

CITY OF HILL CITY, KANSAS

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

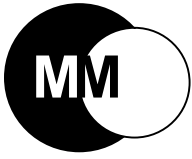
For the Year Ended December 31, 2019

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, 2019

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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, 2019, 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, 2019, 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, 2019, 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
August 17, 2020

CITY OF HILL CITY, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

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	\$ 564,437	832,125	788,973	607,589	1,234	608,823
Special Purpose Funds						
Airport Fund	53,298	58,171	46,063	65,406	235	65,641
Special City Highway Fund	57,917	38,784	81,214	15,487	0	15,487
Employee Benefits Fund	117,782	126,994	123,269	121,507	0	121,507
Special Parks and Recreation Fund	112,126	1,640	7,226	106,540	0	106,540
Equipment Reserve Fund	310,044	124,000	25,913	408,131	0	408,131
Capital Improvements Fund	328,010	146,000	145,283	328,727	0	328,727
LE Seizure Trust Fund	1,129	0	0	1,129	0	1,129
Crime Prevention Fund	147	129	276	0	0	0
Tree and Park Fund	189	0	0	189	0	189
Law Enforcement Training Fund	0	4	0	4		4
Ball Complex Lights Fund	50,271	25,060	53,825	21,506	0	21,506
Housing Grant Fund	1,966	0	0	1,966	0	1,966
Municipal Judge Training Fund	0	90	0	90		90
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	9	200	0	209	0	209
Tort Liability Fund	54,720	0	0	54,720	0	54,720
Reinstatement Fee Fund	0	200	0	200	0	200
Swimming Pool Reserve Fund	34,672	6,213	0	40,885	0	40,885

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, 2019

STATEMENT 1
Page 2

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund						
Airport Bond and Interest Fund	14,555	487	0	15,042	0	15,042
Capital Project Funds						
Airport Runway Fund	69,877	81,104	129,414	21,567	0	21,567
Water Improvement Project Fund	25,548	0	0	25,548	0	25,548
Ball Complex Project Fund	0	128,312	121,995	6,317	0	6,317
Business Funds						
Light Utility Fund	268,295	2,077,526	1,895,989	449,832	76,949	526,781
Water Utility Fund	892,774	440,654	406,412	927,016	854	927,870
Sewer Utility Fund	267,443	291,661	293,585	265,519	151	265,670
Golf Course Fund	6,641	55,670	56,922	5,389	41	5,430
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	64,282	134,000	133,669	64,613	0	64,613
Customer Deposits Fund	0	7,276	7,276	0	13,059	13,059
Total Reporting Entity	<u>\$ 3,403,307</u>	<u>4,576,300</u>	<u>4,317,304</u>	<u>3,662,303</u>	<u>92,523</u>	<u>3,754,826</u>

Compositon of Cash	Cash on Hand	\$ 100
	Checking Accounts - First State Bank	55,700
	Checking Account - Peoples State Bank	2,768,469
	Certificates of Deposit - First State Bank	360,186
	Certificates of Deposit - Solutions North Bank	570,371
	Total Reporting Entity	<u>\$ 3,754,826</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, 2019

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, 2019:

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

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

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

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

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

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

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

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

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

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

Budgetary Information

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

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

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

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

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

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Equipment Reserve Fund, Capital Improvements Fund, LE Seizure Trust Fund, Crime Prevention Fund, Tree and Park Fund, Law Enforcement Training Fund, Ball Complex Lights Fund,

Housing Grant Fund, Municipal Judge Training Fund, Donations Fund, Industrial Park Lot Fund, Diversion Fund, Tort Liability Fund, Reinstatement Fee Fund and the Swimming Pool Reserve Fund; and the following business funds: Light 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

Budget Violations. K.S.A. 79-2935 states that it is unlawful for the governing body of any taxing subdivision or municipality to create indebtedness in excess of the total amount of the adopted budget for the budget year. The Special City Highway fund and Golf Course fund exceeded the adopted budget, which appears to be in violation of Kansas statutes.

Outstanding Checks. K.S.A. 10-816 states that outstanding warrants/checks for two years or more shall be canceled and restored to the fund originally charged. At year-end there were outstanding checks for more than two years. 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 2019. All deposits were legally secured at December 31, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$3,754,826, and the bank balance was \$3,787,659. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$807,499 was covered by federal depository insurance and \$2,980,160 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, 2019, 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 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 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City of Hill City were \$60,308 for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, the city's proportionate share of the collective net pension liability reported by KPERS was \$454,831. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The city's proportion of the net pension liability was based on the ratio of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

5. Other Long-Term Obligations from Operations

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

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

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, 2019.

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	\$4,319,823
Water Improvement Project	842,250	663,368
Ball Complex Project	128,312	121,995

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, 2019, 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	96,000
General Fund	Golf Course Fund	Per Council	16,826
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
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. On March 11, 2020, the Novel Coronavirus Disease, COVID-19, was declared a pandemic by the World Health Organization. On March 13, 2020, a national emergency was declared in the United States concerning the COVID-19 Outbreak. The extent of the COVID-19 impact on operational and financial conditions will depend on certain developments, including the duration and speed of the outbreak, impact on utility customers, employees, and vendors – all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial conditions or results of operations is uncertain.

11. Long-term Debt

Changes in long-term liabilities for the City of Hill City, Kansas, for the year ended December 31, 2019, 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	1,319,577	0	119,641	1,199,936	44,373
Water Improvement Loan	3.47%	11/18/09	421,125	08/01/31	187,052	0	11,609	175,443	6,391
Sewer Construction Loan	2.50%	10/25/11	4,999,110	03/01/33	1,708,905	0	91,514	1,617,391	42,154
Total Contractual Indebtedness					\$ 3,215,534	0	222,764	2,992,770	92,918

11. Long-term Debt (continued)

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025-2029</u>	<u>2030-2034</u>	<u>Total</u>
Principal								
KDHE Loans:								
Water Improvement Loan	123,792	128,087	132,531	137,130	141,887	536,509	0	1,199,936
Water Improvement Loan	12,015	12,435	12,871	13,321	13,788	76,523	34,490	175,443
Sewer Construction Loan	<u>93,817</u>	<u>96,177</u>	<u>98,596</u>	<u>101,076</u>	<u>103,619</u>	<u>558,532</u>	<u>565,574</u>	<u>1,617,391</u>
Total Principal	229,624	236,699	243,998	251,527	259,294	1,171,564	600,064	2,992,770
Interest								
KDHE Loans:								
Water Improvement Loan	40,222	35,927	31,483	26,885	22,127	37,541	0	194,185
Water Improvement Loan	5,985	5,564	5,129	4,678	4,212	13,475	1,509	40,552
Sewer Construction Loan	<u>39,852</u>	<u>37,492</u>	<u>35,073</u>	<u>32,592</u>	<u>30,050</u>	<u>109,811</u>	<u>35,934</u>	<u>320,804</u>
Total Interest	86,059	78,983	71,685	64,155	56,389	160,827	37,443	555,541
Total Principal and Interest	<u>\$ 315,683</u>	<u>315,682</u>	<u>315,683</u>	<u>315,682</u>	<u>315,683</u>	<u>1,332,391</u>	<u>637,507</u>	<u>3,548,311</u>

CITY OF HILL CITY, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF HILL CITY, KANSAS

SCHEDULE 1

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2019

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
Governmental Type Funds:					
General Fund	\$ 996,276	0	996,276	788,973	(207,303)
Special Purpose Funds					
Airport Fund	74,700	50	74,750	46,063	(28,687)
Special City Highway Fund	64,162	0	64,162	81,214	17,052
Employee Benefits Fund	173,200	0	173,200	123,269	(49,931)
Special Parks and Recreation Fund	87,451	0	87,451	7,226	(80,225)
Equipment Reserve Fund	208,500	0	208,500	25,913	*
Capital Improvements Fund	378,200	0	378,200	145,283	**
LE Seizure Trust Fund	961	0	961	0	***
Bond and Interest Fund					
Airport Bond and Interest Fund	11,670	0	11,670	0	(11,670)
Business Funds:					
Light Utility Fund	2,229,300	0	2,229,300	1,895,989	(333,311)
Water Utility Fund	544,180	0	544,180	406,412	(137,768)
Sewer Utility Fund	356,304	0	356,304	293,585	(62,719)
Golf Course Fund	54,900	0	54,900	56,922	2,022
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, 2019

SCHEDULE 2

Page 1

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 395,327	380,869	14,458
Delinquent Tax	7,548	0	7,548
Motor Vehicle Tax	64,484	54,619	9,865
Recreational Vehicle Tax	1,010	1,008	2
16/20M Vehicle Tax	622	578	44
Commercial Vehicle Tax	1,385	747	638
Sales and Compensating Use Tax	273,525	250,000	23,525
Local Liquor Tax	1,635	2,500	(865)
Licenses, Permits, and Fines			
Franchise Fees	23,741	17,500	6,241
Licenses and Permits	3,372	2,200	1,172
Court Fines	4,348	1,500	2,848
Dog Pound Fees	180	20	160
Charges for Services			
Swimming Pool	490	200	290
Cemetery	1,864	1,400	464
Interest on Idle Funds	30,496	8,400	22,096
Miscellaneous	7,300	0	7,300
Recycling Center	1,926	2,500	(574)
Reimbursements	6,662	0	6,662
Transfer from Sewer Utility (For Swimming Pool)	6,210	6,210	0
Total Receipts	<u>832,125</u>	<u>730,251</u>	<u>101,874</u>

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

SCHEDULE 2

Page 2

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Expenditures:			
General Administration			
Personal Services	\$ 545	5,200	(4,655)
Contractual Services	37,074	78,000	(40,926)
Commodities	1,413	20,000	(18,587)
Miscellaneous	15,548	0	15,548
Alcohol Appropriation	300	2,000	(1,700)
	<u>54,880</u>	<u>105,200</u>	<u>(50,320)</u>
Total General Administration			
Police Department			
Personal Services	178,525	204,000	(25,475)
Contractual Services	72,878	66,200	6,678
Commodities	15,833	30,700	(14,867)
Capital Outlay	2,000	6,800	(4,800)
Miscellaneous	699	0	699
	<u>269,935</u>	<u>307,700</u>	<u>(37,765)</u>
Total Police Department			
Legal			
Personal Services	15,598	25,320	(9,722)
Contractual Services	614	11,780	(11,166)
Commodities	0	800	(800)
Capital Outlay	0	4,500	(4,500)
	<u>16,212</u>	<u>42,400</u>	<u>(26,188)</u>
Total Legal			
Airport, Parks, and Cemetery			
Personal Services	48,467	52,600	(4,133)
Contractual Services	11,862	13,000	(1,138)
Commodities	23,248	28,000	(4,752)
Miscellaneous	76	0	76
	<u>83,653</u>	<u>93,600</u>	<u>(9,947)</u>
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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Fire Department			
Personal Services	\$ 6,888	9,700	(2,812)
Contractual Services	8,901	9,000	(99)
Commodities	151	3,900	(3,749)
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Fire Department	<u>15,940</u>	<u>22,600</u>	<u>(6,660)</u>
Street Department			
Personal Services	37,716	43,700	(5,984)
Contractual Services	46,601	27,500	19,101
Commodities	36,673	75,000	(38,327)
Miscellaneous	<u>1,100</u>	<u>0</u>	<u>1,100</u>
Total Street Department	<u>122,090</u>	<u>146,200</u>	<u>(24,110)</u>
Oil Museum			
Contractual Services	795	750	45
Miscellaneous	<u>422</u>	<u>0</u>	<u>422</u>
Total Oil Museum	<u>1,217</u>	<u>750</u>	<u>467</u>
Swimming Pool			
Personal Services	31,428	34,600	(3,172)
Contractual Services	14,621	4,500	10,121
Commodities	15,362	19,500	(4,138)
Capital Outlay	<u>0</u>	<u>14,900</u>	<u>(14,900)</u>
Total Swimming Pool	<u>61,411</u>	<u>73,500</u>	<u>(12,089)</u>
Scout House			
Contractual Services	809	1,500	(691)
Commodities	<u>0</u>	<u>0</u>	<u>0</u>
Total Swimming Pool	<u>809</u>	<u>1,500</u>	<u>(691)</u>

CITY OF HILL CITY, KANSAS

General Fund

SCHEDULE 2

Page 4

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Other			
Miscellaneous	\$ 0	0	0
Chamber/Growing Graham County	0	10,000	(10,000)
Airport	0	30,000	(30,000)
	<u>0</u>	<u>40,000</u>	<u>(40,000)</u>
Total Other			
Operating Transfers			
Transfer to Equipment Reserve Fund	50,000	50,000	0
Transfer to Capital Improvements Fund	96,000	96,000	0
Transfer to Golf Course Fund	16,826	16,826	0
	<u>162,826</u>	<u>162,826</u>	<u>0</u>
Total Operating Transfers			
	<u>788,973</u>	<u>996,276</u>	<u>(206,612)</u>
Total Expenditures			
	<u>788,973</u>	<u>996,276</u>	<u>(206,612)</u>
Receipts Over (Under) Expenditures	43,152		
Unencumbered Cash, Beginning	<u>564,437</u>		
Unencumbered Cash, Ending	\$ <u>607,589</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, 2019

SCHEDULE 2

Page 5

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Airport Fund			
Receipts:			
Rent	\$ 2,593	2,400	193
Farm Income	8,923	0	8,923
Fuel	46,605	43,470	3,135
Miscellaneous	0	0	0
Reimbursements	50	0	50
	<u>58,171</u>	<u>45,870</u>	<u>12,301</u>
Total Receipts	<u>58,171</u>	<u>45,870</u>	<u>12,301</u>
Expenditures:			
Contractual Services	7,945	12,000	(4,055)
Commodities	38,026	60,000	(21,974)
Capital Outlay	0	2,700	(2,700)
Miscellaneous	92	0	92
Adjustment for Qualifying Budget Credit:			
Reimbursed Expenses	0	50	(50)
	<u>46,063</u>	<u>74,750</u>	<u>(28,687)</u>
Total Expenditures	<u>46,063</u>	<u>74,750</u>	<u>(28,687)</u>
Receipts Over (Under) Expenditures	12,108		
Unencumbered Cash, Beginning	<u>53,298</u>		
Unencumbered Cash, Ending	\$ <u>65,406</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, 2019

SCHEDULE 2

Page 6

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Special City Highway Fund			
Receipts:			
Intergovernmental	\$ <u>38,784</u>	<u>39,450</u>	<u>(666)</u>
Expenditures:			
Contractual Services	44,765	37,162	7,603
Commodities	17,249	27,000	(9,751)
Capital Outlay	<u>19,200</u>	<u>0</u>	<u>19,200</u>
Total Expenditures	<u>81,214</u>	<u>64,162</u>	<u>17,052</u>
Receipts Over (Under) Expenditures	(42,430)		
Unencumbered Cash, Beginning	<u>57,917</u>		
Unencumbered Cash, Ending	\$ <u><u>15,487</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, 2019

SCHEDULE 2

Page 7

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Employee Benefits Fund			
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 95,309	92,675	2,634
Delinquent Tax	2,398	0	2,398
Motor Vehicle Tax	18,449	15,626	2,823
Recreational Vehicle Tax	289	288	1
16/20M Vehicle Tax	153	142	11
Commercial Vehicle	396	214	182
Transfer from Sewer Utility Fund	10,000	10,000	0
Total Receipts	<u>126,994</u>	<u>118,945</u>	<u>8,049</u>
Expenditures:			
Social Security / Medicare Tax	23,444	26,200	(2,756)
KPERs	23,781	32,000	(8,219)
Health Insurance Premiums	75,711	114,000	(38,289)
Unemployment Tax	333	1,000	(667)
Total Expenditures	<u>123,269</u>	<u>173,200</u>	<u>(49,931)</u>
Receipts Over (Under) Expenditures	3,725		
Unencumbered Cash, Beginning	<u>117,782</u>		
Unencumbered Cash, Ending	\$ <u>121,507</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, 2019

SCHEDULE 2

Page 8

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Special Parks and Recreation Fund			
Receipts:			
Taxes			
Delinquent Tax	\$ 5	0	5
Local Liquor Tax	<u>1,635</u>	<u>3,500</u>	<u>(1,865)</u>
Total Receipts	<u>1,640</u>	<u>3,500</u>	<u>(1,860)</u>
Expenditures:			
Personal Services	6,453	29,800	(23,347)
Contractual Services	0	6,907	(6,907)
Commodities	773	6,270	(5,497)
Capital Outlay	0	31,000	(31,000)
Golf Course	<u>0</u>	<u>13,474</u>	<u>(13,474)</u>
Total Expenditures	<u>7,226</u>	<u>87,451</u>	<u>(80,225)</u>
Receipts Over (Under) Expenditures	(5,586)		
Unencumbered Cash, Beginning	<u>112,126</u>		
Unencumbered Cash, Ending	<u>\$ 106,540</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, 2019

SCHEDULE 2

Page 9

	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
Equipment Reserve Fund			
Receipts:			
Transfer from General Fund	\$ 50,000	50,000	0
Transfer from Light Utility Fund	64,000	64,000	0
Transfer from Sewer Utility Fund	10,000	10,000	0
	<u>124,000</u>	<u>124,000</u>	<u>0</u>
Total Receipts	<u>124,000</u>	<u>124,000</u>	<u>0</u>
Expenditures:			
Sewer Equipment	8,420	50,000	(41,580)
Police Equipment	0	0	0
Administration	0	8,100	(8,100)
Street	0	75,000	(75,000)
Light Equipment	0	26,700	(26,700)
Water Equipment	0	10,000	(10,000)
Banners	4,002	4,500	(498)
Fire	5,150	17,000	(11,850)
Golf Course	0	16,000	(16,000)
Airport, Parks, Cemetery	8,341	1,200	7,141
	<u>25,913</u>	<u>208,500</u>	<u>(182,587)</u>
Total Expenditures	<u>25,913</u>	<u>208,500</u>	<u>(182,587)</u>
Receipts Over (Under) Expenditures	98,087		
Unencumbered Cash, Beginning	<u>310,044</u>		
Unencumbered Cash, Ending	\$ <u>408,131</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, 2019

SCHEDULE 2
Page 10

	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
Capital Improvements Fund			
Receipts:			
Transfer from General Fund	\$ 96,000	96,000	0
Transfer from Light Utility Fund	50,000	50,000	0
Reimbursed Expense	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	<u>146,000</u>	<u>146,000</u>	<u>0</u>
Expenditures:			
Street Repair	1,425	115,500	(114,075)
Lights Capital Improvements	77,625	56,000	21,625
Curb, Gutter, and Sidewalks	0	65,000	(65,000)
Building Purchase	35,000	0	35,000
Airport Improvements	0	0	0
Swimming Pool	510	0	510
Tree Trim	0	0	0
Parks	3,200	6,700	(3,500)
Demo Match	10,000	10,000	0
Improve Dist. System	0	20,000	(20,000)
Update St. Lights - LED	0	32,000	(32,000)
City Hall	17,523	73,000	(55,477)
Other Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>145,283</u>	<u>378,200</u>	<u>(232,917)</u>
Receipts Over (Under) Expenditures	717		
Unencumbered Cash, Beginning	<u>328,010</u>		
Unencumbered Cash, Ending	<u>\$ 328,727</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, 2019

SCHEDULE 2
 Page 11

	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
LE Seizure Trust Fund			
Receipts:			
Other Revenue	\$ <u>0</u>	<u>170</u>	<u>(170)</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, 2019

SCHEDULE 2
Page 12

	<u>Actual</u>
Crime Prevention Fund	
Receipts	\$ <u>129</u>
Expenditures	<u>276</u>
Receipts Over (Under) Expenditures	(147)
Unencumbered Cash, Beginning	<u>147</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>
 Tree and Park Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>189</u>
Unencumbered Cash, Ending	\$ <u><u>189</u></u>
 Law Enforcement Training Fund	
Receipts	\$ <u>4</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	4
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>4</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, 2019

SCHEDULE 2
Page 13

	<u>Actual</u>
Ball Complex Lights Fund	
Receipts	\$
Insurance Proceeds	<u>25,060</u>
Expenditures	<u>53,825</u>
Receipts Over (Under) Expenditures	(28,765)
Unencumbered Cash, Beginning	<u>50,271</u>
Unencumbered Cash, Ending	<u><u>\$ 21,506</u></u>
 Housing Grant Fund	
Receipts	
Federal Aid	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>1,966</u>
Unencumbered Cash, Ending	<u><u>\$ 1,966</u></u>
 Municipal Judge Training Fund	
Receipts	\$ <u>90</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	90
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 90</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, 2019

SCHEDULE 2
Page 14

	<u>Actual</u>
Donations Fund	
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>

Industrial Park Lot Fund	
Receipts:	
Lot sales	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>7,500</u>
Unencumbered Cash, Ending	\$ <u><u>7,500</u></u>

Diversion Fund	
Receipts:	
Diversion Fines	\$ <u>200</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	200
Unencumbered Cash, Beginning	<u>9</u>
Unencumbered Cash, Ending	\$ <u><u>209</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, 2019

SCHEDULE 2
Page 15

	<u>Actual</u>
Tort Liability Fund	
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>
 Reinstatement Fee Fund	
Receipts	\$ <u>200</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	200
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>200</u></u>
 Swimming Pool Reserve Fund	
Transfer from Sewer Utility Fund	\$ 6,210
Miscellaneous	<u>3</u>
Total Receipts	6,213
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	6,213
Unencumbered Cash, Beginning	<u>34,672</u>
Unencumbered Cash, Ending	\$ <u><u>40,885</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, 2019

SCHEDULE 2
 Page 16

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Airport Bond and Interest Fund			
Receipts:			
Taxes			
Delinquent Tax	\$ 439	270	169
Motor Vehicle Tax	0	0	0
Recreational Vehicle Tax	0	0	0
16/20M Vehicle Tax	48	0	48
Commercial Vehicle Tax	0	0	0
	<u>487</u>	<u>270</u>	<u>217</u>
Total Receipts	<u>487</u>	<u>270</u>	<u>217</u>
Expenditures:			
Principal	0	0	0
Interest	0	0	0
Cash Basis Reserve	0	11,670	(11,670)
	<u>0</u>	<u>11,670</u>	<u>(11,670)</u>
Total Expenditures	<u>0</u>	<u>11,670</u>	<u>(11,670)</u>
Receipts Over (Under) Expenditures	487		
Unencumbered Cash, Beginning	<u>14,555</u>		
Unencumbered Cash, Ending	<u>\$ 15,042</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, 2019

SCHEDULE 2
 Page 17

	<u>Actual</u>
Airport Runway Fund	
Receipts:	
FAA Grant	\$ <u>81,104</u>
Expenditures:	
Airport Project	<u>129,414</u>
Receipts Over (Under) Expenditures	(48,310)
Unencumbered Cash, Beginning	<u>69,877</u>
Unencumbered Cash, Ending	\$ <u><u>21,567</u></u>
Water Improvement Project Fund	
Receipts	\$ <u>0</u>
Expenditures:	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>25,548</u>
Unencumbered Cash, Ending	\$ <u><u>25,548</u></u>
Ball Complex Project Fund	
Receipts:	
Grants and Donations	\$ <u>128,312</u>
Expenditures:	
Ball Complex Project	<u>121,995</u>
Receipts Over (Under) Expenditures	6,317
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>6,317</u></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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Light Utility Fund			
Receipts:			
Charges for Services	\$ 2,041,564	2,095,000	(53,436)
Other Sales and Services	627	2,000	(1,373)
Insurance Proceeds	0	0	0
Miscellaneous	14,076	20,000	(5,924)
Reimbursements	980	0	980
Transfer from Sewer Utility Fund	20,279	20,279	0
	<u>2,077,526</u>	<u>2,137,279</u>	<u>(59,753)</u>
Total Receipts			
Expenditures:			
General and Administration			
Personal Services	261,909	294,400	(32,491)
Contractual Services	43,458	52,500	(9,042)
Commodities	10,295	16,000	(5,705)
Sales Tax	65,955	66,000	(45)
Miscellaneous	4,592	0	4,592
	<u>386,209</u>	<u>428,900</u>	<u>(42,691)</u>
Total General and Administration			
Production			
Personal Services	71,185	76,200	(5,015)
Contractual Services	58,300	40,000	18,300
Commodities	23,633	16,500	7,133
Miscellaneous	828	0	828
Purchased Power	1,053,419	1,337,500	(284,081)
	<u>1,207,365</u>	<u>1,470,200</u>	<u>(262,835)</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, 2019

SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Light Utility Fund (Continued)			
Distribution			
Personal Services	\$ 120,794	133,700	(12,906)
Contractual Services	28,593	32,500	(3,907)
Commodities	24,028	50,000	(25,972)
Miscellaneous	15,000	0	15,000
Total Distribution	<u>188,415</u>	<u>216,200</u>	<u>(27,785)</u>
Operating Transfers			
Transfer to Equipment Reserve Fund	64,000	64,000	0
Transfer to Capital Improvements Fund	50,000	50,000	0
Total Operating Transfers	<u>114,000</u>	<u>114,000</u>	<u>0</u>
Total Expenditures	<u>1,895,989</u>	<u>2,229,300</u>	<u>(333,311)</u>
Receipts Over (Under) Expenditures	181,537		
Unencumbered Cash, Beginning	<u>268,295</u>		
Unencumbered Cash, Ending	<u>\$ 449,832</u>		

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
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For the Year Ended December 31, 2019

SCHEDULE 2
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	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Water Utility Fund			
Receipts:			
Charges for Services	\$ 435,451	465,000	(29,549)
Other Sales and Services	424	1,500	(1,076)
Insurance Proceeds	0	0	0
Miscellaneous	4,251	0	4,251
Reimbursements	528	0	528
	<u>440,654</u>	<u>466,500</u>	<u>(25,846)</u>
Total Receipts	<u>440,654</u>	<u>466,500</u>	<u>(25,846)</u>
Expenditures:			
General and Administration			
Water Tax Fees	2,249	3,000	(751)
Sales Tax	7,761	10,000	(2,239)
Miscellaneous	4,035	0	4,035
	<u>14,045</u>	<u>13,000</u>	<u>1,045</u>
Total General and Administration	<u>14,045</u>	<u>13,000</u>	<u>1,045</u>
Distribution			
Personal Services	70,850	84,300	(13,450)
Contractual Services	103,273	99,866	3,407
Commodities	36,230	65,000	(28,770)
Capital Outlay	0	100,000	(100,000)
	<u>210,353</u>	<u>349,166</u>	<u>(138,813)</u>
Total Distribution	<u>210,353</u>	<u>349,166</u>	<u>(138,813)</u>
Debt Service			
KDHE Loan Principal	131,250	131,250	0
KDHE Loan Interest	50,764	50,764	0
	<u>182,014</u>	<u>182,014</u>	<u>0</u>
Total Debt Service	<u>182,014</u>	<u>182,014</u>	<u>0</u>
Total Expenditures	<u>406,412</u>	<u>544,180</u>	<u>(137,768)</u>
Receipts Over (Under) Expenditures	34,242		
Unencumbered Cash, Beginning	<u>892,774</u>		
Unencumbered Cash, Ending	<u>\$ 927,016</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Sewer Utility Fund			
Receipts:			
Charges for Services	\$ 285,889	292,000	(6,111)
Miscellaneous	3,719	0	3,719
Reimbursements	2,053	0	2,053
	<u>291,661</u>	<u>292,000</u>	<u>(339)</u>
Total Receipts			
Expenditures:			
Personal Services	63,906	64,400	(494)
Contractual Services	14,350	33,805	(19,455)
Commodities	28,439	50,700	(22,261)
Capital Outlay	0	20,700	(20,700)
Miscellaneous	191	0	191
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>293,585</u>	<u>356,304</u>	<u>(62,719)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(1,924)		
Unencumbered Cash, Beginning	<u>267,443</u>		
Unencumbered Cash, Ending	\$ <u>265,519</u>		

CITY OF HILL CITY, KANSAS

Business Funds

SCHEDULE 2

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Golf Course Fund			
Receipts:			
Charges for Services	\$ 6,699	5,600	1,099
Membership Dues	23,670	23,600	70
Rent	8,475	8,300	175
Reimbursed Expense	0	0	0
Sale of Assets	0	0	0
Miscellaneous	0	0	0
Transfer from General	16,826	16,826	0
	<u>55,670</u>	<u>54,326</u>	<u>1,344</u>
Total Receipts			
Expenditures:			
Personal Services	25,215	30,000	(4,785)
Contractual Services	8,562	3,000	5,562
Commodities	23,145	19,400	3,745
Capital Outlay	0	2,500	(2,500)
	<u>56,922</u>	<u>54,900</u>	<u>2,022</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(1,252)		
Unencumbered Cash, Beginning	6,641		
	<u>5,389</u>		
Unencumbered Cash, Ending	\$		

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

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

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Schedule of Receipts and Expenditures - Actual and Budget
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SCHEDULE 2
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	<u>Actual</u>
Light and Water Surplus Fund	
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>

Sewer Reserve Fund	
Receipts:	
KDHE Principal Forgiveness	\$ 0
Transfer from Sewer Utility Fund	<u>134,000</u>
Total Receipts	<u>134,000</u>
Expenditures:	
Capital Outlay	0
KDHE Principal Payment	91,515
KDHE Interest Payment	<u>42,154</u>
Total Expenditures	<u>133,669</u>
Receipts Over (Under) Expenditures	331
Unencumbered Cash, Beginning	<u>64,282</u>
Unencumbered Cash, Ending	\$ <u><u>64,613</u></u>

Customer Deposits Fund	
Receipts:	
Customer Deposits	\$ <u>7,276</u>
Expenditures:	
Customer Refunds	<u>7,276</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.