

**CITY OF HILL CITY, KANSAS**

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

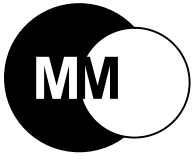
For the Year Ended December 31, 2018

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, 2018

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# Mapes & Miller LLP

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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, 2018, 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, 2018, 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, 2018, 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 15, 2019

**CITY OF HILL CITY, KANSAS**  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2018

STATEMENT 1  
Page 1

| Fund                              | Beginning<br>Unencumbered<br>Cash Balance | Receipts | Expenditures | Ending<br>Unencumbered<br>Cash Balance | Add<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |
|-----------------------------------|---|----------|--------------|--|--|------------------------|
| Governmental Type Funds:          |   |          |              |  |  |                        |
| General Fund                      | \$ 491,273                                | 797,885  | 724,721      | 564,437                                | 2,823  | 567,260                |
| Special Purpose Funds             |   |          |              |  |  |                        |
| Airport Fund                      | 57,660                                    | 51,652   | 56,014       | 53,298                                 | 74   | 53,372                 |
| Special City Highway Fund         | 45,667                                    | 39,054   | 26,804       | 57,917                                 | 0  | 57,917                 |
| Employee Benefits Fund            | 105,174                                   | 143,335  | 130,727      | 117,782                                | 0  | 117,782                |
| Special Parks and Recreation Fund | 140,513                                   | 1,990    | 30,377       | 112,126                                | 0  | 112,126                |
| Equipment Reserve Fund            | 305,293                                   | 124,000  | 119,249      | 310,044                                | 0  | 310,044                |
| Capital Improvements Fund         | 455,605                                   | 146,000  | 273,595      | 328,010                                | 0  | 328,010                |
| Recreation Commission Fund        | 0   | 0        | 0            | 0                                      | 0  | 0                      |
| LE Seizure Trust Fund             | 1,129                                     | 0        | 0            | 1,129                                  | 0  | 1,129                  |
| Crime Prevention Fund             | 692                                       | 0        | 545          | 147                                    | 0  | 147                    |
| Tree and Park Fund                | 189                                       | 0        | 0            | 189                                    | 0  | 189                    |
| Ball Complex Lights Fund          | 20,471                                    | 38,765   | 8,965        | 50,271                                 | 0  | 50,271                 |
| Housing Grant Fund                | 1,966                                     | 0        | 0            | 1,966                                  | 0  | 1,966                  |
| Donations Fund                    | 4,325                                     | 1,000    | 2,550        | 2,775                                  | 0  | 2,775                  |
| Industrial Park Lot Fund          | 7,500                                     | 0        | 0            | 7,500                                  | 0  | 7,500                  |
| Diversion Fund                    | 985                                       | 0        | 976          | 9                                      | 0  | 9                      |
| Tort Liability Fund               | 58,470                                    | 0        | 3,750        | 54,720                                 | 0  | 54,720                 |
| Fema Disaster #1885 Fund          | 2,964                                     | 0        | 2,964        | 0                                      | 0  | 0                      |
| Swimming Pool Reserve Fund        | 28,462                                    | 6,210    | 0            | 34,672                                 | 0  | 34,672                 |

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, 2018

STATEMENT 1  
Page 2

| Fund                             | Beginning<br>Unencumbered<br>Cash Balance | Receipts         | Expenditures     | Ending<br>Unencumbered<br>Cash Balance | Add<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |
|----------------------------------|---|------------------|------------------|--|--|------------------------|
| Bond and Interest Fund           |   |                  |                  |  |  |                        |
| Airport Bond and Interest Fund   | 6,561                                     | 7,994            | 0                | 14,555                                 | 0  | 14,555                 |
| Capital Project Funds            |   |                  |                  |  |  |                        |
| Airport Runway Fund              | 50,956                                    | 350,446          | 331,525          | 69,877                                 | 0  | 69,877                 |
| Water Improvement Project Fund   | 25,548                                    | 0                | 0                | 25,548                                 | 0  | 25,548                 |
| Water Capital Improvement Fund   | 382,680                                   | 0                | 382,680          | 0                                      | 0  | 0                      |
| Business Funds                   |   |                  |                  |  |  |                        |
| Light Utility Fund               | 193,097                                   | 2,044,424        | 1,969,226        | 268,295                                | 97,169   | 365,464                |
| Water Utility Fund               | 889,150                                   | 450,851          | 447,227          | 892,774                                | 1,486  | 894,260                |
| Sewer Utility Fund               | 279,266                                   | 292,320          | 304,143          | 267,443                                | 371  | 267,814                |
| Golf Course Fund                 | 1,474                                     | 43,465           | 38,298           | 6,641                                  | 0  | 6,641                  |
| Light Emergency Maintenance Fund | 95,000                                    | 0                | 0                | 95,000                                 | 0  | 95,000                 |
| Light and Water Surplus Fund     | 4,916                                     | 0                | 3,016            | 1,900                                  | 0  | 1,900                  |
| Sewer Reserve Fund               | 63,951                                    | 134,000          | 133,669          | 64,282                                 | 0  | 64,282                 |
| Customer Deposits Fund           | 0   | 6,886            | 6,886            | 0                                      | 12,311   | 12,311                 |
| Total Reporting Entity           | <u>\$ 3,720,937</u>                       | <u>4,680,277</u> | <u>4,997,907</u> | <u>3,403,307</u>                       | <u>114,234</u>                                 | <u>3,517,541</u>       |

|                    |  |                     |
|--------------------|--|---------------------|
| Compositon of Cash | Cash on Hand                                   | \$ 100              |
|                    | Checking Accounts - First State Bank           | 52,378              |
|                    | Checking Account - Peoples State Bank          | 2,534,506           |
|                    | Certificates of Deposit - First State Bank     | 360,186             |
|                    | Certificates of Deposit - Solutions North Bank | 570,371             |
|                    | Total Reporting Entity                         | <u>\$ 3,517,541</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, 2018

**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, 2018:

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 25<sup>th</sup>.

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, 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 2018.

## **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 2018. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$3,517,441, and the bank balance was \$3,566,818. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$796,355 was covered by federal depository insurance and \$2,770,463 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](http://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 for Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City of Hill City were \$57,554 for the year ended December 31, 2018.

#### **Net Pension Liability**

At December 31, 2018, the city's proportionate share of the collective net pension liability reported by KPERS was \$480,398. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. 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](http://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:

| <u>Project</u>            | <u>Project<br/>Authorization</u> | <u>Expenditures<br/>to Date</u> |
|---------------------------|----------------------------------|---------------------------------|
| Airport Runway            | \$4,393,597                      | \$4,190,409                     |
| Water Improvement Project | 842,250                          | 663,368                         |
| Water Capital Improvement | 382,680                          | 382,680                         |

## 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, 2018, were as follows:

| <u>From</u>        | <u>To</u>                  | <u>Regulatory<br/>Authority</u> | <u>Amount</u> |
|--------------------|----------------------------|---------------------------------|---------------|
| General Fund       | Equipment Reserve Fund     | K.S.A. 12-1,117                 | \$ 50,000     |
| General Fund       | Capital Improvements Fund  | K.S.A. 12-1,118                 | 96,000        |
| 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, 2018, 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 |
|--------------------------------|----------------|---------------|-----------------|------------------------|---------------------------|-----------|----------------------|---------------------|---------------|
| KDHE Loans:                    |                |               |                 |                        |                           |           |                      |                     |               |
| Water Improvement Loan         | 3.44%          | 12/05/05      | 2,360,731       | 02/01/28               | 1,435,206                 | 0         | 115,629              | 1,319,577           | 48,385        |
| Water Improvement Loan         | 3.47%          | 11/18/09      | 421,125         | 08/01/31               | 198,268                   | 0         | 11,216               | 187,052             | 6,783         |
| Sewer Construction Loan        | 2.50%          | 10/25/11      | 4,999,110       | 03/01/33               | 1,798,174                 | 0         | 89,269               | 1,708,905           | 44,400        |
| Total Contractual Indebtedness |                |               |                 |                        | \$ 3,431,648              | 0         | 216,114              | 3,215,534           | 99,568        |

**11. Long-term Debt (continued)**

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

|                                     | <u>2019</u>       | <u>2020</u>    | <u>2021</u>    | <u>2022</u>    | <u>2023</u>    | <u>2024-2028</u> | <u>2029-2033</u> | <u>2034-2038</u> | <u>Total</u>     |
|-------------------------------------|-------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| <b>Principal</b>                    |                   |                |                |                |                |                  |                  |                  |                  |
| KDHE Loans:                         |                   |                |                |                |                |                  |                  |                  |                  |
| Water Improvement Loan              | 119,641           | 123,792        | 128,087        | 132,531        | 137,130        | 678,396          | 0                | 0                | 1,319,577        |
| Water Improvement Loan              | 11,609            | 12,015         | 12,435         | 12,871         | 13,321         | 73,935           | 50,866           | 0                | 187,052          |
| Sewer Construction Loan             | <u>91,514</u>     | <u>93,817</u>  | <u>96,177</u>  | <u>98,596</u>  | <u>101,076</u> | <u>544,826</u>   | <u>616,890</u>   | <u>66,009</u>    | <u>1,708,905</u> |
| <b>Total Principal</b>              | 222,764           | 229,624        | 236,699        | 243,998        | 251,527        | 1,297,157        | 667,756          | 66,009           | 3,215,534        |
| <b>Interest</b>                     |                   |                |                |                |                |                  |                  |                  |                  |
| KDHE Loans:                         |                   |                |                |                |                |                  |                  |                  |                  |
| Water Improvement Loan              | 44,373            | 40,222         | 35,927         | 31,483         | 26,885         | 59,668           | 0                | 0                | 238,558          |
| Water Improvement Loan              | 6,391             | 5,985          | 5,564          | 5,129          | 4,678          | 16,062           | 3,133            | 0                | 46,942           |
| Sewer Construction Loan             | <u>42,154</u>     | <u>39,852</u>  | <u>37,492</u>  | <u>35,073</u>  | <u>32,592</u>  | <u>123,517</u>   | <u>51,452</u>    | <u>83</u>        | <u>362,215</u>   |
| <b>Total Interest</b>               | 92,918            | 86,059         | 78,983         | 71,685         | 64,155         | 199,247          | 54,585           | 83               | 647,715          |
| <b>Total Principal and Interest</b> | <u>\$ 315,682</u> | <u>315,683</u> | <u>315,682</u> | <u>315,683</u> | <u>315,682</u> | <u>1,496,404</u> | <u>722,341</u>   | <u>66,092</u>    | <u>3,863,249</u> |

CITY OF HILL CITY, KANSAS  
REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018

## CITY OF HILL CITY, KANSAS

## SCHEDULE 1

## Summary of Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2018

| Description                       | Certified<br>Budget | Adjustment for<br>Qualifying<br>Budget Credits | Total<br>Budget for<br>Comparison | Expenditures<br>Chargeable to<br>Current Year | Variance-<br>Over<br>(Under) |
|-----------------------------------|---------------------|--|-----------------------------------|---|------------------------------|
| Governmental Type Funds:          |                     |  |                                   |   |                              |
| General Fund                      | \$ 898,915          | 0  | 898,915                           | 724,721                                       | (174,194)                    |
| Special Purpose Funds             |                     |  |                                   |   |                              |
| Airport Fund                      | 77,689              | 250  | 77,939                            | 56,014  | (21,925)                     |
| Special City Highway Fund         | 64,162              | 0  | 64,162                            | 26,804  | (37,358)                     |
| Employee Benefits Fund            | 173,200             | 0  | 173,200                           | 130,727                                       | (42,473)                     |
| Special Parks and Recreation Fund | 87,451              | 0  | 87,451                            | 30,377  | (57,074)                     |
| Equipment Reserve Fund            | 234,100             | 0  | 234,100                           | 119,249                                       | *                            |
| Capital Improvements Fund         | 465,196             | 0  | 465,196                           | 273,595                                       | **                           |
| Recreation Commission Fund        | 42                  | 0  | 42                                | 0   | (42)                         |
| LE Seizure Trust Fund             | 961                 | 0  | 961                               | 0   | ***                          |
| Bond and Interest Fund            |                     |  |                                   |   |                              |
| Airport Bond and Interest Fund    | 8,700               | 0  | 8,700                             | 0   | (8,700)                      |
| Business Funds:                   |                     |  |                                   |   |                              |
| Light Utility Fund                | 2,209,050           | 0  | 2,209,050                         | 1,969,226                                     | (239,824)                    |
| Water Utility Fund                | 531,684             | 0  | 531,684                           | 447,227                                       | (84,457)                     |
| Sewer Utility Fund                | 352,904             | 0  | 352,904                           | 304,143                                       | (48,761)                     |
| Golf Course Fund                  | 38,400              | 0  | 38,400                            | 38,298  | (102)                        |
| 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

SCHEDULE 2

General Fund

Page 1

## Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

|   | <u>Actual</u>  | <u>Budget</u>  | <u>Variance-<br/>Over<br/>(Under)</u> |
|---|----------------|----------------|---------------------------------------|
| Receipts:                                       |                |                |                                       |
| Taxes   |                |                |                                       |
| Ad Valorem Property Tax                         | \$ 377,843     | 371,054        | 6,789                                 |
| Delinquent Tax                                  | 16,657         | 0              | 16,657                                |
| Motor Vehicle Tax                               | 54,619         | 38,873         | 15,746                                |
| Recreational Vehicle Tax                        | 942            | 1,095          | (153)                                 |
| 16/20M Vehicle Tax                              | 777            | 578            | 199                                   |
| Commercial Vehicle Tax                          | 757            | 1,446          | (689)                                 |
| Sales and Compensating Use Tax                  | 270,286        | 250,000        | 20,286                                |
| Local Liquor Tax                                | 1,895          | 2,500          | (605)                                 |
| Licenses, Permits, and Fines                    |                |                |                                       |
| Franchise Fees                                  | 25,023         | 17,500         | 7,523                                 |
| Licenses and Permits                            | 2,073          | 2,200          | (127)                                 |
| Court Fines                                     | 1,251          | 3,000          | (1,749)                               |
| Dog Pound Fees                                  | 20             | 20             | 0                                     |
| Charges for Services                            |                |                |                                       |
| Swimming Pool                                   | 665            | 200            | 465                                   |
| Cemetery  | 454            | 1,400          | (946)                                 |
| Interest on Idle Funds                          | 19,711         | 2,400          | 17,311                                |
| Miscellaneous                                   | 16,977         | 0              | 16,977                                |
| Recycling Center                                | 1,258          | 2,500          | (1,242)                               |
| Reimbursements                                  | 467            | 0              | 467                                   |
| Transfer from Sewer Utility (For Swimming Pool) | 6,210          | 6,210          | 0                                     |
| Total Receipts                                  | <u>797,885</u> | <u>700,976</u> | <u>96,909</u>                         |

**CITY OF HILL CITY, KANSAS**  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
Page 2

|                                    | <u>Actual</u>  | <u>Budget</u>  | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|----------------|----------------|---------------------------------------|
| Expenditures:                      |                |                |                                       |
| General Administration             |                |                |                                       |
| Personal Services                  | \$ 513         | 5,200          | (4,687)                               |
| Contractual Services               | 38,552         | 78,000         | (39,448)                              |
| Commodities                        | 7,503          | 20,000         | (12,497)                              |
| Miscellaneous                      | 9,684          | 0              | 9,684                                 |
| Alcohol Appropriation              | 650            | 2,000          | (1,350)                               |
|                                    | <u>56,902</u>  | <u>105,200</u> | <u>(48,298)</u>                       |
| Total General Administration       |                |                |                                       |
| Police Department                  |                |                |                                       |
| Personal Services                  | 179,811        | 196,200        | (16,389)                              |
| Contractual Services               | 61,534         | 57,443         | 4,091                                 |
| Commodities                        | 14,982         | 30,700         | (15,718)                              |
| Capital Outlay                     | 504            | 1,200          | (696)                                 |
| Miscellaneous                      | 118            | 0              | 118                                   |
|                                    | <u>256,949</u> | <u>285,543</u> | <u>(28,594)</u>                       |
| Total Police Department            |                |                |                                       |
| Legal                              |                |                |                                       |
| Personal Services                  | 17,741         | 24,350         | (6,609)                               |
| Contractual Services               | 1,068          | 1,780          | (712)                                 |
| Commodities                        | 30             | 800            | (770)                                 |
| Capital Outlay                     | 0              | 4,100          | (4,100)                               |
|                                    | <u>18,839</u>  | <u>31,030</u>  | <u>(12,191)</u>                       |
| Total Legal                        |                |                |                                       |
| Airport, Parks, and Cemetery       |                |                |                                       |
| Personal Services                  | 46,234         | 50,600         | (4,366)                               |
| Contractual Services               | 7,873          | 13,000         | (5,127)                               |
| Commodities                        | 16,238         | 28,000         | (11,762)                              |
| Miscellaneous                      | 100            | 0              | 100                                   |
|                                    | <u>70,445</u>  | <u>91,600</u>  | <u>(21,155)</u>                       |
| Total Airport, Parks, and Cemetery |                |                |                                       |

**CITY OF HILL CITY, KANSAS**  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
Page 3

|                         | <u>Actual</u>  | <u>Budget</u>  | <u>Variance-<br/>Over<br/>(Under)</u> |
|-------------------------|----------------|----------------|---------------------------------------|
| Fire Department         |                |                |                                       |
| Personal Services       | \$ 7,799       | 9,300          | (1,501)                               |
| Contractual Services    | 9,260          | 9,000          | 260                                   |
| Commodities             | 1,268          | 3,900          | (2,632)                               |
| Capital Outlay          | 0              | 6,600          | (6,600)                               |
|                         | <u>18,327</u>  | <u>28,800</u>  | <u>(10,473)</u>                       |
| Total Fire Department   |                |                |                                       |
| Street Department       |                |                |                                       |
| Personal Services       | 37,165         | 42,000         | (4,835)                               |
| Contractual Services    | 24,437         | 27,500         | (3,063)                               |
| Commodities             | 41,998         | 75,000         | (33,002)                              |
| Miscellaneous           | 1,100          | 0              | 1,100                                 |
|                         | <u>104,700</u> | <u>144,500</u> | <u>(39,800)</u>                       |
| Total Street Department |                |                |                                       |
| Oil Museum              |                |                |                                       |
| Contractual Services    | 755            | 750            | 5                                     |
|                         | <u>755</u>     | <u>750</u>     | <u>5</u>                              |
| Swimming Pool           |                |                |                                       |
| Personal Services       | 30,369         | 32,900         | (2,531)                               |
| Contractual Services    | 5,252          | 4,500          | 752                                   |
| Commodities             | 15,285         | 15,500         | (215)                                 |
|                         | <u>50,906</u>  | <u>52,900</u>  | <u>(1,994)</u>                        |
| Total Swimming Pool     |                |                |                                       |
| Scout House             |                |                |                                       |
| Contractual Services    | 898            | 1,500          | (602)                                 |
| Commodities             | 0              | 0              | 0                                     |
|                         | <u>898</u>     | <u>1,500</u>   | <u>(602)</u>                          |
| Total Swimming Pool     |                |                |                                       |

## CITY OF HILL CITY, KANSAS

SCHEDULE 2

General Fund

Page 4

## Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

|                                       | <u>Actual</u>     | <u>Budget</u>  | <u>Variance-<br/>Over<br/>(Under)</u> |
|---------------------------------------|-------------------|----------------|---------------------------------------|
| Other                                 |                   |                |                                       |
| Miscellaneous                         | \$ 0              | 1,092          | (1,092)                               |
| Airport                               | 0                 | 10,000         | (10,000)                              |
| Total Other                           | <u>0</u>          | <u>11,092</u>  | <u>(11,092)</u>                       |
| Operating Transfers                   |                   |                |                                       |
| Transfer to Equipment Reserve Fund    | 50,000            | 50,000         | 0                                     |
| Transfer to Capital Improvements Fund | <u>96,000</u>     | <u>96,000</u>  | <u>0</u>                              |
| Total Operating Transfers             | <u>146,000</u>    | <u>146,000</u> | <u>0</u>                              |
| Total Expenditures                    | <u>724,721</u>    | <u>898,915</u> | <u>(173,592)</u>                      |
| Receipts Over (Under) Expenditures    | 73,164            |                |                                       |
| Unencumbered Cash, Beginning          | <u>491,273</u>    |                |                                       |
| Unencumbered Cash, Ending             | <u>\$ 564,437</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, 2018

SCHEDULE 2  
Page 5

|  | <u>Actual</u>    | <u>Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|--|------------------|---------------|---------------------------------------|
| <b>Airport Fund</b>                      |                  |               |                                       |
| Receipts:                                |                  |               |                                       |
| Rent                                     | \$ 2,208         | 4,000         | (1,792)                               |
| Farm Income                              | 2,974            | 0             | 2,974                                 |
| Fuel                                     | 44,570           | 43,470        | 1,100                                 |
| Miscellaneous                            | 1,650            | 0             | 1,650                                 |
| Reimbursements                           | 250              | 0             | 250                                   |
|  | <u>51,652</u>    | <u>47,470</u> | <u>4,182</u>                          |
| Total Receipts                           | <u>51,652</u>    | <u>47,470</u> | <u>4,182</u>                          |
| Expenditures:                            |                  |               |                                       |
| Contractual Services                     | 11,354           | 9,000         | 2,354                                 |
| Commodities                              | 44,504           | 60,000        | (15,496)                              |
| Capital Outlay                           | 0                | 8,689         | (8,689)                               |
| Miscellaneous                            | 156              | 0             | 156                                   |
| Adjustment for Qualifying Budget Credit: |                  |               |                                       |
| Reimbursed Expenses                      | 0                | 250           | (250)                                 |
|  | <u>56,014</u>    | <u>77,939</u> | <u>(21,925)</u>                       |
| Total Expenditures                       | <u>56,014</u>    | <u>77,939</u> | <u>(21,925)</u>                       |
| Receipts Over (Under) Expenditures       | (4,362)          |               |                                       |
| Unencumbered Cash, Beginning             | <u>57,660</u>    |               |                                       |
| Unencumbered Cash, Ending                | <u>\$ 53,298</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, 2018

SCHEDULE 2

Page 6

|                                    | <u>Actual</u>           | <u>Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|-------------------------|---------------|---------------------------------------|
| <b>Special City Highway Fund</b>   |                         |               |                                       |
| Receipts:                          |                         |               |                                       |
| Intergovernmental                  | \$ <u>39,054</u>        | <u>38,730</u> | <u>324</u>                            |
| Expenditures:                      |                         |               |                                       |
| Contractual Services               | 6,656                   | 37,162        | (30,506)                              |
| Commodities                        | 20,148                  | 27,000        | (6,852)                               |
| Miscellaneous                      | <u>0</u>                | <u>0</u>      | <u>0</u>                              |
| Total Expenditures                 | <u>26,804</u>           | <u>64,162</u> | <u>(37,358)</u>                       |
| Receipts Over (Under) Expenditures | 12,250                  |               |                                       |
| Unencumbered Cash, Beginning       | <u>45,667</u>           |               |                                       |
| Unencumbered Cash, Ending          | \$ <u><u>57,917</u></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, 2018

SCHEDULE 2  
Page 7

|                                    | <u>Actual</u>     | <u>Budget</u>  | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|-------------------|----------------|---------------------------------------|
| <b>Employee Benefits Fund</b>      |                   |                |                                       |
| Receipts:                          |                   |                |                                       |
| Taxes                              |                   |                |                                       |
| Ad Valorem Property Tax            | \$ 107,986        | 106,158        | 1,828                                 |
| Delinquent Tax                     | 5,203             | 0              | 5,203                                 |
| Motor Vehicle Tax                  | 19,309            | 13,743         | 5,566                                 |
| Recreational Vehicle Tax           | 333               | 387            | (54)                                  |
| 16/20M Vehicle Tax                 | 236               | 142            | 94                                    |
| Commercial Vehicle                 | 268               | 511            | (243)                                 |
| Transfer from Sewer Utility Fund   | 10,000            | 10,000         | 0                                     |
| Total Receipts                     | <u>143,335</u>    | <u>130,941</u> | <u>12,394</u>                         |
| Expenditures:                      |                   |                |                                       |
| Social Security / Medicare Tax     | 23,477            | 26,200         | (2,723)                               |
| KPERs                              | 23,324            | 32,000         | (8,676)                               |
| Health Insurance Premiums          | 83,185            | 114,000        | (30,815)                              |
| Unemployment Tax                   | 741               | 1,000          | (259)                                 |
| Total Expenditures                 | <u>130,727</u>    | <u>173,200</u> | <u>(42,473)</u>                       |
| Receipts Over (Under) Expenditures | 12,608            |                |                                       |
| Unencumbered Cash, Beginning       | <u>105,174</u>    |                |                                       |
| Unencumbered Cash, Ending          | <u>\$ 117,782</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, 2018

SCHEDULE 2

Page 8

|  | <u>Actual</u>     | <u>Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|--|-------------------|---------------|---------------------------------------|
| <b>Special Parks and Recreation Fund</b> |                   |               |                                       |
| Receipts:                                |                   |               |                                       |
| Taxes                                    |                   |               |                                       |
| Delinquent Tax                           | \$ 95             | 0             | 95                                    |
| Local Liquor Tax                         | <u>1,895</u>      | <u>2,500</u>  | <u>(605)</u>                          |
| Total Receipts                           | <u>1,990</u>      | <u>2,500</u>  | <u>(510)</u>                          |
| Expenditures:                            |                   |               |                                       |
| Personal Services                        | 20,612            | 29,800        | (9,188)                               |
| Contractual Services                     | 256               | 6,907         | (6,651)                               |
| Commodities                              | 9,509             | 6,270         | 3,239                                 |
| Capital Outlay                           | 0                 | 31,000        | (31,000)                              |
| Golf Course                              | <u>0</u>          | <u>13,474</u> | <u>(13,474)</u>                       |
| Total Expenditures                       | <u>30,377</u>     | <u>87,451</u> | <u>(57,074)</u>                       |
| Receipts Over (Under) Expenditures       | (28,387)          |               |                                       |
| Unencumbered Cash, Beginning             | <u>140,513</u>    |               |                                       |
| Unencumbered Cash, Ending                | <u>\$ 112,126</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, 2018

SCHEDULE 2  
Page 9

|                                    | <u>Actual</u>     | <u>*Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|-------------------|----------------|---------------------------------------|
| <b>Equipment Reserve Fund</b>      |                   |                |                                       |
| 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                     | <u>124,000</u>    | <u>124,000</u> | <u>0</u>                              |
| Expenditures:                      |                   |                |                                       |
| Sewer Equipment                    | 3,980             | 48,000         | (44,020)                              |
| Police Equipment                   | 10,770            | 12,800         | (2,030)                               |
| Administration                     | 3,157             | 4,100          | (943)                                 |
| Street                             | 29,379            | 75,000         | (45,621)                              |
| Light Equipment                    | 42,179            | 23,100         | 19,079                                |
| Water Equipment                    | 0                 | 33,400         | (33,400)                              |
| Fire                               | 2,113             | 20,500         | (18,387)                              |
| Golf Course                        | 12,665            | 16,000         | (3,335)                               |
| Airport, Parks, Cemetery           | 15,006            | 1,200          | 13,806                                |
|                                    | <u>119,249</u>    | <u>234,100</u> | <u>(114,851)</u>                      |
| Total Expenditures                 | <u>119,249</u>    | <u>234,100</u> | <u>(114,851)</u>                      |
| Receipts Over (Under) Expenditures | 4,751             |                |                                       |
| Unencumbered Cash, Beginning       | <u>305,293</u>    |                |                                       |
| Unencumbered Cash, Ending          | <u>\$ 310,044</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  
Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|                                    | <u>Actual</u>     | <u>*Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|-------------------|----------------|---------------------------------------|
| <b>Capital Improvements Fund</b>   |                   |                |                                       |
| Receipts:                          |                   |                |                                       |
| Transfer from General Fund         | \$ 96,000         | 96,000         | 0                                     |
| Transfer from Light Utility Fund   | 50,000            | 50,000         | 0                                     |
| Reimbursed Expense                 | 0                 | 0              | 0                                     |
|                                    | <u>146,000</u>    | <u>146,000</u> | <u>0</u>                              |
| Total Receipts                     | <u>146,000</u>    | <u>146,000</u> | <u>0</u>                              |
| Expenditures:                      |                   |                |                                       |
| Street Repair                      | 43,255            | 142,000        | (98,745)                              |
| Lights Capital Improvements        | 26,858            | 10,000         | 16,858                                |
| Curb, Gutter, and Sidewalks        | 3,025             | 40,000         | (36,975)                              |
| Airport Improvements               | 69,935            | 70,000         | (65)                                  |
| Swimming Pool                      | 0                 | 14,896         | (14,896)                              |
| Tree Trim                          | 52,830            | 50,000         | 2,830                                 |
| Demo Match                         | 22,481            | 32,000         | (9,519)                               |
| Improve Dist. System               | 0                 | 20,000         | (20,000)                              |
| Update St. Lights - LED            | 0                 | 32,000         | (32,000)                              |
| City Hall                          | 40,225            | 54,300         | (14,075)                              |
| Other Capital Improvements         | 14,986            | 0              | 14,986                                |
|                                    | <u>273,595</u>    | <u>465,196</u> | <u>(191,601)</u>                      |
| Total Expenditures                 | <u>273,595</u>    | <u>465,196</u> | <u>(191,601)</u>                      |
| Receipts Over (Under) Expenditures | (127,595)         |                |                                       |
| Unencumbered Cash, Beginning       | <u>455,605</u>    |                |                                       |
| Unencumbered Cash, Ending          | \$ <u>328,010</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  
 Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|                                    | <u>Actual</u>      | <u>Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|--------------------|---------------|---------------------------------------|
| <b>Recreation Commission Fund</b>  |                    |               |                                       |
| Receipts:                          |                    |               |                                       |
| Taxes                              |                    |               |                                       |
| Delinquent Tax                     | \$ <u>0</u>        | <u>21</u>     | <u>(21)</u>                           |
| Expenditures:                      |                    |               |                                       |
| Appropriations                     | <u>0</u>           | <u>42</u>     | <u>(42)</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  
 Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|                                    | <u>Actual</u>          | <u>*Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|------------------------|----------------|---------------------------------------|
| <b>LE Seizure Trust Fund</b>       |                        |                |                                       |
| Receipts:                          |                        |                |                                       |
| Other Revenue                      | \$ <u>0</u>            | <u>100</u>     | <u>(100)</u>                          |
| Expenditures:                      |                        |                |                                       |
| Contractual Services               | <u>0</u>               | <u>961</u>     | <u>(961)</u>                          |
| Receipts Over (Under) Expenditures | 0                      |                |                                       |
| Unencumbered Cash, Beginning       | <u>1,129</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  
For the Year Ended December 31, 2018

SCHEDULE 2  
Page 13

|                                    | <u>Actual</u>        |
|------------------------------------|----------------------|
| <b>Crime Prevention Fund</b>       |                      |
| Receipts                           | \$ <u>0</u>          |
| Expenditures                       | <u>545</u>           |
| Receipts Over (Under) Expenditures | (545)                |
| Unencumbered Cash, Beginning       | <u>692</u>           |
| Unencumbered Cash, Ending          | \$ <u><u>147</u></u> |
| <br><b>Tree and Park Fund</b>      |                      |
| 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  
For the Year Ended December 31, 2018

SCHEDULE 2  
Page 14

|                                    | <u>Actual</u>           |
|------------------------------------|-------------------------|
| <b>Ball Complex Lights Fund</b>    |                         |
| Receipts                           | \$                      |
| Insurance Proceeds                 | <u>38,765</u>           |
| Expenditures                       | <u>8,965</u>            |
| Receipts Over (Under) Expenditures | 29,800                  |
| Unencumbered Cash, Beginning       | <u>20,471</u>           |
| Unencumbered Cash, Ending          | \$ <u><u>50,271</u></u> |
| <br><b>Housing Grant Fund</b>      |                         |
| 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  
Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
Page 15

|                                     | <u>Actual</u>          |
|-------------------------------------|------------------------|
| <b>Donations Fund</b>               |                        |
| Receipts                            | \$ <u>1,000</u>        |
| Expenditures                        | <u>2,550</u>           |
| Receipts Over (Under) Expenditures  | (1,550)                |
| Unencumbered Cash, Beginning        | <u>4,325</u>           |
| Unencumbered Cash, Ending           | \$ <u><u>2,775</u></u> |
| <br><b>Industrial Park Lot Fund</b> |                        |
| 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> |
| <br><b>Diversion Fund</b>           |                        |
| Receipts:                           |                        |
| Diversion Fines                     | \$ <u>0</u>            |
| Expenditures                        | <u>976</u>             |
| Receipts Over (Under) Expenditures  | (976)                  |
| Unencumbered Cash, Beginning        | <u>985</u>             |
| Unencumbered Cash, Ending           | \$ <u><u>9</u></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, 2018

SCHEDULE 2  
Page 16

|                                       | <u>Actual</u>           |
|---------------------------------------|-------------------------|
| <b>Tort Liability Fund</b>            |                         |
| Receipts                              | \$ <u>0</u>             |
| Expenditures                          | <u>3,750</u>            |
| Receipts Over (Under) Expenditures    | (3,750)                 |
| Unencumbered Cash, Beginning          | <u>58,470</u>           |
| Unencumbered Cash, Ending             | \$ <u><u>54,720</u></u> |
| <br><b>Fema Disaster #1885 Fund</b>   |                         |
| Receipts                              | \$ <u>0</u>             |
| Expenditures                          | <u>2,964</u>            |
| Receipts Over (Under) Expenditures    | (2,964)                 |
| Unencumbered Cash, Beginning          | <u>2,964</u>            |
| Unencumbered Cash, Ending             | \$ <u><u>0</u></u>      |
| <br><b>Swimming Pool Reserve Fund</b> |                         |
| Transfer from Sewer Utility Fund      | \$ <u>6,210</u>         |
| Expenditures                          | <u>0</u>                |
| Receipts Over (Under) Expenditures    | 6,210                   |
| Unencumbered Cash, Beginning          | <u>28,462</u>           |
| Unencumbered Cash, Ending             | \$ <u><u>34,672</u></u> |



**CITY OF HILL CITY, KANSAS**  
Bond and Interest Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
Page 17

|                                       | <u>Actual</u>    | <u>Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|---------------------------------------|------------------|---------------|---------------------------------------|
| <b>Airport Bond and Interest Fund</b> |                  |               |                                       |
| Receipts:                             |                  |               |                                       |
| Taxes                                 |                  |               |                                       |
| Delinquent Tax                        | \$ 1,676         | 270           | 1,406                                 |
| Motor Vehicle Tax                     | 6,025            | 4,289         | 1,736                                 |
| Recreational Vehicle Tax              | 104              | 121           | (17)                                  |
| 16/20M Vehicle Tax                    | 105              | 0             | 105                                   |
| Commercial Vehicle Tax                | 84               | 159           | (75)                                  |
| Total Receipts                        | <u>7,994</u>     | <u>4,839</u>  | <u>3,155</u>                          |
| Expenditures:                         |                  |               |                                       |
| Principal                             | 0                | 0             | 0                                     |
| Interest                              | 0                | 0             | 0                                     |
| Cash Basis Reserve                    | 0                | 8,700         | (8,700)                               |
| Total Expenditures                    | <u>0</u>         | <u>8,700</u>  | <u>(8,700)</u>                        |
| Receipts Over (Under) Expenditures    | 7,994            |               |                                       |
| Unencumbered Cash, Beginning          | <u>6,561</u>     |               |                                       |
| Unencumbered Cash, Ending             | <u>\$ 14,555</u> |               |                                       |

**CITY OF HILL CITY, KANSAS**  
 Capital Project Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
 Page 18

|   | <u>Actual</u>           |
|---|-------------------------|
| <b>Airport Runway Fund</b>                |                         |
| Receipts:                                 |                         |
| FAA Grant                                 | \$ <u>350,446</u>       |
| Expenditures:                             |                         |
| Airport Project                           | <u>331,525</u>          |
| Receipts Over (Under) Expenditures        | 18,921                  |
| Unencumbered Cash, Beginning              | <u>50,956</u>           |
| Unencumbered Cash, Ending                 | \$ <u><u>69,877</u></u> |
| <br><b>Water Improvement Project Fund</b> |                         |
| Receipts                                  | \$ <u>0</u>             |
| Expenditures:                             | <u>0</u>                |
| Receipts Over (Under) Expenditures        | 0                       |
| Unencumbered Cash, Beginning              | <u>25,548</u>           |
| Unencumbered Cash, Ending                 | \$ <u><u>25,548</u></u> |
| <br><b>Water Capital Improvement Fund</b> |                         |
| Receipts:                                 |                         |
| Reimbursed Expense                        | \$ <u>0</u>             |
| Expenditures:                             |                         |
| Water Project                             | <u>382,680</u>          |
| Receipts Over (Under) Expenditures        | (382,680)               |
| Unencumbered Cash, Beginning              | <u>382,680</u>          |
| Unencumbered Cash, Ending                 | \$ <u><u>0</u></u>      |

**CITY OF HILL CITY, KANSAS**  
Business Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
Page 19

|                                  | <u>Actual</u>    | <u>Budget</u>    | <u>Variance-<br/>Over<br/>(Under)</u> |
|----------------------------------|------------------|------------------|---------------------------------------|
| <b>Light Utility Fund</b>        |                  |                  |                                       |
| Receipts:                        |                  |                  |                                       |
| Charges for Services             | \$ 1,985,205     | 2,095,000        | (109,795)                             |
| Other Sales and Services         | 2,715            | 2,000            | 715                                   |
| Insurance Proceeds               | 13,195           | 0                | 13,195                                |
| Miscellaneous                    | 21,409           | 20,000           | 1,409                                 |
| Reimbursements                   | 1,621            | 0                | 1,621                                 |
| Transfer from Sewer Utility Fund | 20,279           | 20,279           | 0                                     |
|                                  | <u>2,044,424</u> | <u>2,137,279</u> | <u>(92,855)</u>                       |
| Total Receipts                   |                  |                  |                                       |
| Expenditures:                    |                  |                  |                                       |
| General and Administration       |                  |                  |                                       |
| Personal Services                | 270,108          | 283,000          | (12,892)                              |
| Contractual Services             | 38,907           | 52,500           | (13,593)                              |
| Commodities                      | 12,927           | 16,000           | (3,073)                               |
| Sales Tax                        | 68,212           | 66,000           | 2,212                                 |
| Miscellaneous                    | 2,624            | 0                | 2,624                                 |
|                                  | <u>392,778</u>   | <u>417,500</u>   | <u>(24,722)</u>                       |
| Total General and Administration |                  |                  |                                       |
| Production                       |                  |                  |                                       |
| Personal Services                | 70,928           | 73,200           | (2,272)                               |
| Contractual Services             | 65,824           | 40,000           | 25,824                                |
| Commodities                      | 17,583           | 16,500           | 1,083                                 |
| Miscellaneous                    | 7                | 0                | 7                                     |
| Purchased Power                  | 1,139,418        | 1,337,500        | (198,082)                             |
|                                  | <u>1,293,760</u> | <u>1,467,200</u> | <u>(173,440)</u>                      |
| Total Production                 |                  |                  |                                       |

**CITY OF HILL CITY, KANSAS**  
 Business Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|                                       | <u>Actual</u>     | <u>Budget</u>    | <u>Variance-<br/>Over<br/>(Under)</u> |
|---------------------------------------|-------------------|------------------|---------------------------------------|
| <b>Light Utility Fund (Continued)</b> |                   |                  |                                       |
| Distribution                          |                   |                  |                                       |
| Personal Services                     | \$ 125,300        | 127,850          | (2,550)                               |
| Contractual Services                  | 29,786            | 32,500           | (2,714)                               |
| Commodities                           | 13,602            | 50,000           | (36,398)                              |
|                                       | <u>168,688</u>    | <u>210,350</u>   | <u>(41,662)</u>                       |
| Total Distribution                    |                   |                  |                                       |
| 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 Operating Transfers             |                   |                  |                                       |
| Total Expenditures                    | <u>1,969,226</u>  | <u>2,209,050</u> | <u>(239,824)</u>                      |
| Receipts Over (Under) Expenditures    | 75,198            |                  |                                       |
| Unencumbered Cash, Beginning          | <u>193,097</u>    |                  |                                       |
| Unencumbered Cash, Ending             | <u>\$ 268,295</u> |                  |                                       |

**CITY OF HILL CITY, KANSAS**  
 Business Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|                                    | <u>Actual</u>     | <u>Budget</u>  | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|-------------------|----------------|---------------------------------------|
| <b>Water Utility Fund</b>          |                   |                |                                       |
| Receipts:                          |                   |                |                                       |
| Charges for Services               | \$ 433,131        | 465,000        | (31,869)                              |
| Other Sales and Services           | 1,280             | 1,500          | (220)                                 |
| Insurance Proceeds                 | 12,129            | 0              | 12,129                                |
| Miscellaneous                      | 3,924             | 0              | 3,924                                 |
| Reimbursements                     | 387               | 0              | 387                                   |
|                                    | <u>450,851</u>    | <u>466,500</u> | <u>(15,649)</u>                       |
| Total Receipts                     | <u>450,851</u>    | <u>466,500</u> | <u>(15,649)</u>                       |
| Expenditures:                      |                   |                |                                       |
| General and Administration         |                   |                |                                       |
| Water Tax Fees                     | 1,771             | 3,000          | (1,229)                               |
| Sales Tax                          | 5,926             | 10,000         | (4,074)                               |
| Miscellaneous                      | 4,878             | 0              | 4,878                                 |
|                                    | <u>12,575</u>     | <u>13,000</u>  | <u>(425)</u>                          |
| Total General and Administration   | <u>12,575</u>     | <u>13,000</u>  | <u>(425)</u>                          |
| Distribution                       |                   |                |                                       |
| Personal Services                  | 85,117            | 67,400         | 17,717                                |
| Contractual Services               | 100,752           | 79,866         | 20,886                                |
| Commodities                        | 30,079            | 85,000         | (54,921)                              |
| Capital Outlay                     | 36,691            | 100,000        | (63,309)                              |
|                                    | <u>252,639</u>    | <u>332,266</u> | <u>(79,627)</u>                       |
| Total Distribution                 | <u>252,639</u>    | <u>332,266</u> | <u>(79,627)</u>                       |
| Debt Service                       |                   |                |                                       |
| KDHE Loan Principal                | 126,845           | 131,250        | (4,405)                               |
| KDHE Loan Interest                 | 55,168            | 55,168         | 0                                     |
|                                    | <u>182,013</u>    | <u>186,418</u> | <u>(4,405)</u>                        |
| Total Debt Service                 | <u>182,013</u>    | <u>186,418</u> | <u>(4,405)</u>                        |
| Total Expenditures                 | <u>447,227</u>    | <u>531,684</u> | <u>(84,457)</u>                       |
| Receipts Over (Under) Expenditures | 3,624             |                |                                       |
| Unencumbered Cash, Beginning       | <u>889,150</u>    |                |                                       |
| Unencumbered Cash, Ending          | <u>\$ 892,774</u> |                |                                       |

## CITY OF HILL CITY, KANSAS

SCHEDULE 2

Business Funds

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## Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

|   | <u>Actual</u>     | <u>Budget</u>  | <u>Variance-<br/>Over<br/>(Under)</u> |
|---|-------------------|----------------|---------------------------------------|
| <b>Sewer Utility Fund</b>               |                   |                |                                       |
| Receipts:                               |                   |                |                                       |
| Charges for Services                    | \$ 286,081        | 292,000        | (5,919)                               |
| Miscellaneous                           | 6,039             | 0              | 6,039                                 |
| Reimbursements                          | 200               | 0              | 200                                   |
|   | <u>292,320</u>    | <u>292,000</u> | <u>320</u>                            |
| Total Receipts                          |                   |                |                                       |
| Expenditures:                           |                   |                |                                       |
| Personal Services                       | 64,746            | 61,000         | 3,746                                 |
| Contractual Services                    | 15,442            | 33,805         | (18,363)                              |
| Commodities                             | 37,166            | 50,700         | (13,534)                              |
| Capital Outlay                          | 0                 | 20,700         | (20,700)                              |
| Miscellaneous                           | 90                | 0              | 90                                    |
| Transfer to Swimming Pool Reserve Fund  | 6,210             | 6,210          | 0                                     |
| Transfer to General (For Swimming Pool) | 6,210             | 6,210          | 0                                     |
| 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          | 134,000           | 134,000        | 0                                     |
|   | <u>304,143</u>    | <u>352,904</u> | <u>(48,761)</u>                       |
| Total Expenditures                      |                   |                |                                       |
| Receipts Over (Under) Expenditures      | (11,823)          |                |                                       |
| Unencumbered Cash, Beginning            | <u>279,266</u>    |                |                                       |
| Unencumbered Cash, Ending               | \$ <u>267,443</u> |                |                                       |

**CITY OF HILL CITY, KANSAS**  
 Business Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|                                    | <u>Actual</u>   | <u>Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|------------------------------------|-----------------|---------------|---------------------------------------|
| <b>Golf Course Fund</b>            |                 |               |                                       |
| Receipts:                          |                 |               |                                       |
| Charges for Services               | \$ 5,762        | 6,500         | (738)                                 |
| Membership Dues                    | 23,965          | 20,000        | 3,965                                 |
| Rent                               | 8,625           | 8,500         | 125                                   |
| Reimbursed Expense                 | 0               | 3,400         | (3,400)                               |
| Sale of Assets                     | 5,025           | 0             | 5,025                                 |
| Miscellaneous                      | 88              | 0             | 88                                    |
|                                    | <u>43,465</u>   | <u>38,400</u> | <u>5,065</u>                          |
| Total Receipts                     | <u>43,465</u>   | <u>38,400</u> | <u>5,065</u>                          |
| Expenditures:                      |                 |               |                                       |
| Personal Services                  | 15,346          | 16,000        | (654)                                 |
| Contractual Services               | 9,728           | 8,500         | 1,228                                 |
| Commodities                        | 13,224          | 13,900        | (676)                                 |
|                                    | <u>38,298</u>   | <u>38,400</u> | <u>(102)</u>                          |
| Total Expenditures                 | <u>38,298</u>   | <u>38,400</u> | <u>(102)</u>                          |
| Receipts Over (Under) Expenditures | 5,167           |               |                                       |
| Unencumbered Cash, Beginning       | <u>1,474</u>    |               |                                       |
| Unencumbered Cash, Ending          | <u>\$ 6,641</u> |               |                                       |

**CITY OF HILL CITY, KANSAS**  
 Business Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|   | <u>Actual</u>           | <u>*Budget</u> | <u>Variance-<br/>Over<br/>(Under)</u> |
|---|-------------------------|----------------|---------------------------------------|
| <b>Light Emergency Maintenance Fund</b> |                         |                |                                       |
| 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><u>95,000</u></u> |                |                                       |

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



**CITY OF HILL CITY, KANSAS**  
Business Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

SCHEDULE 2  
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|                                     | <u>Actual</u>          |
|-------------------------------------|------------------------|
| <b>Light and Water Surplus Fund</b> |                        |
| Receipts                            | \$ <u>0</u>            |
| Expenditures:                       | <u>3,016</u>           |
| Receipts Over (Under) Expenditures  | (3,016)                |
| Unencumbered Cash, Beginning        | <u>4,916</u>           |
| Unencumbered Cash, Ending           | \$ <u><u>1,900</u></u> |

|                                    |                         |
|------------------------------------|-------------------------|
| <b>Sewer Reserve Fund</b>          |                         |
| 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             | 89,269                  |
| KDHE Interest Payment              | <u>44,400</u>           |
| Total Expenditures                 | <u>133,669</u>          |
| Receipts Over (Under) Expenditures | 331                     |
| Unencumbered Cash, Beginning       | <u>63,951</u>           |
| Unencumbered Cash, Ending          | \$ <u><u>64,282</u></u> |

|                                    |                    |
|------------------------------------|--------------------|
| <b>Customer Deposits Fund</b>      |                    |
| Receipts:                          |                    |
| Customer Deposits                  | \$ <u>6,886</u>    |
| Expenditures:                      |                    |
| Customer Refunds                   | <u>6,886</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.