

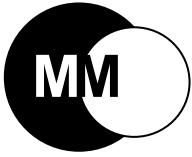
**CITY OF HILL CITY, KANSAS**

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

For the Year Ended December 31, 2022

MAPES & MILLER LLP  
Certified Public Accountants  
Norton, Kansas





# Mapes & Miller LLP

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Adverse and Unmodified Opinions***

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Hill City, Hill City, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2022, and the related notes to the financial statement.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the 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, 2022, 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, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### ***Basis for Adverse and Unmodified Opinions***

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

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

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

### ***Responsibilities of Management for the Financial Statement***

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hill City’s ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor’s Responsibilities for the Audit of the Financial Statement***

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

In performing an audit in accordance with GAAS, we

- 1) Exercise professional judgment and maintain professional skepticism throughout the audit.
- 2) Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 3) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Hill City’s internal control. Accordingly, no such opinion is expressed.
- 4) Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- 5) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hill City’s ability to continue as a going concern for a reasonable period of time.

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget 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 3, 2023

**CITY OF HILL CITY, KANSAS**  
 Summary Statement of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
For the Year Ended December 31, 2022

STATEMENT 1  
 Page 1

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Fund	\$ 603,055	964,210	912,330	654,935	4,788	659,723
Special Purpose Funds						
Airport Fund	78,804	82,380	52,923	108,261	99	108,360
Special City Highway Fund	92,832	37,170	0	130,002	0	130,002
Employee Benefits Fund	123,681	58,319	117,825	64,175	0	64,175
Special Parks and Recreation Fund	121,359	961	0	122,320	0	122,320
Equipment Reserve Fund	415,237	124,000	0	539,237	0	539,237
Capital Improvements Fund	321,221	275,850	158,623	438,448	0	438,448
LE Seizure Trust Fund	1,129	0	0	1,129	0	1,129
Tree and Park Fund	189	0	0	189	0	189
Law Enforcement Training Fund	0	0	0	0	0	0
Self Insurance Health Fund	30,805	47,943	43,996	34,752	0	34,752
Ball Complex Lights Fund	21,506	0	0	21,506	0	21,506
Airport Grant Fund	0	61,761	61,761	0	0	0
Housing Grant Fund	1,966	0	0	1,966	0	1,966
Golf Cart Path Grants & Donations Fund	9,000	0	9,000	0	0	0
BASE Grant Fund	0	145,089	44,924	100,165	5,000	105,165
Donations Fund	2,775	0	0	2,775	0	2,775
Industrial Park Lot Fund	7,500	0	0	7,500	0	7,500
Diversion Fund	730	5,363	0	6,093	0	6,093
Tort Liability Fund	54,720	0	0	54,720	0	54,720
Reinstatement Fee Fund	300	300	0	600	0	600
Swimming Pool Reserve Fund	78,305	6,235	0	84,540	0	84,540
ARPA Fund	107,589	107,590	0	215,179	0	215,179

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, 2022

STATEMENT 1  
 Page 2

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Bond and Interest Fund</b>						
Airport Bond and Interest Fund	15,123	236	0	15,359	0	15,359
GO Water Bond & Interest Fund	53,654	339,000	195,522	197,132	0	197,132
<b>Capital Project Funds</b>						
Airport Runway Fund	415	0	0	415	0	415
Water Improvement Project Fund	25,548	0	0	25,548	0	25,548
Ball Complex Project Fund	5,052	210	5,262	0	0	0
<b>Business Funds</b>						
Light Utility Fund	796,154	2,091,467	1,984,731	902,890	65,251	968,141
Water Utility Fund	950,842	525,564	596,610	879,796	3,022	882,818
Sewer Utility Fund	240,915	307,043	466,651	81,307	557	81,864
Golf Course Fund	8,867	78,779	84,067	3,579	113	3,692
Light Emergency Maintenance Fund	95,000	0	0	95,000	0	95,000
Light and Water Surplus Fund	1,900	0	0	1,900	0	1,900
Sewer Reserve Fund	35,276	188,059	133,668	89,667	0	89,667
<b>Total Reporting Entity</b>	<b>\$ 4,301,449</b>	<b>5,447,529</b>	<b>4,867,893</b>	<b>4,881,085</b>	<b>78,830</b>	<b>4,959,915</b>

Compositon of Cash

Cash on Hand	\$ 100
Checking Account - First State Bank	78,464
Checking Accounts - Peoples State Bank	3,950,794
Certificates of Deposit - First State Bank	360,186
Certificates of Deposit - Solutions North Bank	570,371
<b>Total Reporting Entity</b>	<b>\$ 4,959,915</b>

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, 2022

**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, 2022:

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>.

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

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, Tree and



Park Fund, Law Enforcement Training Fund, Self Insurance Health Fund, Ball Complex Lights Fund, Airport Grant Fund, Housing Grant Fund, Golf Cart Path Grants & Donations Fund, Municipal Judge Training Fund, Donations Fund, Industrial Park Lot Fund, Diversion Fund, Tort Liability Fund, Reinstatement Fee Fund, Swimming Pool Reserve Fund, and ARPA Fund; and the following business funds: Light Emergency Maintenance Fund, Light and Water Surplus Fund, Sewer Reserve Fund, and Sewer Construction 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

*Budget Violation.* K.S.A. 79-2935 states that it is unlawful for expenditures to exceed the City's published budget. Expenditures in the Water Utility and Sewer Utility Fund has exceeded the published budget amount. This appears to be a violation of this statute.

## 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 2022. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$4,959,815, and the bank balance was \$5,000,654. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$617,165 was covered by federal depository insurance and \$4,383,489 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. At December 31, 2022, the City held no investments except for certificates of deposit which are considered as a component of deposits.

#### **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 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City of Hill City were \$65,878 for the year ended December 31, 2022.

#### **Net Pension Liability**

At December 31, 2022, the city's proportionate share of the collective net pension liability reported by KPERS was \$655,200. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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.

*Death and Disability Other Post Employment Benefits.* As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2022.

*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 3 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 Authorization</u>	<u>Expenditures to Date</u>
Airport Runway	\$4,474,701	\$4,354,611
Water Improvement Project	842,250	663,368
Ball Complex Project	128,522	128,522

## 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, 2022, were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory 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	110,000
General Fund	Golf Course Fund	Per Council	36,826
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
Water Utility Fund	GO Water Bond & Int Fund	K.S.A. 12-825d	339,000
Sewer Utility Fund	Capital Improvements Fund	K.S.A. 12-825d	115,000
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	188,059
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, 2022, were as follows

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	
KDHE Loans:										
Sewer Construction Loan	2.50%	10/25/11	4,999,110	03/01/33	<u>1,427,398</u>	<u>0</u>	<u>98,596</u>	<u>1,328,802</u>	<u>35,072</u>	
General Obligation Bonds:										
GO Bonds Series 2021	0.60-1.50%	12/21/21	1,105,000	02/01/28	<u>1,105,000</u>	<u>0</u>	<u>175,000</u>	<u>930,000</u>	<u>7,051</u>	
Total Contractual Indebtedness					\$	<u><u>2,532,398</u></u>	<u><u>0</u></u>	<u><u>273,596</u></u>	<u><u>2,258,802</u></u>	<u><u>42,123</u></u>

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

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

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028-2032</u>	<u>2033-2037</u>	<u>Total</u>
<b>Principal</b>								
KDHE Loans:								
Sewer Construction Loan	<u>101,076</u>	<u>103,619</u>	<u>106,226</u>	<u>108,898</u>	<u>111,637</u>	<u>601,753</u>	<u>195,593</u>	<u>1,328,802</u>
General Obligation Bonds:								
GO Bonds Series 2021	<u>170,000</u>	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>180,000</u>	<u>55,000</u>		<u>930,000</u>
<b>Total Principal</b>	<u>271,076</u>	<u>278,619</u>	<u>281,226</u>	<u>283,898</u>	<u>291,637</u>	<u>656,753</u>	<u>195,593</u>	<u>2,258,802</u>
<b>Interest</b>								
KDHE Loans:								
Sewer Construction Loan	<u>32,592</u>	<u>30,050</u>	<u>27,443</u>	<u>24,771</u>	<u>22,031</u>	<u>66,590</u>	<u>4,910</u>	<u>208,387</u>
General Obligation Bonds:								
GO Bonds Series 2021	<u>10,488</u>	<u>8,213</u>	<u>7,638</u>	<u>5,713</u>	<u>3,525</u>	<u>825</u>	<u>0</u>	<u>36,402</u>
<b>Total Interest</b>	<u>43,080</u>	<u>38,263</u>	<u>35,081</u>	<u>30,484</u>	<u>25,556</u>	<u>67,415</u>	<u>4,910</u>	<u>244,789</u>
<b>Total Principal and Interest</b>	<u>\$ 314,156</u>	<u>316,882</u>	<u>316,307</u>	<u>314,382</u>	<u>317,193</u>	<u>724,168</u>	<u>200,503</u>	<u>2,503,591</u>

CITY OF HILL CITY, KANSAS  
REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

**CITY OF HILL CITY, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

SCHEDULE 1

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
<b>Governmental Type Funds:</b>					
General Fund	\$ 1,110,897	0	1,110,897	912,330	(198,567)
<b>Special Purpose Funds</b>					
Airport Fund	58,000	0	58,000	52,923	(5,077)
Special City Highway Fund	73,514	0	73,514	0	(73,514)
Employee Benefits Fund	144,200	0	144,200	117,825	(26,375)
Special Parks and Recreation Fund	66,067	0	66,067	0	(66,067)
Equipment Reserve Fund	259,329	0	259,329	0	*
Capital Improvements Fund	211,700	0	211,700	158,623	**
LE Seizure Trust Fund	735	0	735	0	***
<b>Bond and Interest Fund</b>					
Airport Bond and Interest Fund	0	0	0	0	0
GO Water Bond & Interest Fund	200,000	0	200,000	195,522	(4,478)
<b>Business Funds:</b>					
Light Utility Fund	2,349,745	0	2,349,745	1,984,731	(365,014)
Water Utility Fund	759,114	0	759,114	596,610	(162,504)
Sewer Utility Fund	466,916	0	466,916	466,651	(265)
Golf Course Fund	95,500	789	96,289	84,067	(12,222)
Light Emergency Maintenance Fund	47,500	0	47,500	0	****

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

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

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

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



**CITY OF HILL CITY, KANSAS**  
 General Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

SCHEDULE 2  
 Page 1

	<b>Actual</b>	Budget	Variance- Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 474,395	459,610	14,785
Delinquent Tax	6,224	0	6,224
Motor Vehicle Tax	72,559	57,640	14,919
Recreational Vehicle Tax	1,397	1,265	132
16/20M Vehicle Tax	482	578	(96)
Commercial Vehicle Tax	2,426	1,537	889
Sales and Compensating Use Tax	302,255	275,000	27,255
Local Liquor Tax	779	1,718	(939)
Licenses, Permits, and Fines			
Franchise Fees	26,612	20,000	6,612
Licenses and Permits	2,834	2,500	334
Court Fines	23,654	2,750	20,904
Dog Pound Fees	203	420	(217)
Charges for Services			
Swimming Pool	420	100	320
Cemetery	1,991	3,400	(1,409)
Interest on Idle Funds	19,103	8,400	10,703
Miscellaneous	184	0	184
Sale of Equipment	4,325	0	4,325
Recycling Center	6,075	2,300	3,775
Reimbursements	12,082	0	12,082
Transfer from Sewer Utility (For Swimming Pool)	6,210	6,210	0
	<b>964,210</b>	<b>843,428</b>	<b>120,782</b>
Total Receipts	<b>964,210</b>	<b>843,428</b>	<b>120,782</b>

**CITY OF HILL CITY, KANSAS**  
 General Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

SCHEDULE 2  
 Page 2

	<b>Actual</b>	Budget	Variance- Over (Under)
Expenditures:			
General Administration			
Personal Services	\$ 7,342	7,000	342
Contractual Services	39,826	68,000	(28,174)
Commodities	512	20,000	(19,488)
Donations	23,950	0	23,950
Miscellaneous	355	0	355
Alcohol Appropriation	0	2,000	(2,000)
	<b>71,985</b>	97,000	(25,015)
Total General Administration			
Police Department			
Personal Services	198,860	229,472	(30,612)
Contractual Services	55,534	66,200	(10,666)
Commodities	28,830	30,700	(1,870)
Capital Outlay	36,637	45,840	(9,203)
Miscellaneous	1,759	0	1,759
	<b>321,620</b>	372,212	(50,592)
Total Police Department			
Legal			
Personal Services	13,807	28,478	(14,671)
Contractual Services	443	11,780	(11,337)
Commodities	0	800	(800)
Capital Outlay	0	4,500	(4,500)
	<b>14,250</b>	45,558	(31,308)
Total Legal			
Airport, Parks, and Cemetery			
Personal Services	44,104	59,164	(15,060)
Contractual Services	18,126	13,000	5,126
Commodities	31,611	28,000	3,611
Miscellaneous	0	0	0
	<b>93,841</b>	100,164	(6,323)
Total Airport, Parks, and Cemetery			

CITY OF HILL CITY, KANSAS

General Fund

SCHEDULE 2

Page 3

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Fire Department			
Personal Services	\$ 8,631	10,816	(2,185)
Contractual Services	5,798	9,000	(3,202)
Commodities	2,823	3,900	(1,077)
Capital Outlay	0	0	0
Total Fire Department	<u>17,252</u>	<u>23,716</u>	<u>(6,464)</u>
Street Department			
Personal Services	42,653	49,159	(6,506)
Contractual Services	43,577	27,500	16,077
Commodities	45,754	75,000	(29,246)
Capital Outlay	3,300	44,500	(41,200)
Miscellaneous	2,000	0	2,000
Total Street Department	<u>137,284</u>	<u>196,159</u>	<u>(58,875)</u>
Oil Museum			
Contractual Services	420	750	(330)
Miscellaneous	0	0	0
Total Oil Museum	<u>420</u>	<u>750</u>	<u>(330)</u>
Swimming Pool			
Personal Services	30,295	38,938	(8,643)
Contractual Services	6,934	4,500	2,434
Commodities	19,872	19,500	372
Capital Outlay	0	10,000	(10,000)
Total Swimming Pool	<u>57,101</u>	<u>72,938</u>	<u>(15,837)</u>
Scout House			
Contractual Services	1,751	1,500	251
Commodities	0	0	0
Total Swimming Pool	<u>1,751</u>	<u>1,500</u>	<u>251</u>

**CITY OF HILL CITY, KANSAS**  
 General Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

SCHEDULE 2  
 Page 4

	<b>Actual</b>	Budget	Variance- Over (Under)
Other			
Banners	\$ 0	4,500	(4,500)
Chamber/Growing Graham County	0	10,000	(10,000)
Total Other	0	14,500	(14,500)
Operating Transfers			
Transfer to Equipment Reserve Fund	50,000	50,000	0
Transfer to Capital Improvements Fund	110,000	110,000	0
Transfer to Golf Course Fund	36,826	26,400	10,426
Total Operating Transfers	196,826	186,400	10,426
Total Expenditures	912,330	1,110,897	(198,818)
Receipts Over (Under) Expenditures	51,880		
Unencumbered Cash, Beginning	603,055		
Unencumbered Cash, Ending	\$ 654,935		

**CITY OF HILL CITY, KANSAS**  
Special Purpose Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022

	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Airport Fund</b>			
Receipts:			
Rent	\$ 8,805	3,500	5,305
Farm Income	0	5,000	(5,000)
Miscellaneous	110	0	110
Reimbursement from Airport Grant Fund	39,823	0	39,823
Fuel	33,642	26,770	6,872
	<b>82,380</b>	<b>35,270</b>	<b>47,110</b>
Expenditures:			
Contractual Services	10,581	15,500	(4,919)
Commodities	42,207	34,500	7,707
Capital Outlay	0	8,000	(8,000)
Miscellaneous	135	0	135
	<b>52,923</b>	<b>58,000</b>	<b>(5,077)</b>
Receipts Over (Under) Expenditures	<b>29,457</b>		
Unencumbered Cash, Beginning	<b>78,804</b>		
	<b>108,261</b>		
Unencumbered Cash, Ending	<b>\$ 108,261</b>		

**CITY OF HILL CITY, KANSAS**  
Special Purpose Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022

	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Special City Highway Fund</b>			
Receipts:			
Intergovernmental	\$ <b>37,170</b>	36,260	910
Transfer fro General	<b>0</b>	0	0
Total Receipts	<b>37,170</b>	36,260	910
Expenditures:			
Contractual Services	<b>0</b>	37,162	(37,162)
Commodities	<b>0</b>	33,843	(33,843)
Capital Outlay	<b>0</b>	2,509	(2,509)
Total Expenditures	<b>0</b>	73,514	(73,514)
Receipts Over (Under) Expenditures	<b>37,170</b>		
Unencumbered Cash, Beginning	<b>92,832</b>		
Unencumbered Cash, Ending	<b>\$ 130,002</b>		

**CITY OF HILL CITY, KANSAS**  
Special Purpose Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022

SCHEDULE 2  
Page 7

	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Employee Benefits Fund</b>			
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 29,408	27,991	1,417
Delinquent Tax	1,738	0	1,738
Motor Vehicle Tax	16,198	12,868	3,330
Recreational Vehicle Tax	312	282	30
16/20M Vehicle Tax	121	142	(21)
Commercial Vehicle	542	343	199
Transfer from Sewer Utility Fund	10,000	10,000	0
 Total Receipts	<b>58,319</b>	51,626	6,693
 Expenditures:			
Social Security / Medicare Tax	24,083	26,200	(2,117)
KPERS	24,727	32,000	(7,273)
Health Insurance Premiums	68,191	85,000	(16,809)
Unemployment Tax	824	1,000	(176)
 Total Expenditures	<b>117,825</b>	144,200	(26,375)
 Receipts Over (Under) Expenditures	<b>(59,506)</b>		
Unencumbered Cash, Beginning	123,681		
 Unencumbered Cash, Ending	\$ 64,175		

**CITY OF HILL CITY, KANSAS**  
Special Purpose Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022

	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Special Parks and Recreation Fund</b>			
Receipts:			
Taxes			
Delinquent Tax	\$ 151	0	151
16/20M Vehicle Tax	31	0	31
Local Liquor Tax	779	1,585	(806)
	<b>961</b>	<b>1,585</b>	<b>(624)</b>
Total Receipts	<b>961</b>	<b>1,585</b>	<b>(624)</b>
Expenditures:			
Personal Services	0	30,000	(30,000)
Contractual Services	0	8,500	(8,500)
Commodities	0	13,900	(13,900)
Capital Outlay	0	3,667	(3,667)
Ball Complex Upkeep	0	10,000	(10,000)
	<b>0</b>	<b>66,067</b>	<b>(66,067)</b>
Total Expenditures	<b>0</b>	<b>66,067</b>	<b>(66,067)</b>
Receipts Over (Under) Expenditures	<b>961</b>		
Unencumbered Cash, Beginning	<b>121,359</b>		
Unencumbered Cash, Ending	<b>\$ 122,320</b>		



**CITY OF HILL CITY, KANSAS**  
Special Purpose Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022

	<b>Actual</b>	<b>*Budget</b>	<b>Variance- Over (Under)</b>
<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
	<b>124,000</b>	<b>124,000</b>	<b>0</b>
Total Receipts			
Expenditures:			
Sewer Equipment	0	40,000	(40,000)
Police Equipment	0	30,000	(30,000)
Street	0	41,000	(41,000)
Light Equipment	0	96,700	(96,700)
Other Equipment	0	629	(629)
Cooling Tower	0	38,000	(38,000)
Fire	0	13,000	(13,000)
	<b>0</b>	<b>259,329</b>	<b>(259,329)</b>
Total Expenditures			
Receipts Over (Under) Expenditures	<b>124,000</b>		
Unencumbered Cash, Beginning	<b>415,237</b>		
Unencumbered Cash, Ending	<b>\$ 539,237</b>		

\* 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, 2022

SCHEDULE 2  
Page 10

	<b>Actual</b>	<b>*Budget</b>	<b>Variance- Over (Under)</b>
<b>Capital Improvements Fund</b>			
Receipts:			
Reimbursed Expense	\$ 850	0	850
Transfer from Sewer Reserve Fund	115,000	60,000	55,000
Transfer from General Fund	110,000	110,000	0
Transfer from Water Improvement Project Fund	0	25,548	(25,548)
Transfer from Light Utility Fund	50,000	50,000	0
	<b>275,850</b>	<b>245,548</b>	<b>30,302</b>
Expenditures:			
Street Repair	7,771	0	7,771
Curb, Gutter, and Sidewalks	0	85,000	(85,000)
Tree Trim	50,800	60,000	(9,200)
Parks	17,865	6,700	11,165
Demolition	0	20,000	(20,000)
Improve Dist. System	18,705	20,000	(1,295)
Update St. Lights - LED	0	20,000	(20,000)
Other Capital Improvements	63,482	0	63,482
	<b>158,623</b>	<b>211,700</b>	<b>(53,077)</b>
Receipts Over (Under) Expenditures	<b>117,227</b>		
Unencumbered Cash, Beginning	<b>321,221</b>		
Unencumbered Cash, Ending	<b>\$ 438,448</b>		

\* 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, 2022

	<b>Actual</b>	*Budget	Variance- Over (Under)
<b>LE Seizure Trust Fund</b>			
Receipts:			
Other Revenue	\$ <b>0</b>	<u>171</u>	<u>(171)</u>
Expenditures:			
Contractual Services	<u><b>0</b></u>	<u>735</u>	<u>(735)</u>
Receipts Over (Under) Expenditures	<b>0</b>		
Unencumbered Cash, Beginning	<u><b>1,129</b></u>		
Unencumbered Cash, Ending	\$ <u><b>1,129</b></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, 2022

	<b>Actual</b>
<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>
<b>Law Enforcement Training Fund</b>	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>
<b>Self Insurance Health Fund</b>	
Receipts:	
Contribution from General Fund	\$ 20,240
Contribution from Light Utility Fund	19,625
Contribution from Sewer Utility Fund	3,373
Contribution from Water Utility Fund	<u>4,705</u>
Total Receipts	<u>47,943</u>
Expenditures:	
Claims	<u>43,996</u>
Receipts Over (Under) Expenditures	3,947
Unencumbered Cash, Beginning	<u>30,805</u>
Unencumbered Cash, Ending	\$ <u><u>34,752</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, 2022

	<b>Actual</b>
<b>Ball Complex Lights Fund</b>	
Receipts:	\$
Insurance Proceeds	0
Expenditures	0
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	21,506
Unencumbered Cash, Ending	\$ 21,506
<b>Airport Grant</b>	
Receipts:	
Federal Aid	\$ 61,761
Reimbursement from Airport Fund	0
Total Receipts	61,761
Expenditures:	
Reimbursement to Airport Fund	39,823
Contractual Services	21,938
Total Expenditures	61,761
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	0
Unencumbered Cash, Ending	\$ 0
<b>Housing Grant Fund</b>	
Receipts:	
Federal Aid	\$ 0
Expenditures	0
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	1,966
Unencumbered Cash, Ending	\$ 1,966
<b>Golf Cart Path Grants &amp; Donations Fund</b>	
Receipts:	
Grants & Donations	\$ 0
Expenditures	9,000
Receipts Over (Under) Expenditures	(9,000)
Unencumbered Cash, Beginning	9,000
Unencumbered Cash, Ending	\$ 0

**CITY OF HILL CITY, KANSAS**  
Special Purpose Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022

	<b>Actual</b>
<b>BASE Grant Fund</b>	
Receipts:	
Grants	\$ <u>145,089</u>
Expenditures	<u>44,924</u>
Receipts Over (Under) Expenditures	100,165
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>100,165</u></u>
<b>Donations Fund</b>	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>2,775</u>
Unencumbered Cash, Ending	\$ <u><u>2,775</u></u>
<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>
<b>Diversion Fund</b>	
Receipts:	
Diversion Fines	\$ <u>5,363</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	5,363
Unencumbered Cash, Beginning	<u>730</u>
Unencumbered Cash, Ending	\$ <u><u>6,093</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, 2022

	<b>Actual</b>
<b>Tort Liability Fund</b>	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>54,720</u>
Unencumbered Cash, Ending	\$ <u><u>54,720</u></u>
 <b>Reinstatement Fee Fund</b>	
Receipts	\$ <u>300</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	300
Unencumbered Cash, Beginning	<u>300</u>
Unencumbered Cash, Ending	\$ <u><u>600</u></u>
 <b>Swimming Pool Reserve Fund</b>	
Receipts:	
Transfer from Sewer Utility Fund	\$ 6,210
Donations	<u>25</u>
Total Receipts	<u>6,235</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	6,235
Unencumbered Cash, Beginning	<u>78,305</u>
Unencumbered Cash, Ending	\$ <u><u>84,540</u></u>
 <b>ARPA Fund</b>	
Receipts:	
Federal Aid	\$ <u>107,590</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	107,590
Unencumbered Cash, Beginning	<u>107,589</u>
Unencumbered Cash, Ending	\$ <u><u>215,179</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, 2022

	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Airport Bond and Interest Fund</b>			
Receipts:			
Taxes			
Delinquent Tax	\$ <b>236</b>	0	236
16/20M Vehicle Tax	<b>0</b>	0	0
	<b>236</b>	0	236
Total Receipts	<b>236</b>	0	236
Expenditures:			
Principal	<b>0</b>	0	0
Interest	<b>0</b>	0	0
Cash Basis Reserve	<b>0</b>	0	0
	<b>0</b>	0	0
Total Expenditures	<b>0</b>	0	0
Receipts Over (Under) Expenditures	<b>236</b>		
Unencumbered Cash, Beginning	<b>15,123</b>		
Unencumbered Cash, Ending	<b>\$       15,359</b>		



**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, 2022

	<b>Actual</b>	<b>Budget</b>	<b>Variance- Over (Under)</b>
<b>GO Water Bond &amp; Interest Fund</b>			
Receipts:			
Bond Proceeds	\$ 0	0	0
Transfer from Water Fund	<b>339,000</b>	200,000	139,000
	<b>339,000</b>	200,000	139,000
Total Receipts	<b>339,000</b>	200,000	139,000
Expenditures:			
Principal	<b>175,000</b>	175,000	0
Interest	<b>7,051</b>	7,051	0
Financing Fees	<b>13,471</b>	0	13,471
Cash Basis Reserve	<b>0</b>	17,949	(17,949)
	<b>195,522</b>	200,000	(4,478)
Total Expenditures	<b>195,522</b>	200,000	(4,478)
Receipts Over (Under) Expenditures	<b>143,478</b>		
Unencumbered Cash, Beginning	<b>53,654</b>		
Unencumbered Cash, Ending	<b>\$ 197,132</b>		

**CITY OF HILL CITY, KANSAS**  
 Capital Project Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

	<b>Actual</b>
<b>Airport Runway Fund</b>	
Receipts:	
Reimbursed Expense	\$ <u>0</u>
Expenditures:	
Airport Project	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>415</u>
Unencumbered Cash, Ending	\$ <u><u>415</u></u>
<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>
<b>Ball Complex Project Fund</b>	
Receipts:	
Grants and Donations	\$ <u>210</u>
Expenditures:	
Ball Complex Project	<u>5,262</u>
Receipts Over (Under) Expenditures	(5,052)
Unencumbered Cash, Beginning	<u>5,052</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, 2022

SCHEDULE 2  
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	<b>Actual</b>	<b>Budget</b>	<b>Variance- Over (Under)</b>
<b>Light Utility Fund</b>			
Receipts:			
Charges for Services	\$ 2,040,427	2,095,000	(54,573)
Other Sales and Services	4,990	500	4,490
Miscellaneous	6,732	14,000	(7,268)
Sale of Equipment	8,194	0	8,194
Reimbursements	10,845	0	10,845
Transfer from Sewer Utility Fund	20,279	20,279	0
	<b>2,091,467</b>	<b>2,129,779</b>	<b>(38,312)</b>
Total Receipts			
Expenditures:			
General and Administration			
Personal Services	350,026	331,186	18,840
Contractual Services	51,766	52,500	(734)
Commodities	21,571	16,000	5,571
Sales Tax	67,489	70,000	(2,511)
Miscellaneous	411	0	411
	<b>491,263</b>	<b>469,686</b>	<b>21,577</b>
Total General and Administration			
Production			
Personal Services	119,320	85,717	33,603
Contractual Services	89,490	80,000	9,490
Commodities	30,278	30,000	278
Miscellaneous	473	0	473
Purchased Power	857,775	1,337,500	(479,725)
	<b>1,097,336</b>	<b>1,533,217</b>	<b>(435,881)</b>
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, 2022

SCHEDULE 2  
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	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Light Utility Fund (Continued)</b>			
Distribution			
Personal Services	\$ 48,226	150,342	(102,116)
Contractual Services	186,430	32,500	153,930
Commodities	47,112	50,000	(2,888)
Miscellaneous	364	0	364
	<b>282,132</b>	232,842	49,290
Operating Transfers			
Transfer to Equipment Reserve Fund	64,000	64,000	0
Transfer to Capital Improvements Fund	50,000	50,000	0
	<b>114,000</b>	114,000	0
Total Expenditures	<b>1,984,731</b>	2,349,745	(365,014)
Receipts Over (Under) Expenditures	<b>106,736</b>		
Unencumbered Cash, Beginning	<b>796,154</b>		
Unencumbered Cash, Ending	<b>\$ 902,890</b>		

**CITY OF HILL CITY, KANSAS**  
 Business Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

SCHEDULE 2  
 Page 21

	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Water Utility Fund</b>			
Receipts:			
Charges for Services	\$ <b>522,630</b>	466,500	56,130
Other Sales and Services	<b>1,166</b>	0	1,166
Reimbursements	<b>1,768</b>	0	1,768
	<b>525,564</b>	466,500	59,064
Total Receipts	<b>525,564</b>	466,500	59,064
Expenditures:			
General and Administration			
Water Tax Fees	<b>3,089</b>	3,000	89
Sales Tax	<b>11,136</b>	10,000	1,136
Contractual Services	<b>21</b>	0	21
	<b>14,246</b>	13,000	1,246
Total General and Administration	<b>14,246</b>	13,000	1,246
Distribution			
Personal Services	<b>103,893</b>	92,100	11,793
Contractual Services	<b>83,617</b>	107,000	(23,383)
Commodities	<b>55,854</b>	65,000	(9,146)
Capital Outlay	<b>0</b>	100,000	(100,000)
	<b>243,364</b>	364,100	(120,736)
Total Distribution	<b>243,364</b>	364,100	(120,736)
Operating Transfers			
Transfer to GO Water Bond & Interest Fund	<b>339,000</b>	200,000	139,000
	<b>339,000</b>	200,000	139,000
Debt Service			
KDHE Loan Principal	<b>0</b>	145,402	(145,402)
KDHE Loan Interest	<b>0</b>	36,612	(36,612)
	<b>0</b>	182,014	(182,014)
Total Debt Service	<b>0</b>	182,014	(182,014)
Total Expenditures	<b>596,610</b>	759,114	(162,504)
Receipts Over (Under) Expenditures	<b>(71,046)</b>		
Unencumbered Cash, Beginning	<b>950,842</b>		
	<b>950,842</b>		
Unencumbered Cash, Ending	<b>\$ 879,796</b>		
	<b>879,796</b>		

**CITY OF HILL CITY, KANSAS**  
 Business Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

SCHEDULE 2  
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	<b>Actual</b>	Budget	Variance- Over (Under)
<b>Sewer Utility Fund</b>			
Receipts:			
Charges for Services	\$ <b>305,689</b>	292,000	13,689
Reimbursements	<b>1,354</b>	0	1,354
	<b>307,043</b>	292,000	15,043
Expenditures:			
Personal Services	<b>77,410</b>	75,712	1,698
Contractual Services	<b>14,578</b>	33,805	(19,227)
Commodities	<b>18,905</b>	50,700	(31,795)
Transfer to Swimming Pool Reserve Fund	<b>6,210</b>	6,210	0
Transfer to General (For Swimming Pool)	<b>6,210</b>	6,210	0
Transfer to Employee Benefits Fund	<b>10,000</b>	10,000	0
Transfer to Equipment Reserve Fund	<b>10,000</b>	10,000	0
Transfer to Light Utility Fund	<b>20,279</b>	20,279	0
Transfer to Capital Improvements Fund	<b>115,000</b>	60,000	55,000
Transfer to Sewer Reserve Fund	<b>188,059</b>	134,000	54,059
	<b>466,651</b>	406,916	59,735
Receipts Over (Under) Expenditures	<b>(159,608)</b>		
Unencumbered Cash, Beginning	<b>240,915</b>		
Unencumbered Cash, Ending	<b>\$ 81,307</b>		

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, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>Golf Course Fund</b>			
Receipts:			
Charges for Services	\$ 6,926	7,600	(674)
Membership Dues	25,615	25,000	615
Rent	8,075	8,000	75
Reimbursed Expense	789	0	789
Sale of Equipment	537	0	537
Miscellaneous	11	537	(526)
Transfer from General	36,826	46,400	(9,574)
	<u>78,779</u>	<u>87,537</u>	<u>(8,758)</u>
Total Receipts			
Expenditures:			
Personal Services	44,309	55,000	(10,691)
Contractual Services	8,742	10,500	(1,758)
Commodities	31,016	30,000	1,016
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	789	(789)
	<u>84,067</u>	<u>96,289</u>	<u>(12,222)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(5,288)		
Unencumbered Cash, Beginning	8,867		
Unencumbered Cash, Ending	\$ <u>3,579</u>		

**CITY OF HILL CITY, KANSAS**  
 Business Funds  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
For the Year Ended December 31, 2022

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

\* 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, 2022

SCHEDULE 2

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	<u>Actual</u>
<b>Light and Water Surplus Fund</b>	
Receipts	\$ <u>0</u>
Expenditures:	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>1,900</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>188,059</u>
Total Receipts	<u>188,059</u>
Expenditures:	
Transfer to Capital Improvements Fund	0
KDHE Principal Payment	98,596
KDHE Interest Payment	<u>35,072</u>
Total Expenditures	<u>133,668</u>
Receipts Over (Under) Expenditures	54,391
Unencumbered Cash, Beginning	<u>35,276</u>
Unencumbered Cash, Ending	\$ <u><u>89,667</u></u>