refinancing of certain bonds issued for the benefit of the College. The bonds are generally payable from and secured by the project financed and if needed, additional assets or revenues of the College serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the College served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The original amount of the bonds was \$7,000,000. The outstanding balance of the bonds as of December 31, 2021 was unavailable.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

NOTE 16 – CURRENT YEAR DEBT DEFEASANCE

On October 28, 2021, the City issued Series 2021A General Obligation Refunding bonds of \$957,000 (par value) with an interest rate of 1.15%. The bond proceeds were used to current refund \$15,000 of Series 2007A General Obligation bonds, \$115,000 of Series 2011A General Obligation bonds and \$805,000 of Series 2011B General Obligation bonds. The Series 2021A bonds were issued at par and after paying issuance costs of \$19,733, the net proceeds were \$937,267. The current refunding met the requirements of a debt defeasance and the term bonds in the amount of \$935,000 were called on November 1, 2021. The Series 2021A bonds mature on October 1, 2026 and will be subject to optional redemption and payment prior to their stated maturity. The City completed the refunding to reduce its total debt service requirements and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$29,451.

NOTE 17 – LONG-TERM DEBT

City of Hillsboro, Kansas has the following types of long-term debt.

General Obligation Bonds

On September 25, 2007, the City issued \$78,358 in Series 2007A bonds for the purpose of internal improvements and special assessment for MB Church additions.

On December 22, 2011, the City issued \$345,000 in Series 2011A tax increment bonds for the purpose of providing funds to finance costs of certain internal capital improvements for Hillsboro Business Park.

On December 22, 2011, the City issued \$1,600,000 in Series 2011B bonds for the purpose of providing funds to finance costs of certain internal capital improvements for Adams and First Street improvement.

On September 12, 2018, the City issued \$105,000 in Series 2018 bonds for the purpose of financing the construction of sanitary sewer improvements. The entire cost of the project will be levied and assessed to the landowners.

On August 1, 2019, the City issued \$4,055,000 in Series 2019A bonds for the purpose of providing funds to pay off the Series 2018 General Obligation Temporary Notes and for financing construction improvements to multiple streets.

On October 10, 2019, the City issued \$5,195,000 in Series 2019B Refunding Bonds for the purpose of refunding the Series 2009A General Obligation Bonds and Series 2006A General Obligation Water Bonds.

On October 28, 2021, the City issued \$957,000 in Series 2021A Refunding Bonds for the purpose of refunding the Series 2007 General Obligation Bond, Series 2011A General Obligation Bond, and Series 2011B General Obligation Bond.

KDHE and KDOT Revolving Loans

On July 11, 2006, the City entered into a \$146,352 revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the construction of Lincoln Street. The City will use proceeds generated by the City for loan repayment, which began August 1, 2006.

On October 17, 2006, the City entered into a \$531,535 revolving loan agreement with the Kansas Department of Transportation acting on behalf of the State of Kansas to finance the construction on Adams Street. The City will use proceeds generated by the City for loan repayment, which began on August 1, 2007.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

On December 13, 2017, the City entered into a \$3,107,750 revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the construction and engineering for the replacement of waterlines. The City will use proceeds generated by the City for loan repayment, which began on August 1, 2007.

Lease Obligations

The City entered a lease agreement with Hillsboro Public Building Commission – Family Aquatic Center on April 18, 2011 in which the City is the lessee. The basic term ends on October 1, 2025, subject to prior termination or renewal as specified in the lease. The term of the lease may be extended for two consecutive five-year terms, each such five-year renewal period referred to as an “additional term”.

The terms of the lease provide for basic rent to be paid on each basic rent payment date in an amount sufficient to pay on the next succeeding payment date, the principal of, redemption premium, if any, and interest on the Series 2011 refunding bonds which are due. The basic rent payment dates are April 1 and October 1, commencing October 1, 2011, and continuing through the basic term of the lease. The lease agreement also provides for the payment of additional rent, in addition to basic rent, in amounts pursuant to the terms of the lease. The City intends that revenues received from a one-half cent sales tax, approved by the voters of the City on April 5, 2005, and from the operation of the project under the provisions of the lease, will be used to make the City's payments to the Commission under the lease, which payments will in turn, be used to pay debt service on the Series 2011 refunding bonds. To the extent that the payments of basic rent and additional rent are not adequate to provide the Commission with funds sufficient to pay the principal and interest on the bonds as they become due and payable, the City shall be obligated to pay, as additional rent, further sums of money as may be required for such purposes.

Year	Basic Rental Payment
2022	\$ 172,210
2023	176,290
Total	\$ 348,500

The City entered into a lease agreement with Hillsboro Public Building Commission – Hospital on December 30, 2015 in which the City is the lessee. The basic term ends on September 1, 2038. The City then entered into a sublease agreement with CAH Acquisition Company #5, LLC on December 30, 2015. The basic term of the sublease ends the same date as the original lease.

The original terms of the lease provided for basic rent to be paid on each basic rent payment date in an amount sufficient to pay on the next succeeding payment date, the principal of, redemption premium, if any, and interest on the Series 2015 taxable revenue bonds which are due. The basic rent payment dates are the first of the month commencing February 1, 2016, and continuing through the basic term of the lease. The lease agreement also provides for the payment of additional rent, in addition to basic rent, in amounts pursuant to the terms of the lease. The City intends that these rent payments will be used to make the City's payments to the Commission under the lease, which payments will in turn, be used to pay debt service on the Series 2015 taxable revenue bonds. To the extent that the payments of basic rent and additional rent are not adequate to provide the Commission with funds sufficient to pay the principal and interest on the bonds as they become due and payable, the City shall be obligated to pay, as additional rent, further sums of money as may be required for such purposes.

In March 2019, the Hillsboro Community Hospital declared Chapter 11 bankruptcy. The City was named a party of the case that was filed with the District Court of Marion County, Kansas, where the City was a defendant. On November 19, 2019, a settlement was reached which included amending the original lease agreement with a new rental payment schedule.

CITY OF HILLSBORO, KANSAS
Notes to Financial Statement
December 31, 2021

<u>Year</u>		<u>Basic Rental Payment</u>
2022	\$	66,000
2023		66,000
2024		66,000
2025		66,000
2026		66,000
2027-2031		330,000
2032-2036		330,000
2037-2039		<u>1,378,000</u>
Total	\$	<u>2,368,000</u>

The City has entered into lease agreements for equipment. The leases contain a fiscal funding clause.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

Changes in long-term liabilities for the City for the year ended December 31, 2021, 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									
Series 2007A	4.75 - 5.90%	9/25/2007	\$ 78,358	2023	\$ 22,000	-	(22,000)	-	1,104
Series 2011A - TIF	2.00 - 3.40%	12/22/2011	345,000	2025	140,000	-	(140,000)	-	4,528
Series 2011B	2.25 - 3.15%	12/22/2011	1,600,000	2026	950,000	-	(950,000)	-	28,232
Series 2018	3.45%	9/12/2018	105,000	2038	95,000	-	(5,000)	90,000	3,278
Series 2019A	3.00-4.00%	8/1/2019	4,055,000	2039	3,930,000	-	(145,000)	3,785,000	150,200
Series 2019B Refunding	3.00-3.50%	10/10/2019	5,195,000	2042	5,195,000	-	-	5,195,000	169,263
Series 2021A	1.15%	10/28/2021	957,000	2026	-	957,000	-	957,000	-
Revolving Debt									
KDHE Revolving Loan	3.77%	7/11/2006	146,352	2026	51,647	-	(8,619)	43,028	1,867
KDOT Revolving Loan	3.79%	10/17/2006	531,535	2025	162,013	-	(34,016)	127,997	7,382
KDHE Revolving Loan - Waterlines	2.15%	12/13/2017	3,107,750	2039	2,417,245	14,212	(122,332)	2,309,125	51,363
Capital Leases									
HPBC - Family Aquatic Center	3.00 - 4.00%	4/18/2011	2,140,000	2025	490,000	-	(160,000)	330,000	17,610
HPBC - Hospital	2.00 - 4.50%	12/30/2015	1,325,000	2038	1,120,000	-	(45,000)	1,075,000	46,400
Case Loader	2.91%	3/17/2017	154,050	2023	67,515	-	(26,321)	41,194	1,849
Freightliner Electric Pole Digger Truck	3.07%	10/7/2019	249,045	2026	215,556	-	(33,275)	182,281	6,339
Peterbilt Trash Truck	3.57%	4/17/2019	319,406	2024	121,690	-	(28,458)	93,232	8,835
2020 Police Car	2.78%	9/9/2020	29,925	2025	26,804	-	(5,667)	21,137	711
2019 Electric Bucket Truck	2.78%	2/28/2020	130,909	2025	118,174	-	(24,967)	93,207	3,154
Total for City of Hillsboro					<u>15,122,644</u>	<u>971,212</u>	<u>(1,750,655)</u>	<u>14,343,201</u>	<u>502,115</u>
Hillsboro Public Building Commission									
Series 2011	3.00 - 4.00%	4/18/2011	2,140,000	2025	490,000	-	(160,000)	330,000	17,610
Series 2015	2.00 - 4.50%	12/30/2015	1,325,000	2038	1,120,000	-	(45,000)	1,075,000	46,400
Total for Hillsboro Public Building Commission					<u>1,610,000</u>	<u>-</u>	<u>(205,000)</u>	<u>1,405,000</u>	<u>64,010</u>
Total Contractual Indebtedness					<u>\$ 16,732,644</u>	<u>971,212</u>	<u>(1,955,655)</u>	<u>15,748,201</u>	<u>566,125</u>

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2021

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

City	YEAR									Total
	2022	2023	2024	2025	2026	2027 - 2031	2032 - 2036	2037 - 2041	2042	
Principal										
General Obligation Bonds	\$ 249,000	259,000	413,000	488,000	505,000	2,673,000	2,595,000	2,480,000	365,000	10,027,000
Revolving Debt	175,611	180,129	184,772	168,091	148,237	763,210	860,100	-	-	2,480,150
Capital Leases	127,430	117,460	92,856	54,614	38,691	-	-	-	-	431,051
Capital Lease - HPBC	205,000	215,000	50,000	50,000	55,000	295,000	365,000	170,000	-	1,405,000
Total Principal	757,041	771,589	740,628	760,705	746,928	3,731,210	3,820,100	2,650,000	365,000	14,343,201
Interest										
General Obligation Bonds	317,849	311,676	305,150	294,077	280,678	1,266,125	795,975	30,263	12,775	3,614,568
Revolving Debt	67,034	62,516	57,873	53,101	48,913	196,809	110,679	-	-	596,925
Capital Leases	12,147	8,186	4,693	2,291	896	-	-	-	-	28,213
Capital Lease - HPBC	57,260	49,765	41,900	40,150	38,400	158,400	89,100	11,475	-	486,450
Total Interest	454,290	432,143	409,616	389,619	368,887	1,621,334	995,754	41,738	12,775	4,726,156
Total City Principal and Interest	\$ 1,211,331	1,203,732	1,150,244	1,150,324	1,115,815	5,352,544	4,815,854	2,691,738	377,775	19,069,357
Hillsboro Public Building Commission										
Principal										
Revenue Refunding Bonds	\$ 160,000	170,000	-	-	-	-	-	-	-	330,000
Taxable Revenue Bonds	45,000	45,000	50,000	50,000	55,000	295,000	365,000	170,000	-	1,075,000
Total Principal	205,000	215,000	50,000	50,000	55,000	295,000	365,000	170,000	-	1,405,000
Interest										
Revenue Refunding Bonds	12,210	6,290	-	-	-	-	-	-	-	18,500
Taxable Revenue Bonds	45,050	43,475	41,900	40,150	38,400	158,400	89,100	11,475	-	467,950
Total Interest	57,260	49,765	41,900	40,150	38,400	158,400	89,100	11,475	-	486,450
Total Hillsboro Public Building Commission										
Commission	\$ 262,260	264,765	91,900	90,150	93,400	453,400	454,100	181,475	-	1,891,450

CITY OF HILLSBORO, KANSAS

Regulatory-Required Supplementary Information

CITY OF HILLSBORO, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General Fund	\$ 2,542,811	73,781	2,616,592	2,692,840	76,248
Special Purpose Funds					
Airport Revolving Fund	12,500	-	12,500	7,785	(4,715)
Equipment Reserve Fund	42,906	21,500	64,406	49,670	(14,736)
Fire Equipment Replacement Reserve Fund	-	-	-	-	-
Family Aquatic Center Fund	227,610	-	227,610	227,610	-
Museum Trust Fund	38,092	-	38,092	-	(38,092)
Industrial Fund	88,077	-	88,077	77,310	(10,767)
Library Fund	79,570	-	79,570	72,280	(7,290)
Municipal Court Fund	20,000	-	20,000	11,734	(8,266)
Recreation Fund	19,920	-	19,920	19,920	-
Special Highway Fund	127,838	4,915	132,753	109,948	(22,805)
Special Law Enforcement Fund	19,150	10,000	29,150	22,465	(6,685)
Special Parks and Recreation Fund	4,042	-	4,042	2,745	(1,297)
Township Fire Equipment Fund	66,747	-	66,747	66,747	-
Capital Improvement Fund	80,000	-	80,000	78,684	(1,316)
Bond and Interest Funds					
Bond and Interest Fund	850,107	-	850,107	692,264	(157,843)
TIF Fund	31,230	-	31,230	30,697	(533)
Business Funds					
Electric Operating Fund	3,202,325	-	3,202,325	3,186,777	(15,548)
Refuse Operating Fund	301,148	-	301,148	296,125	(5,023)
Sewer Operating Fund	1,016,795	-	1,016,795	957,355	(59,440)
Water Operating Fund	1,089,519	-	1,089,519	1,076,127	(13,392)
Agency Funds					
Utility Sales Tax Fund	140,000	-	140,000	87,751	(52,249)

CITY OF HILLSBORO, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 589,244	590,984	594,663	(3,679)
Delinquent Tax	62,876	6,590	-	6,590
Motor Vehicle Tax	66,036	75,232	71,776	3,456
Recreational Vehicle Tax	961	1,286	819	467
16/20M Vehicle Tax	531	336	565	(229)
Local Sales/Use Tax	305,042	407,856	280,000	127,856
Sales Tax - Family Aquatic Center	253,417	315,195	230,000	85,195
Local Alcoholic Liquor Tax	1,495	1,790	1,982	(192)
In Lieu of Tax	10,093	-	5,100	(5,100)
Highway Connecting Links	314	236	315	(79)
Transient Guest Tax	11,444	13,998	12,500	1,498
Neighborhood Revitalization	(1,493)	(5,882)	-	(5,882)
Franchise Taxes	113,582	124,181	126,000	(1,819)
Licenses, Permits, and Fees	5,689	6,825	6,650	175
Building Permits	21,338	14,644	4,500	10,144
Interest Income	21,356	5,130	32,000	(26,870)
Rent Income	29,125	27,732	39,500	(11,768)
Court Fines and Bonds	8,442	10,174	15,000	(4,826)
Reimbursements	23,314	21,506	46,000	(24,494)
Museum Income	299	204	2,500	(2,296)
Swimming Pool Receipts	-	44,956	60,000	(15,044)
Sports Complex Income	4,412	7,396	7,500	(104)
Federal Aid	50,698	-	-	-
Miscellaneous	48,332	61,417	35,000	26,417
Donations	13,030	105,091	31,310	73,781
Sale of Lots	3,544	1,754	-	1,754
Transfers In	828,057	830,692	925,692	(95,000)
Total Receipts	<u>2,471,178</u>	<u>2,669,323</u>	<u>2,529,372</u>	<u>139,951</u>
Expenditures				
Legislative				
Personal Services	11,946	13,000	13,150	(150)
Contractual Services	99,470	75,776	106,500	(30,724)
Commodities	17,024	22,674	-	22,674
Total Legislative	<u>\$ 128,440</u>	<u>111,450</u>	<u>119,650</u>	<u>(8,200)</u>

CITY OF HILLSBORO, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Administrative				
Personal Services	\$ 413,160	421,335	394,232	27,103
Contractual Services	40,549	26,550	47,000	(20,450)
Commodities	65,995	55,184	65,000	(9,816)
Capital Outlay	3,937	4,025	10,000	(5,975)
Miscellaneous	100	350	-	350
Total Administrative	<u>523,741</u>	<u>507,444</u>	<u>516,232</u>	<u>(8,788)</u>
Police				
Personal Services	450,249	423,157	460,013	(36,856)
Contractual Services	25,550	20,701	34,150	(13,449)
Commodities	23,714	24,717	33,500	(8,783)
Capital Outlay	7,793	2,272	8,800	(6,528)
Total Police	<u>507,306</u>	<u>470,847</u>	<u>536,463</u>	<u>(65,616)</u>
Fire				
Personal Services	41,167	53,749	51,968	1,781
Contractual Services	35,799	25,093	17,500	7,593
Commodities	17,713	27,925	33,900	(5,975)
Capital Outlay	565	4,014	5,000	(986)
Total Fire	<u>95,244</u>	<u>110,781</u>	<u>108,368</u>	<u>2,413</u>
Street				
Personal Services	233,020	246,674	266,116	(19,442)
Contractual Services	23,133	34,946	17,000	17,946
Commodities	31,899	80,686	67,000	13,686
Capital Outlay	17,206	26,425	10,000	16,425
Total Street	<u>305,258</u>	<u>388,731</u>	<u>360,116</u>	<u>28,615</u>
Parks and Recreation				
Personal Services	7,276	9,670	12,832	(3,162)
Contractual Services	5,778	16,809	5,500	11,309
Commodities	3,500	4,379	9,000	(4,621)
Capital Outlay	-	1,716	2,500	(784)
Total Parks and Recreation	<u>\$ 16,554</u>	<u>32,574</u>	<u>29,832</u>	<u>2,742</u>

CITY OF HILLSBORO, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Museum				
Personal Services	\$ 11,416	14,145	21,865	(7,720)
Contractual Services	8,138	13,157	13,800	(643)
Commodities	8,022	10,205	7,500	2,705
Capital Outlay	10,766	-	-	-
Total Museum	38,342	37,507	43,165	(5,658)
Swimming Pool				
Personal Services	2,151	66,075	54,910	11,165
Contractual Services	2,678	17,318	16,000	1,318
Commodities	10,978	35,632	32,500	3,132
Capital Outlay	-	-	8,000	(8,000)
Total Swimming Pool	15,807	119,025	111,410	7,615
Golf				
Personal Services	89,837	129,355	92,318	37,037
Commodities	10,398	1,777	1,700	77
Total Golf	100,235	131,132	94,018	37,114
Public Safety				
Commodities	4,438	2,753	6,000	(3,247)
Planning				
Personal Services	80,912	68,548	28,000	40,548
Commodities	1,488	2,191	5,000	(2,809)
Total Planning	82,400	70,739	33,000	37,739
Tourism				
Appropriation	12,000	12,000	16,000	(4,000)
Sports Complex				
Personal Services	74,956	80,425	87,152	(6,727)
Contractual Services	1,619	3,890	2,500	1,390
Commodities	10,533	15,332	12,000	3,332
Capital Outlay	28,317	7,178	10,000	(2,822)
Total Sports Complex	\$ 115,425	106,825	111,652	(4,827)

CITY OF HILLSBORO, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Other Expenditures				
Miscellaneous	\$ 25,300	28,518	1,200	27,318
Reimbursed Expenses	44,261	114,611	-	114,611
Land Bank Appropriation	-	6,500	-	6,500
Transfers Out	395,478	441,403	355,705	85,698
Cash Forward	-	-	100,000	(100,000)
Total Other Expenditures	465,039	591,032	456,905	134,127
(a) Adjustment for Qualifying Budget Credits	-	-	73,781	(73,781)
Total Expenditures	<u>2,410,229</u>	<u>2,692,840</u>	<u>2,616,592</u>	<u>76,248</u>
Receipts Over (Under) Expenditures	60,949	(23,517)		
Unencumbered Cash - Beginning	<u>69,393</u>	<u>130,342</u>		
Unencumbered Cash - Ending	\$ <u>130,342</u>	<u>106,825</u>		
(a) Adjustment for Qualifying Budget Credits				
Donations Over Amount Budgeted			\$ 73,781	

CITY OF HILLSBORO, KANSAS
Airport Revolving Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Fuel Sales	\$ 535	1,766	8,000	(6,234)
Rent	4,840	6,010	4,500	1,510
Total Receipts	5,375	7,776	12,500	(4,724)
Expenditures				
Fuel	-	3,245	8,000	(4,755)
Commodities	2,132	1,158	500	658
Contractual	4,259	3,382	4,000	(618)
Total Expenditures	6,391	7,785	12,500	(4,715)
Receipts Over (Under) Expenditures	(1,016)	(9)		
Unencumbered Cash - Beginning	1,997	981		
Unencumbered Cash - Ending	\$ 981	972		

CITY OF HILLSBORO, KANSAS
D.A.R.E. Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	345	345
Unencumbered Cash - Ending	\$ 345	345

CITY OF HILLSBORO, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursed Expenses	\$ -	21,500	-	21,500
Transfers In	39,500	30,000	37,500	(7,500)
Total Receipts	39,500	51,500	37,500	14,000
Expenditures				
Capital Outlay	-	21,500	-	21,500
Lease Payments	42,903	28,170	42,906	(14,736)
(a) Adjustment for Qualifying Budget Credits	-	-	21,500	(21,500)
Total Expenditures	42,903	49,670	64,406	(14,736)
Receipts Over (Under) Expenditures	(3,403)	1,830		
Unencumbered Cash - Beginning	13,683	10,280		
Unencumbered Cash - Ending	\$ 10,280	12,110		
(a) Adjustment for Qualifying Budget Credits				
Reimbursed Expenses Over Amount Budgeted			\$ 21,500	

CITY OF HILLSBORO, KANSAS
Fire Equipment Replacement Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Federal Aid	\$ 123,721	-	-	-
Transfers In	55,000	55,123	55,123	-
Total Receipts	178,721	55,123	<u>55,123</u>	<u>-</u>
Expenditures				
Capital Outlay	131,853	-	-	-
Receipts Over (Under) Expenditures	46,868	55,123		
Unencumbered Cash - Beginning	31,204	78,072		
Unencumbered Cash - Ending	\$ <u>78,072</u>	<u>133,195</u>		

CITY OF HILLSBORO, KANSAS
Family Aquatic Center Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers In	\$ 253,417	315,195	230,000	85,195
Expenditures				
Rent to Hillsboro Public Building				
Commission - Family Aquatic Center	172,672	177,610	177,610	-
Transfers Out	-	50,000	50,000	-
Total Expenditures	172,672	227,610	227,610	-
Receipts Over (Under) Expenditures	80,745	87,585		
Unencumbered Cash - Beginning	229,657	310,402		
Unencumbered Cash - Ending	\$ 310,402	397,987		

CITY OF HILLSBORO, KANSAS
Museum Trust Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Interest Income	\$ 65	12	500	(488)
Donations	-	360	500	(140)
Tax Credits	470	-	-	-
Total Receipts	535	372	1,000	(628)
Expenditures				
Contractual	-	-	38,092	(38,092)
Receipts Over (Under) Expenditures	535	372		
Unencumbered Cash - Beginning	37,492	38,027		
Unencumbered Cash - Ending	\$ 38,027	38,399		

CITY OF HILLSBORO, KANSAS

Industrial Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 17,868		17,053	17,156	(103)
Delinquent Tax	2,093		203	-	203
Motor Vehicle Tax	2,165		2,302	2,177	125
Recreational Vehicle Tax	31		39	25	14
16/20M Vehicle Tax	19		11	17	(6)
Neighborhood Revitalization	(45)		(170)	-	(170)
Reimbursed Expense	-		463	-	463
Transfers In	40,000		40,000	40,000	-
Total Receipts	62,131		59,901	59,375	526
Expenditures					
Personal Services	73,080		75,010	68,052	6,958
Commodities	67		1,189	7,900	(6,711)
Contractual	989		1,111	3,000	(1,889)
Cash Forward	-		-	9,125	(9,125)
Total Expenditures	74,136		77,310	88,077	(10,767)
Receipts Over (Under) Expenditures	(12,005)		(17,409)		
Unencumbered Cash - Beginning	70,729		58,724		
Unencumbered Cash - Ending	\$ 58,724		41,315		

CITY OF HILLSBORO, KANSAS

Library Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 70,765	68,210	68,628	(418)
Delinquent Tax	8,352	801	-	801
Motor Vehicle Tax	8,652	9,131	8,703	428
Recreational Vehicle Tax	125	156	99	57
16/20M Vehicle Tax	75	44	68	(24)
Neighborhood Revitalization	(179)	(679)	-	(679)
Total Receipts	87,790	77,663	<u>77,498</u>	<u>165</u>
Expenditures				
Appropriation to Public Library	79,594	72,280	<u>79,570</u>	<u>(7,290)</u>
Receipts Over (Under) Expenditures	8,196	5,383		
Unencumbered Cash - Beginning	<u>114</u>	<u>8,310</u>		
Unencumbered Cash - Ending	\$ <u>8,310</u>	<u>13,693</u>		

CITY OF HILLSBORO, KANSAS
Municipal Court Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Fines and Fees	\$ 8,867	15,556	19,000	(3,444)
Expenditures				
Payments to State of Kansas	1,925	1,387	2,500	(1,113)
Payments to City of Hillsboro	8,442	10,174	15,000	(4,826)
Miscellaneous	679	173	2,500	(2,327)
Total Expenditures	11,046	11,734	20,000	(8,266)
Receipts Over (Under) Expenditures	(2,179)	3,822		
Unencumbered Cash - Beginning	2,598	419		
Unencumbered Cash - Ending	\$ 419	4,241		

CITY OF HILLSBORO, KANSAS
Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 17,868		17,053	17,149	(96)
Delinquent Tax	2,093		203	-	203
Motor Vehicle Tax	2,165		2,302	2,177	125
Recreational Vehicle Tax	31		39	25	14
16/20M Vehicle Tax	19		11	17	(6)
Neighborhood Revitalization	(328)		(382)	-	(382)
Total Receipts	21,848		19,226	<u>19,368</u>	<u>(142)</u>
Expenditures					
Appropriations	19,672		19,920	<u>19,920</u>	<u>-</u>
Receipts Over (Under) Expenditures	2,176		(694)		
Unencumbered Cash - Beginning	14		2,190		
Unencumbered Cash - Ending	\$ 2,190		1,496		

CITY OF HILLSBORO, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
State Payments	\$ 73,506	80,967	77,730	3,237
Reimbursed Expenses	-	4,915	-	4,915
Total Receipts	73,506	85,882	<u>77,730</u>	<u>8,152</u>
Expenditures				
Contractual	206,774	109,948	127,838	(17,890)
Commodities	21,901	-	-	-
(a) Adjustment for Qualifying Budget Credits	-	-	4,915	(4,915)
Total Expenditures	228,675	109,948	<u>132,753</u>	<u>(22,805)</u>
Receipts Over (Under) Expenditures	(155,169)	(24,066)		
Unencumbered Cash - Beginning	185,974	30,805		
Unencumbered Cash - Ending	\$ 30,805	6,739		
(a) Adjustment for Qualifying Budget Credits				
Reimbursed Expenses Over Amount Budgeted			\$ 4,915	

CITY OF HILLSBORO, KANSAS
Special Law Enforcement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

			Current Year	
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 17,851	17,053	17,157	(104)
Delinquent Tax	2,093	203	-	203
Motor Vehicle Tax	2,165	2,300	2,176	124
Recreational Vehicle Tax	31	39	25	14
16/20M Vehicle Tax	18	11	17	(6)
Neighborhood Revitalization	(45)	(170)	-	(170)
Miscellaneous	55	1,063	-	1,063
Reimbursed Expenses	-	10,000	-	10,000
Total Receipts	<u>22,168</u>	<u>30,499</u>	<u>19,375</u>	<u>11,124</u>
Expenditures				
Capital Outlay	3,189	22,465	19,150	3,315
(a) Adjustment for Qualifying Budget Credits	-	-	10,000	(10,000)
Total Expenditures	<u>3,189</u>	<u>22,465</u>	<u>29,150</u>	<u>(6,685)</u>
Receipts Over (Under) Expenditures	18,979	8,034		
Unencumbered Cash - Beginning	<u>1,841</u>	<u>20,820</u>		
Unencumbered Cash - Ending	\$ <u>20,820</u>	<u>28,854</u>		
(a) Adjustment for Qualifying Budget Credits				
Reimbursed Expenses Over Amount Budgeted			\$ 10,000	

CITY OF HILLSBORO, KANSAS
Special Parks and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Liquor Tax	\$ 1,495	1,790	1,982	(192)
Expenditures				
Commodities	14	2,745	4,042	(1,297)
Capital Outlay	4,824	-	-	-
Total Expenditures	4,838	2,745	4,042	(1,297)
Receipts Over (Under) Expenditures	(3,343)	(955)		
Unencumbered Cash - Beginning	4,868	1,525		
Unencumbered Cash - Ending	\$ 1,525	570		

CITY OF HILLSBORO, KANSAS
Township Fire Equipment Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Township Payments	\$ 68,188	66,747	66,747	-
Expenditures				
Transfers Out	67,070	66,747	66,747	-
Receipts Over (Under) Expenditures	1,118	-		
Unencumbered Cash - Beginning	20,388	21,506		
Unencumbered Cash - Ending	\$ 21,506	21,506		

CITY OF HILLSBORO, KANSAS
Hillsboro 150th Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Interest Income	\$ 2	3
Expenditures	-	-
Receipts Over (Under) Expenditures	2	3
Unencumbered Cash - Beginning	1,543	1,545
Unencumbered Cash - Ending	\$ 1,545	1,548

CITY OF HILLSBORO, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ 30,570	4,285	-	4,285
Reimbursements	522	2,486	-	2,486
Transfers In	96,937	80,000	80,000	-
Total Receipts	128,029	86,771	<u>80,000</u>	<u>6,771</u>
Expenditures				
Capital Outlay	60,640	32,750	80,000	(47,250)
AMPI Property	37,337	29,111	-	29,111
KDOT Hospital Trail	20,399	-	-	-
Airport	4,071	3,743	-	3,743
City Hall Remodel	5,858	-	-	-
Willow Glen Additions	-	2,600	-	2,600
Miscellaneous	2,237	10,480	-	10,480
Total Expenditures	130,542	78,684	<u>80,000</u>	<u>(1,316)</u>
Receipts Over (Under) Expenditures	(2,513)	8,087		
Unencumbered Cash - Beginning	2,841	328		
Unencumbered Cash - Ending	\$ <u>328</u>	<u>8,415</u>		

CITY OF HILLSBORO, KANSAS
Tree Screening Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures		
Commodities	327	-
Receipts Over (Under) Expenditures	(327)	-
Unencumbered Cash - Beginning	16,360	16,033
Unencumbered Cash - Ending	\$ 16,033	16,033

CITY OF HILLSBORO, KANSAS
CDBG Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 47,000	85,000
Expenditures		
Grant Awards	47,000	85,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

CITY OF HILLSBORO, KANSAS
ARPA Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ -	214,874
Expenditures	-	-
Receipts Over (Under) Expenditures	-	214,874
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	214,874

CITY OF HILLSBORO, KANSAS

Bond and Interest Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 104,962	78,721	79,204	(483)
Delinquent Tax	15,361	1,263	-	1,263
Motor Vehicle Tax	15,240	13,790	12,786	1,004
Recreational Vehicle Tax	216	233	146	87
16/20M Vehicle Tax	171	73	101	(28)
Local Retailer Sales Tax	150,000	150,000	150,000	-
Neighborhood Revitalization	(266)	(784)	-	(784)
Special Assessments	14,572	15,288	15,608	(320)
Transfers In	329,773	394,762	473,434	(78,672)
Total Receipts	630,029	653,346	731,279	(77,933)
Expenditures				
Debt Service Principal	276,000	302,000	302,000	-
Debt Service Interest	353,242	350,108	349,951	157
KDOT Revolving Loan	40,156	40,156	40,156	-
Cash Basis Reserve	-	-	158,000	(158,000)
Total Expenditures	669,398	692,264	850,107	(157,843)
Receipts Over (Under) Expenditures	(39,369)	(38,918)		
Unencumbered Cash - Beginning	154,213	114,844		
Unencumbered Cash - Ending	\$ 114,844	75,926		

CITY OF HILLSBORO, KANSAS

TIF Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Ad Valorem Property Tax	\$ 23,875	24,558	24,559	(1)
Transfers In	5,637	6,140	9,273	(3,133)
Total Receipts	29,512	30,698	33,832	(3,134)
Expenditures				
Principal Payments	25,000	25,000	25,000	-
Interest Payments	4,830	4,230	4,230	-
Contractual Services	2,941	1,467	2,000	(533)
Total Expenditures	32,771	30,697	31,230	(533)
Receipts Over (Under) Expenditures	(3,259)	1		
Unencumbered Cash - Beginning	3,869	610		
Unencumbered Cash - Ending	\$ 610	611		

CITY OF HILLSBORO, KANSAS
General Obligation Bonds Refunding Fund

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Bond Proceeds	\$ -	957,000
Expenditures		
Bond Issuance Costs	-	19,066
Principal	-	935,000
Interest	-	2,267
Transfers Out	6,497	667
Total Expenditures	6,497	957,000
Receipts Over (Under) Expenditures	(6,497)	-
Unencumbered Cash - Beginning	6,497	-
Unencumbered Cash - Ending	\$ -	-

CITY OF HILLSBORO, KANSAS
Street Improvement Project Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures		
Capital Outlay	296,047	-
Receipts Over (Under) Expenditures	(296,047)	-
Unencumbered Cash - Beginning	352,132	56,085
Unencumbered Cash - Ending	\$ 56,085	56,085

CITY OF HILLSBORO, KANSAS
Water Improvement Project Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
KDHE Loan Proceeds	\$ 721,109	15,524
Expenditures		
Capital Outlay	613,832	-
Receipts Over (Under) Expenditures	107,277	15,524
Unencumbered Cash - Beginning	(122,801)	(15,524)
Unencumbered Cash - Ending	\$ (15,524)	-

CITY OF HILLSBORO, KANSAS

Electric Operating Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Collections	\$ 2,775,388	3,081,505	3,500,000	(418,495)
Connection Fees	745	8,525	500	8,025
Reimbursements	-	15	2,000	(1,985)
Miscellaneous	17,176	7,765	500	7,265
Total Receipts	<u>2,793,309</u>	<u>3,097,810</u>	<u>3,503,000</u>	<u>(405,190)</u>
Expenditures				
Personal Services	292,659	242,019	288,000	(45,981)
Contractual Services	56,896	92,938	54,500	38,438
Commodities	138,801	126,113	125,000	1,113
Capital Outlay	-	775	-	775
Electric Purchases	1,606,379	2,072,019	2,100,000	(27,981)
Lease Payments	53,675	67,736	66,325	1,411
Use Tax	2,050	3,677	2,000	1,677
Transfers Out	567,000	581,500	566,500	15,000
Total Expenditures	<u>2,717,460</u>	<u>3,186,777</u>	<u>3,202,325</u>	<u>(15,548)</u>
Receipts Over (Under) Expenditures	75,849	(88,967)		
Unencumbered Cash - Beginning	<u>273,280</u>	<u>349,129</u>		
Unencumbered Cash - Ending	\$ <u>349,129</u>	<u>260,162</u>		

CITY OF HILLSBORO, KANSAS**Refuse Operating Fund**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Collections	\$ 275,508	294,135	292,000	2,135
Reimbursements	-	-	1,000	(1,000)
Miscellaneous	1,570	490	-	490
Total Receipts	277,078	294,625	293,000	1,625
Expenditures				
Personal Services	130,174	106,464	118,562	(12,098)
Contractual Services	29,440	60,526	29,000	31,526
Commodities	21,684	29,144	19,000	10,144
Capital Outlay	37,293	39,137	37,293	1,844
Lease Payments	-	-	37,293	(37,293)
Recycling	9,596	20,945	25,000	(4,055)
Miscellaneous	-	4,909	-	4,909
Transfers Out	35,500	35,000	35,000	-
Total Expenditures	263,687	296,125	301,148	(5,023)
Receipts Over (Under) Expenditures	13,391	(1,500)		
Unencumbered Cash - Beginning	52,118	65,509		
Unencumbered Cash - Ending	\$ 65,509	64,009		

CITY OF HILLSBORO, KANSAS
Sewer Operating Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Collections	\$ 661,887	652,117	675,000	(22,883)
Miscellaneous	-	3,166	3,600	(434)
Total Receipts	661,887	655,283	678,600	(23,317)
Expenditures				
Personal Services	101,536	109,644	110,000	(356)
Contractual Services	88,773	85,722	85,000	722
Commodities	17,555	41,502	132,200	(90,698)
Capital Outlay	-	243,892	213,000	30,892
Transfers Out	279,437	476,595	476,595	-
Total Expenditures	487,301	957,355	1,016,795	(59,440)
Receipts Over (Under) Expenditures	174,586	(302,072)		
Unencumbered Cash - Beginning	871,972	1,046,558		
Unencumbered Cash - Ending	\$ 1,046,558	744,486		

CITY OF HILLSBORO, KANSAS
Water Operating Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Collections	\$ 873,667	898,150	960,100	(61,950)
Reimbursements	5,095	598	600	(2)
Sale of Equipment	-	2,057	-	2,057
Miscellaneous	4,538	1,680	1,600	80
Total Receipts	883,300	902,485	962,300	(59,815)
Expenditures				
Personal Services	241,308	287,468	305,000	(17,532)
Contractual Services	118,153	122,018	150,000	(27,982)
Commodities	150,018	254,357	187,500	66,857
Capital Outlay	27,416	59,949	36,000	23,949
Water Purchases	15,000	68,155	15,000	53,155
Revolving Loan Payments	202,489	184,180	184,180	-
Transfers Out	297,339	100,000	211,839	(111,839)
Total Expenditures	1,051,723	1,076,127	1,089,519	(13,392)
Receipts Over (Under) Expenditures	(168,423)	(173,642)		
Unencumbered Cash - Beginning	668,733	505,178		
Prior Year Cancelled Encumbrances	4,868	-		
Unencumbered Cash - Ending	\$ 505,178	331,536		

CITY OF HILLSBORO, KANSAS
Special Law Enforcement Trust Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Asset Seizures	\$ 5,229	406
Expenditures		
Contractual	1,082	61
Receipts Over (Under) Expenditures	4,147	345
Unencumbered Cash - Beginning	-	4,147
Unencumbered Cash - Ending	\$ 4,147	4,492

CITY OF HILLSBORO, KANSAS
Insurance Proceeds Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Proceeds	\$ 12,824	19,081
Expenditures		
Capital Outlay	12,824	19,081
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	2,250	2,250
Unencumbered Cash - Ending	\$ 2,250	2,250

CITY OF HILLSBORO, KANSAS
Hillsboro Land Bank
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Rent Income	\$ -	1,950
Miscellaneous	-	6,500
Sale of Assets	-	632
Total Receipts	-	9,082
Expenditures		
Commodities	-	71
Capital Outlay	-	6,675
Total Expenditures	-	6,746
Receipts Over (Under) Expenditures	-	2,336
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	2,336

CITY OF HILLSBORO, KANSAS
Hillsboro Public Building Commission - Health Care Facilities
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Interest Income	\$ 1,185	161
Lease Payment From Hospital	71,500	60,500
Federal Aid	37,889	-
Total Receipts	110,574	60,661
Expenditures		
Contractual	96,283	59,884
Debt Service Principal	45,000	45,000
Debt Service Interest	47,750	46,400
Total Expenditures	189,033	151,284
Receipts Over (Under) Expenditures	(78,459)	(90,623)
Unencumbered Cash - Beginning	383,220	304,761
Unencumbered Cash - Ending	\$ 304,761	214,138

CITY OF HILLSBORO, KANSAS
Hillsboro Public Building Commission - Family Aquatic Center
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Rent Income From City of Hillsboro	\$ 172,672	177,610
Interest Income	23	-
Total Receipts	172,695	177,610
Expenditures		
Debt Service Principal	150,000	160,000
Debt Service Interest	22,673	17,610
Total Expenditures	172,673	177,610
Receipts Over (Under) Expenditures	22	-
Unencumbered Cash - Beginning	914	936
Unencumbered Cash - Ending	\$ 936	936

CITY OF HILLSBORO, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2021

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Meter Deposit Fund	\$ 20,769	3,528	24,182	115
Payroll Withholding Fund	9,657	7,651	9,122	8,186
Utility Sales Tax Fund	<u>11,411</u>	<u>87,715</u>	<u>87,751</u>	<u>11,375</u>
Total	<u>\$ 41,837</u>	<u>98,894</u>	<u>121,055</u>	<u>19,676</u>