

CITY OF HILLSBORO, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2018

CITY OF HILLSBORO, KANSAS
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For the Year Ended December 31, 2018

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Hillsboro, Kansas**, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' 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 from 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, the financial statement is prepared by **City of Hillsboro, 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 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 matters 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 **City of Hillsboro, Kansas** as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **City of Hillsboro, Kansas** as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of **City of Hillsboro, Kansas** as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated June 5, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic

financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

July 2, 2019

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 71,768	-	2,240,468	2,261,071	51,165	2,369	53,534
Special Purpose Funds							
Airport Revolving Fund	9,486	-	8,499	13,000	4,985	-	4,985
D.A.R.E. Fund	687	-	-	342	345	-	345
Equipment Reserve Fund	44,525	-	83,010	108,446	19,089	-	19,089
Fire Equipment Replacement Reserve Fund	13,349	-	55,213	50,720	17,842	-	17,842
Family Aquatic Center Fund	312,711	-	224,033	360,642	176,102	-	176,102
Museum Trust Fund	39,749	-	8,954	3,415	45,288	-	45,288
Industrial Fund	82,456	-	59,408	66,333	75,531	-	75,531
Library Fund	2,216	-	77,159	79,391	(16)	-	(16)
Municipal Court Fund	4,546	-	16,773	17,901	3,418	-	3,418
Recreation Fund	264	-	19,008	19,272	-	-	-
Special Highway Fund	30,104	-	78,032	-	108,136	-	108,136
Special Law Enforcement Fund	31,863	-	19,528	16,876	34,515	-	34,515
Special Parks and Recreation Fund	-	-	6,196	3,388	2,808	-	2,808
Township Fire Equipment Fund	-	-	90,637	70,249	20,388	-	20,388
Hillsboro 150th Fund	1,540	-	2	-	1,542	-	1,542
Capital Improvement Fund	59,591	-	367,889	391,768	35,712	22,145	57,857
Tree Screening Fund	16,360	-	-	-	16,360	-	16,360
Bond and Interest Funds							
Bond and Interest Fund	1,329	-	745,946	637,099	110,176	-	110,176
TIF Fund	4,293	-	31,385	30,880	4,798	-	4,798
Capital Projects Funds							
Street Improvement Project Fund	-	-	2,256,862	1,036,921	1,219,941	-	1,219,941
Water Improvement Project Fund	-	-	638,393	788,534	(150,141)	150,141	-
Business Funds							
Electric Operating Fund	174,560	-	2,963,382	2,948,002	189,940	11,543	201,483
Refuse Operating Fund	378,185	-	380,546	323,224	435,507	-	435,507
Sewer Operating Fund	449,338	-	790,106	593,947	645,497	18,764	664,261
Water Operating Fund	309,904	-	1,213,423	890,821	632,506	4,077	636,583
Trust Fund							
Insurance Proceeds Fund	2,250	-	-	-	2,250	-	2,250
Total Primary Government	<u>2,041,074</u>	<u>-</u>	<u>12,374,852</u>	<u>10,712,242</u>	<u>3,703,684</u>	<u>209,039</u>	<u>3,912,723</u>
Related Municipal Entities							
Hillsboro Public Library	66,556	-	89,849	91,462	64,943	-	64,943
Hillsboro Public Building Commission - Health Care Facilities	684,097	-	79,367	177,782	585,682	-	585,682
Hillsboro Public Building Commission - Family Aquatic Center	819	-	360,754	360,723	850	-	850
Hillsboro Public Building Commission - Hospital Project	9,261	-	26	9,287	-	-	-
Hillsboro Recreation Commission	49,085	-	126,497	126,351	49,231	518	49,749
Hillsboro Convention and Visitors Bureau	15,724	-	13,822	23,875	5,671	-	5,671
Total Related Municipal Entities	<u>825,542</u>	<u>-</u>	<u>670,315</u>	<u>789,480</u>	<u>706,377</u>	<u>518</u>	<u>706,895</u>
Total Primary Government (Excluding Agency Funds)	<u>\$ 2,866,616</u>	<u>-</u>	<u>13,045,167</u>	<u>11,501,722</u>	<u>4,410,061</u>	<u>209,557</u>	<u>4,619,618</u>

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

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

Composition of Cash	
Checking Accounts	\$ 3,953,705
Petty Cash	500
Certificates of Deposit	<u>1,540</u>
Total Primary Government	3,955,745
Total Related Municipal Entities	706,895
Agency Funds per Schedule 3	<u>(43,022)</u>
Total Primary Government (Excluding Agency Funds)	\$ <u><u>4,619,618</u></u>

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

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity

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

Hillsboro Public Building Commission

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

Hillsboro Public Library

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

Hillsboro Recreation Commission

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

Hillsboro Convention and Visitors Bureau

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

Housing Authority of City of Hillsboro, Kansas

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

The City is the primary government as defined in GASB #61. The City council is elected by the public. The council has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

Basis of Presentation – Fund Accounting

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

The following types of funds comprise the financial activities of the City for the year ended December 31, 2018.

Regulatory Basis Fund Types

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

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

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

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

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

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

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

Basis of Accounting

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

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

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the City for special purposes.

Reimbursements

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

NOTE 2 – BUDGETARY INFORMATION

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication,

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for this year for the Airport Revolving Fund, Municipal Court Fund, Equipment Reserve Fund, and Refuse Operating Fund.

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

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2018.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

At December 31, 2018, the City's carrying amount of deposits was \$3,955,745 and the bank balance was \$4,016,216. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$302,484 was covered by federal depository insurance and \$3,713,732 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2018, the Library's carrying amount of deposits was \$64,943 and the bank balance was \$48,653. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

At December 31, 2018, the Hillsboro Recreation Commission's carrying amount of deposits was \$49,749 and the bank balance was \$52,297. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

At December 31, 2018, the Hillsboro Conventions and Visitors Bureau's carrying amount of deposits was \$5,671 and the bank balance was \$5,671. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

At December 31, 2018, the Hillsboro Public Building Commission's carrying amount of deposits was \$586,532 and the bank balance was \$586,532. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$244,665 was covered by federal depository insurance and \$341,867 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. The City had no investments at December 31, 2018.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Hillsboro, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2018 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Family Aquatic Center Fund	C.O. #11,14	\$ 224,033
Electric Operating Fund	Industrial Fund	K.S.A. 12-825d	40,000
Electric Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
Refuse Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
Sewer Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
Water Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	7,500
General Fund	Fire Equipment Replacement Reserve Fund	K.S.A. 12-1,117	31,873
Township Fire Equipment Fund	Fire Equipment Replacement Reserve Fund	K.S.A. 12-1,117	23,340
General Fund	TIF Fund	K.S.A. 10-114	7,668
Electric Operating Fund	General Fund	K.S.A. 12-825d	465,000

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

Refuse Operating Fund	General Fund	K.S.A. 12-825d	\$ 27,500
Sewer Operating Fund	General Fund	K.S.A. 12-825d	52,500
Water Operating Fund	General Fund	K.S.A. 12-825d	85,000
Township Fire Equipment Fund	General Fund	K.S.A. 12-1,117	46,909
Electric Operating Fund	General Fund	K.S.A. 12-825d	54,000
Sewer Operating Fund	Bond and Interest Fund	K.S.A. 12-825d	318,937
Water Operating Fund	Bond and Interest Fund	K.S.A. 12-825d	104,339
Refuse Operating Fund	Capital Improvement Fund	K.S.A. 12-1,118	100,000
Sewer Operating Fund	Capital Improvement Fund	K.S.A. 12-1,118	30,558
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	84,250
Street Improvement Project Fund	Electric Operating Fund	Resolution 2017-09	100,000
Street Improvement Project Fund	Water Operating Fund	Resolution 2017-09	100,000
Street Improvement Project Fund	Refuse Operating Fund	Resolution 2017-09	100,000
Street Improvement Project Fund	Sewer Operating Fund	Resolution 2017-09	100,000
Capital Improvement Fund	Street Improvement Project Fund		
	Fund	K.S.A. 12-1,118	46,751
Hillsboro PBC – Hospital Project	Hillsboro PBC – Health Care Facilities		
		Closed Funds	9,287

NOTE 5 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Waterlines Project	\$ 1,732,275	929,326
Groves Addition Project	120,110	120,110
Streets Improvement Project	981,932	957,023

NOTE 6 – LITIGATION

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

NOTE 7 – RISK MANAGEMENT

City of Hillsboro, Kansas is exposed to various risks or loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 160 participating members.

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

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust management. The City paid \$38,357 in premiums for the year ended December 31, 2018.

The City carries commercial insurance for all other risks of loss, including property, general liability, inland marine, automobile, law enforcement liability, aviation general liability, public officials' errors and omissions, and employee benefit liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 – GRANTS AND SHARED REVENUES

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

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

City of Hillsboro, Kansas exceeded its budget authority by \$11,176 in the Utility Sales Tax Fund, \$18,020 in the Capital Improvement Fund and \$192,394 in the Electric Operating Fund, which are violations of K.S.A. 79-2935.

The City exceeded its cash authority by \$16 in the Library Fund, which is a violation of K.S.A. 10-1113.

NOTE 10 – DEFERRED COMPENSATION PLAN

City of Hillsboro, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions except as outlined in employment contracts. The City contributed \$2,500 to the plan for the year ended December 31, 2018.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

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

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$117,327 for the year ended December 31, 2018.

At December 31, 2018, contributions to the pension plan from the Public Library were \$3,744.

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,060,772. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

At December 31, 2018, the Library's proportionate share of the collective net pension liability reported by KPERS was \$32,949. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The Library's proportion of the net pension liability was based on the ratio of the Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

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

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

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

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, 2018.

NOTE 13 – COMPENSATED ABSENCES

Vacation

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

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

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

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

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

Vacation may not be taken until the employee completes one full year of service. The maximum accrual for vacation at the date of the employee's employment anniversary shall be no more than 160 hours for employees with 1-9 years of service and 240 hours for employees with 10 years of service. Upon termination any unused vacation will be paid to the employee. The potential liability for vacation at December 31, 2018 was \$85,561; \$85,122 for the City and \$439 for the Library. This is not reflected in the financial statement.

Sick Leave

The City's policy for sick leave permits a full-time employee to earn sick leave at the rate of 8 hours per calendar month up to a maximum of 480 hours. Twenty-four hour shift full-time employees shall earn sick leave at a rate of 4 hours per calendar month up to a maximum of 480 hours. Part-time employees who work at least 30 hours per week shall earn sick leave at the rate of 4 hours per month. Seasonal and temporary employees do not earn sick leave. Sick leave will be paid for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job. Upon termination of employment an employee shall not be paid for accumulated sick leave. The Library's sick leave accrual rate is the same as its vacation policy. The potential liability for sick leave at December 31, 2018 was \$175,761; \$173,830 for the City and \$1,931 for the Library. This is not reflected in the financial statement.

Comp Time

Comp time is earned at the rate of 1½ hours per every hour worked over 40 hours during a one week period. At the discretion of the department head and with the agreement of the employee, an employee may be given compensatory time off in lieu of cash payments for the overtime worked. It must be taken as time off within two pay periods following the period in which it was earned. Upon termination any unused compensatory time will be paid to the employee. The liability for comp time at December 31, 2018 was \$4,959 for the City. The Library did not have any comp time. This is reflected in the financial statement.

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

NOTE 14 – HILLSBORO PUBLIC BUILDING COMMISSION

Lease Receivable

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

<u>Years Ending December 31</u>	<u>Total</u>
2019	\$ 268,154
2020	272,423
2021	276,010
2022	269,260
2023	271,765
2024-2028	455,650
2029-2033	453,425
2034-2038	<u>455,350</u>
Total	\$ <u>2,722,037</u>

Long-Term Debt

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

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

NOTE 15 – INTERLOCAL AGREEMENT

City of Hillsboro, Kansas has entered into an Interlocal Cooperation Agreement with Marion County, Kansas. The City has agreed to reimburse Marion County, Kansas \$76,145 to be paid in full by December 31, 2019. The agreement is for the participation in a county-wide upgrade of emergency radios to an 800 megahertz frequency system that will provide better communication and emergency services for the public safety of all residents and visitors of Marion County, Kansas.

NOTE 16 – CONDUIT DEBT

City of Hillsboro, Kansas has issued education facilities revenue bonds to provide financial assistance to a College for purpose of financing the costs of certain education facilities and refinancing of certain bonds issued for the benefit of the College. The bonds are generally payable from and secured by the

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

project financed and if needed, additional assets or revenues of the College serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the College served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The original amount of the bonds was \$7,000,000. The outstanding balance of the bonds as of December 31, 2018 was unavailable.

NOTE 17 – SUBSEQUENT EVENT

In March 2019, the Hillsboro Community Hospital declared Chapter 11 bankruptcy. The Hillsboro Community Hospital, Hillsboro Public Building Commission and the City of Hillsboro have a development agreement for the use of the Series 2015 bond proceeds which were deposited into a project fund and used for the construction of the Hospital. The Commission has a lease agreement with the City and the City subleased the project proceeds to the Hospital. The City has been named a party of the case that was filed with the District Court of Marion County, Kansas, where the City is a defendant. This lawsuit is being defended by an attorney hired by the City and Public Building Commission. The approximate amount of the liability the City will incur is unknown as of July 2, 2019.

NOTE 18 – LONG-TERM DEBT

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

General Obligation Bonds

On June 27, 2006, the City issued \$1,920,000 in Series 2006A bonds for the purpose of internal improvements for the water plant upgrade.

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

On September 22, 2009, the City issued \$4,552,500 in Series 2009A bonds for the purpose of internal improvements for the sewer lagoon project.

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

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

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

General Obligation Temporary Notes

On September 27, 2018, the City issued \$2,210,000 in Series 2018 General Obligation Temporary Notes for the purpose of financing construction improvements to multiple streets.

KDHE and KDOT Revolving Loans

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

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

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

On December 13, 2017, the City entered into a \$3,107,750 revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the construction and engineering for the replacement of waterlines. As of December 31, 2018, only \$786,955 has been drawdown.

Lease Obligations

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

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

<u>Year</u>	<u>Basic Rental Payment</u>
2019	\$ 179,204
2020	179,673
2021	184,610
2022	179,210
2023	183,290
Total	\$ 905,987

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

The terms of the lease provide for basic rent to be paid on each basic rent payment date in an amount sufficient to pay on the next succeeding payment date, the principal of, redemption premium, if any, and interest on the Series 2015 taxable revenue bonds which are due. The basic rent payment dates are the first of the month commencing February 1, 2016, and continuing through the basic term of the lease. The lease agreement also provides for the payment of additional rent, in addition to basic rent, in amounts pursuant to the terms of the lease. The City intends that these rent payments will be used to make the City's payments to the Commission under the lease, which payments will in turn, be used to pay debt service on the Series 2015 taxable revenue bonds. To the extent that the payments of basic rent and

CITY OF HILLSBORO, KANSAS

Notes to Financial Statement

December 31, 2018

additional rent are not adequate to provide the Commission with funds sufficient to pay the principal and interest on the bonds as they become due and payable, the City shall be obligated to pay, as additional rent, further sums of money as may be required for such purposes.

Year	Basic Rental Payment
2019	\$ 88,950
2020	92,750
2021	91,400
2022	90,050
2023	88,475
2024-2028	455,650
2029-2033	453,425
2034-2038	455,350
Total	\$ 1,816,050

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

CITY OF HILLSBORO, KANSAS
Notes to Financial Statement
December 31, 2018

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2006A	4.50%	6/27/2006	\$ 1,920,000	2046	\$ 1,671,705	-	(29,112)	1,642,593	75,227
Series 2007A	4.75%-5.90%	9/25/2007	78,358	2023	40,000	-	(6,000)	34,000	1,900
Series 2009A	4.38%	9/22/2009	4,552,500	2048	3,593,230	-	(161,733)	3,431,497	157,204
Series 2011A - TIF	2.00 - 3.40%	12/22/2011	345,000	2025	215,000	-	(25,000)	190,000	5,880
Series 2011B	2.25 - 3.15%	12/22/2011	1,600,000	2026	1,355,000	-	(130,000)	1,225,000	35,768
Series 2018	3.45%	9/12/2018	105,000	2038	-	105,000	-	105,000	-
General Obligation Temporary Bonds									
Series 2018	2.50%	9/27/2018	2,210,000	2020	-	2,210,000	-	2,210,000	-
Revolving Debt									
KDHE Revolving Loan	3.77%	7/11/2006	146,352	2026	75,653	-	(7,705)	67,948	2,780
KDOT Revolving Loan	3.79%	10/17/2006	531,535	2025	256,787	-	(30,424)	226,363	9,732
KDHE Revolving Loan - Waterlines	2.15%	12/13/2017	3,107,750	2039	-	786,955	-	786,955	-
Capital Leases									
HPBC - Family Aquatic Center	3.00 - 4.00%	4/18/2011	2,140,000	2025	1,105,000	-	(320,000)	785,000	40,641
HPBC - Hospital	2.00 - 4.50%	12/30/2015	1,325,000	2038	1,245,000	-	(40,000)	1,205,000	49,750
Public Safety Trucks	2.29%	8/13/2014	239,410	2019	76,081	-	(50,721)	25,360	-
2017 Case Wheel Loader	3.34%	1/26/2018	41,945	2020	-	41,945	(13,673)	28,272	1,062
Case Loader	2.91%	3/17/2017	154,050	2023	142,206	-	(24,221)	117,985	3,949
Total for City of Hillsboro					<u>9,775,662</u>	<u>3,143,900</u>	<u>(838,589)</u>	<u>12,080,973</u>	<u>383,893</u>
Hillsboro Public Building Commission									
Series 2011	3.00 - 4.00%	4/18/2011	2,140,000	2025	1,105,000	-	(320,000)	785,000	40,641
Series 2015	2.00 - 4.50%	12/30/2015	1,325,000	2038	1,245,000	-	(40,000)	1,205,000	49,750
Total for Hillsboro Public Building Commission					<u>2,350,000</u>	<u>-</u>	<u>(360,000)</u>	<u>1,990,000</u>	<u>90,391</u>
Total Contractual Indebtedness					<u>\$ 12,125,662</u>	<u>3,143,900</u>	<u>(1,198,589)</u>	<u>14,070,973</u>	<u>474,284</u>

CITY OF HILLSBORO, KANSAS
Notes to Financial Statement
December 31, 2018

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

City	YEAR										Total
	2019	2020	2021	2022	2023	2024 - 2028	2029 - 2033	2034 - 2038	2039 - 2043	2044 - 2048	
Principal											
General Obligation Bonds	\$ 265,856	275,044	285,417	289,983	305,751	1,237,970	823,019	1,020,465	1,229,330	895,255	6,628,090
General Obligation Temporary Notes	-	2,210,000	-	-	-	-	-	-	-	-	2,210,000
Revolving Debt	39,575	166,936	171,215	175,611	180,129	347,800	-	-	-	-	1,081,266
Capital Leases	64,185	40,006	26,400	27,174	13,852	-	-	-	-	-	171,617
Capital Lease - HPBC	185,000	195,000	205,000	205,000	215,000	265,000	320,000	400,000	-	-	1,990,000
Total Principal	554,616	2,886,986	688,032	697,768	714,732	1,850,770	1,143,019	1,420,465	1,229,330	895,255	12,080,973
Interest											
General Obligation Bonds	267,631	258,869	250,359	241,231	231,633	998,048	804,246	607,488	365,173	81,878	4,106,556
General Obligation Temporary Notes	55,864	55,250	-	-	-	-	-	-	-	-	111,114
Revolving Debt	11,066	75,709	71,430	67,034	62,516	111,071	-	-	-	-	398,826
Capital Leases	4,082	2,892	1,771	997	219	-	-	-	-	-	9,961
Capital Lease - HPBC	83,154	77,423	71,010	64,260	56,765	190,650	133,425	55,350	-	-	732,037
Total Interest	421,797	470,143	394,570	373,522	351,133	1,299,769	937,671	662,838	365,173	81,878	5,358,494
Total City Principal and Interest	\$ 976,413	3,357,129	1,082,602	1,071,290	1,065,865	3,150,539	2,080,690	2,083,303	1,594,503	977,133	17,439,467
Hillsboro Public Building Commission											
Principal											
Revenue Refunding Bonds	\$ 145,000	150,000	160,000	160,000	170,000	-	-	-	-	-	785,000
Taxable Revenue Bonds	40,000	45,000	45,000	45,000	45,000	265,000	320,000	400,000	-	-	1,205,000
Total Principal	185,000	195,000	205,000	205,000	215,000	265,000	320,000	400,000	-	-	1,990,000
Interest											
Revenue Refunding Bonds	34,204	29,673	24,610	19,210	13,290	-	-	-	-	-	120,987
Taxable Revenue Bonds	48,950	47,750	46,400	45,050	43,475	190,650	133,425	55,350	-	-	611,050
Total Interest	83,154	77,423	71,010	64,260	56,765	190,650	133,425	55,350	-	-	732,037
Total Hillsboro Public Building Commission	\$ 268,154	272,423	276,010	269,260	271,765	455,650	453,425	455,350	-	-	2,722,037

CITY OF HILLSBORO, KANSAS

Regulatory-Required Supplementary Information

CITY OF HILLSBORO, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General Fund	\$ 2,339,294	-	2,339,294	2,261,071	(78,223)
Special Purpose Funds					
Airport Revolving Fund	13,000	-	13,000	13,000	-
D.A.R.E. Fund	342	-	342	342	-
Equipment Reserve Fund	110,000	-	110,000	108,446	(1,554)
Fire Equipment Replacement Reserve Fund	50,727	-	50,727	50,720	(7)
Family Aquatic Center Fund	390,935	-	390,935	360,642	(30,293)
Museum Trust Fund	38,485	-	38,485	3,415	(35,070)
Industrial Fund	109,410	-	109,410	66,333	(43,077)
Library Fund	82,110	-	82,110	79,391	(2,719)
Municipal Court Fund	23,000	-	23,000	17,901	(5,099)
Recreation Fund	19,845	-	19,845	19,272	(573)
Special Highway Fund	77,060	-	77,060	-	(77,060)
Special Law Enforcement Fund	82,805	-	82,805	16,876	(65,929)
Special Parks and Recreation Fund	11,000	-	11,000	3,388	(7,612)
Township Fire Equipment Fund	70,249	-	70,249	70,249	-
Capital Improvement Fund	373,748	-	373,748	391,768	18,020
Bond and Interest Funds					
Bond and Interest Fund	673,900	-	673,900	637,099	(36,801)
TIF Fund	30,880	-	30,880	30,880	-
Business Funds					
Electric Operating Fund	2,755,608	-	2,755,608	2,948,002	192,394
Refuse Operating Fund	347,600	-	347,600	323,224	(24,376)
Sewer Operating Fund	674,134	-	674,134	593,947	(80,187)
Water Operating Fund	1,000,467	-	1,000,467	890,821	(109,646)
Agency Funds					
Utility Sales Tax Fund	100,000	-	100,000	111,176	11,176
Related Municipal Entities					
Hillsboro Recreation Commission	127,000	-	127,000	126,351	(649)

CITY OF HILLSBORO, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

			Current Year		Variance
	Prior				Over
	Year				
	Actual		Actual	Budget	(Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 541,940		481,670	504,453	(22,783)
Delinquent Tax	8,641		5,691	2,613	3,078
Motor Vehicle Tax	66,563		72,090	70,830	1,260
Recreational Vehicle Tax	840		851	822	29
16/20M Vehicle Tax	347		538	346	192
Local Sales/Use Tax	247,609		268,110	296,000	(27,890)
Sales Tax - Family Aquatic Center	230,681		224,033	234,545	(10,512)
Local Alcoholic Liquor Tax	2,068		2,341	2,000	341
In Lieu of Tax	-		5,138	3,600	1,538
Highway Connecting Links	236		314	314	-
Transient Guest Tax	13,687		15,956	16,000	(44)
Rental Excise Tax	32		-	-	-
Franchise Taxes	112,185		130,593	162,409	(31,816)
Licenses, Permits, and Fees	5,911		4,916	6,608	(1,692)
Building Permits	12,979		6,869	13,087	(6,218)
Interest Income	28,409		61,752	24,000	37,752
Rent Income	74,013		45,924	34,000	11,924
Court Fines and Bonds	9,874		14,747	18,000	(3,253)
Reimbursements	27,352		28,939	27,050	1,889
Museum Income	2,563		1,209	900	309
Swimming Pool Receipts	52,023		50,501	54,105	(3,604)
Sports Complex Income	5,642		6,399	7,500	(1,101)
Miscellaneous	31,841		37,844	34,109	3,735
Donations	-		44,380	-	44,380
Transfers In	1,031,277		730,909	727,142	3,767
Neighborhood Revitalization	(1,466)		(1,246)	(1,514)	268
Total Receipts	<u>2,505,247</u>		<u>2,240,468</u>	<u>2,238,919</u>	<u>1,549</u>
Expenditures					
Legislative					
Personal Services	11,647		11,937	12,570	(633)
Contractual Services	71,576		75,155	74,000	1,155
Commodities	18,002		24,512	17,000	7,512
Total Legislative	<u>\$ 101,225</u>		<u>111,604</u>	<u>103,570</u>	<u>8,034</u>

CITY OF HILLSBORO, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Administrative				
Personal Services	\$ 356,261	369,363	358,700	10,663
Contractual Services	37,075	40,308	38,000	2,308
Commodities	65,719	59,770	47,750	12,020
Miscellaneous	125	125	125	-
Total Administrative	459,180	469,566	444,575	24,991
Police				
Personal Services	410,206	431,595	418,010	13,585
Contractual Services	24,893	23,618	44,500	(20,882)
Commodities	20,689	21,807	26,300	(4,493)
Capital Outlay	2,689	2,891	10,300	(7,409)
Total Police	458,477	479,911	499,110	(19,199)
Fire				
Personal Services	48,036	42,865	51,000	(8,135)
Contractual Services	9,253	15,171	15,000	171
Commodities	34,673	26,135	30,890	(4,755)
Capital Outlay	-	-	5,000	(5,000)
Total Fire	91,962	84,171	101,890	(17,719)
Street				
Personal Services	194,088	197,308	243,107	(45,799)
Contractual Services	12,540	17,794	20,100	(2,306)
Commodities	49,641	48,150	56,000	(7,850)
Capital Outlay	9,000	-	20,000	(20,000)
Total Street	265,269	263,252	339,207	(75,955)
Parks and Recreation				
Personal Services	8,721	12,860	10,605	2,255
Contractual Services	5,405	7,943	6,500	1,443
Commodities	7,563	8,476	8,000	476
Capital Outlay	-	-	3,000	(3,000)
Total Parks and Recreation	\$ 21,689	29,279	28,105	1,174

CITY OF HILLSBORO, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Museum				
Personal Services	\$ 7,989	11,241	10,500	741
Contractual Services	6,014	8,617	5,000	3,617
Commodities	7,464	6,021	7,000	(979)
Capital Outlay	-	875	1,450	(575)
Total Museum	21,467	26,754	23,950	2,804
Swimming Pool				
Personal Services	54,014	53,617	63,995	(10,378)
Contractual Services	16,105	12,321	7,000	5,321
Commodities	33,185	27,229	29,500	(2,271)
Capital Outlay	5,000	4,000	5,000	(1,000)
Total Swimming Pool	108,304	97,167	105,495	(8,328)
Golf				
Personal Services	84,038	82,928	77,565	5,363
Commodities	785	2,011	5,090	(3,079)
Total Golf	84,823	84,939	82,655	2,284
Public Safety				
Commodities	4,622	5,098	5,000	98
Planning				
Personal Services	71,606	73,821	71,630	2,191
Commodities	3,363	2,103	4,000	(1,897)
Total Planning	74,969	75,924	75,630	294
Tourism				
Appropriation	13,687	15,955	16,000	(45)
Sports Complex				
Personal Services	77,235	78,000	69,875	8,125
Contractual Services	2,372	1,298	3,200	(1,902)
Commodities	12,647	13,641	11,750	1,891
Capital Outlay	2,793	-	6,000	(6,000)
Total Sports Complex	\$ 95,047	92,939	90,825	2,114

CITY OF HILLSBORO, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Other Expenditures				
Miscellaneous	\$ 1,202	23,451	45,700	(22,249)
Reimbursed Expenses	-	45,737	-	45,737
Lease Payments	-	-	16,086	(16,086)
Transfers Out	714,682	355,324	361,496	(6,172)
Total Other Expenditures	715,884	424,512	423,282	1,230
Total Expenditures	2,516,605	2,261,071	2,339,294	(78,223)
Receipts Over (Under) Expenditures	(11,358)	(20,603)		
Unencumbered Cash - Beginning	83,126	71,768		
Unencumbered Cash - Ending	\$ 71,768	51,165		

CITY OF HILLSBORO, KANSAS
Airport Revolving Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
Receipts				
Fuel Sales	\$ 1,815	3,874	9,000	(5,126)
Rent	6,240	4,625	4,500	125
Total Receipts	8,055	8,499	<u>13,500</u>	<u>(5,001)</u>
Expenditures				
Fuel	-	5,501	-	5,501
Commodities	760	3,428	10,000	(6,572)
Contractual	2,440	4,071	3,000	1,071
Capital Outlay	4,653	-	-	-
Total Expenditures	7,853	13,000	<u>13,000</u>	<u>-</u>
Receipts Over (Under) Expenditures	202	(4,501)		
Unencumbered Cash - Beginning	9,284	9,486		
Unencumbered Cash - Ending	\$ <u>9,486</u>	<u>4,985</u>		

CITY OF HILLSBORO, KANSAS
D.A.R.E. Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Transfers In	\$ 800	-	-	-
Expenditures				
Commodities	455	342	342	-
Receipts Over (Under) Expenditures	345	(342)		
Unencumbered Cash - Beginning	342	687		
Unencumbered Cash - Ending	\$ 687	345		

CITY OF HILLSBORO, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Receipts				
Transfers In	\$ 37,500	37,500	37,500	-
Lease Proceeds	-	41,835	41,835	-
Sale of Assets	21,275	3,675	3,675	-
Total Receipts	58,775	83,010	<u>83,010</u>	<u>-</u>
Expenditures				
Capital Outlay	6,275	65,540	74,462	(8,922)
Lease Payments	71,426	42,906	35,538	7,368
Total Expenditures	77,701	108,446	<u>110,000</u>	<u>(1,554)</u>
Receipts Over (Under) Expenditures	(18,926)	(25,436)		
Unencumbered Cash - Beginning	63,451	44,525		
Unencumbered Cash - Ending	\$ <u>44,525</u>	<u>19,089</u>		

CITY OF HILLSBORO, KANSAS
Fire Equipment Replacement Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Transfers In	\$ 31,709	55,213	<u>55,213</u>	<u>-</u>
Expenditures				
Lease Payments	50,721	50,720	<u>50,727</u>	<u>(7)</u>
Receipts Over (Under) Expenditures	(19,012)	4,493		
Unencumbered Cash - Beginning	<u>32,361</u>	<u>13,349</u>		
Unencumbered Cash - Ending	\$ <u>13,349</u>	<u>17,842</u>		

CITY OF HILLSBORO, KANSAS
Family Aquatic Center Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Receipts				
Transfers In	\$ 230,681	224,033	<u>234,545</u>	<u>(10,512)</u>
Expenditures				
Rent to Hillsboro Public Building				
Commission - Family Aquatic Center	370,135	360,642	<u>390,935</u>	<u>(30,293)</u>
Receipts Over (Under) Expenditures	(139,454)	(136,609)		
Unencumbered Cash - Beginning	452,165	312,711		
Unencumbered Cash - Ending	\$ 312,711	176,102		

CITY OF HILLSBORO, KANSAS
Museum Trust Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Receipts				
Interest Income	\$ 15	93	1	92
Donations	-	550	500	50
Tax Credits	-	8,311	-	8,311
Total Receipts	15	8,954	501	8,453
Expenditures				
Contractual	-	3,415	38,485	(35,070)
Receipts Over (Under) Expenditures	15	5,539		
Unencumbered Cash - Beginning	39,734	39,749		
Unencumbered Cash - Ending	\$ 39,749	45,288		

CITY OF HILLSBORO, KANSAS

Industrial Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 16,587	16,992	17,786		(794)
Delinquent Tax	297	184	92		92
Motor Vehicle Tax	2,189	2,232	2,167		65
Recreational Vehicle Tax	28	26	25		1
16/20M Vehicle Tax	11	18	11		7
Grant Proceeds	1,000	-	-		-
Transfers In	40,000	40,000	40,000		-
Neighborhood Revitalization	(45)	(44)	(46)		2
Total Receipts	60,067	59,408	60,035		(627)
Expenditures					
Personal Services	30,526	61,901	74,370		(12,469)
Commodities	2,333	4,312	7,340		(3,028)
Contractual	-	120	2,990		(2,870)
Appropriation to Hillsboro Development	8,127	-	-		-
Grant Expenditures	1,000	-	24,710		(24,710)
Total Expenditures	41,986	66,333	109,410		(43,077)
Receipts Over (Under) Expenditures	18,081	(6,925)			
Unencumbered Cash - Beginning	64,375	82,456			
Unencumbered Cash - Ending	\$ 82,456	75,531			

CITY OF HILLSBORO, KANSAS

Library Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 66,332		67,495	71,133	(3,638)
Delinquent Tax	1,188		735	369	366
Motor Vehicle Tax	8,760		8,928	8,670	258
Recreational Vehicle Tax	111		105	100	5
16/20M Vehicle Tax	44		71	42	29
Neighborhood Revitalization	(179)		(175)	(185)	10
Total Receipts	76,256		77,159	<u>80,129</u>	<u>(2,970)</u>
Expenditures					
Appropriation to Public Library	74,546		79,391	<u>82,110</u>	<u>(2,719)</u>
Receipts Over (Under) Expenditures	1,710		(2,232)		
Unencumbered Cash - Beginning	506		2,216		
Unencumbered Cash - Ending	\$ <u>2,216</u>		<u>(16)</u>		

CITY OF HILLSBORO, KANSAS
Municipal Court Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Fines and Fees	\$ 13,172	16,773	27,000	(10,227)
Expenditures				
Payments to State of Kansas	1,593	2,224	4,000	(1,776)
Payments to City of Hillsboro	9,874	14,747	18,000	(3,253)
Miscellaneous	382	930	1,000	(70)
Total Expenditures	11,849	17,901	23,000	(5,099)
Receipts Over (Under) Expenditures	1,323	(1,128)		
Unencumbered Cash - Beginning	3,223	4,546		
Unencumbered Cash - Ending	\$ 4,546	3,418		

CITY OF HILLSBORO, KANSAS

Recreation Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 16,587		16,992	17,792	(800)
Delinquent Tax	295		183	92	91
Motor Vehicle Tax	2,191		2,233	2,167	66
Recreational Vehicle Tax	28		26	25	1
16/20M Vehicle Tax	11		18	11	7
Neighborhood Revitalization	(297)		(444)	(46)	(398)
Total Receipts	<u>18,815</u>		<u>19,008</u>	<u>20,041</u>	<u>(1,033)</u>
Expenditures					
Personal Services	-		6,015	6,155	(140)
Appropriations	<u>18,551</u>		<u>13,257</u>	<u>13,690</u>	<u>(433)</u>
Total Expenditures	<u>18,551</u>		<u>19,272</u>	<u>19,845</u>	<u>(573)</u>
Receipts Over (Under) Expenditures	264		(264)		
Unencumbered Cash - Beginning	<u>-</u>		<u>264</u>		
Unencumbered Cash - Ending	\$ <u>264</u>		<u>-</u>		

CITY OF HILLSBORO, KANSAS

Special Highway Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
State Payments	\$ 76,740	78,032	<u>77,060</u>	<u>972</u>
Expenditures				
Commodities	155,405	-	77,060	(77,060)
Contractual	<u>72,991</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>228,396</u>	<u>-</u>	<u>77,060</u>	<u>(77,060)</u>
Receipts Over (Under) Expenditures	(151,656)	78,032		
Unencumbered Cash - Beginning	<u>181,760</u>	<u>30,104</u>		
Unencumbered Cash - Ending	\$ <u>30,104</u>	<u>108,136</u>		

CITY OF HILLSBORO, KANSAS
Special Law Enforcement Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

			Current Year		
	Prior Year Actual				Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>		
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 16,587	16,992	17,788		(796)
Delinquent Tax	298	184	92		92
Motor Vehicle Tax	2,189	2,232	2,167		65
Recreational Vehicle Tax	28	26	25		1
16/20M Vehicle Tax	11	18	11		7
Neighborhood Revitalization	(45)	(44)	(46)		2
Miscellaneous	86	120	-		120
Total Receipts	19,154	19,528	<u>20,037</u>		<u>(509)</u>
Expenditures					
Capital Outlay	31,256	16,876	<u>82,805</u>		<u>(65,929)</u>
Receipts Over (Under) Expenditures	(12,102)	2,652			
Unencumbered Cash - Beginning	43,965	31,863			
Unencumbered Cash - Ending	\$ <u>31,863</u>	<u>34,515</u>			

CITY OF HILLSBORO, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Liquor Tax	\$ 2,068	2,341	2,300	41
State Aid	-	3,855	-	3,855
Total Receipts	2,068	6,196	2,300	3,896
Expenditures				
Commodities	1,521	3,388	3,000	388
Capital Outlay	32,155	-	8,000	(8,000)
Total Expenditures	33,676	3,388	11,000	(7,612)
Receipts Over (Under) Expenditures	(31,608)	2,808		
Unencumbered Cash - Beginning	31,608	-		
Unencumbered Cash - Ending	\$ -	2,808		

CITY OF HILLSBORO, KANSAS
Township Fire Equipment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over Under (Under)
		Actual	Budget	
Receipts				
Township Payments	\$ 52,835	90,637	<u>70,249</u>	<u>20,388</u>
Expenditures				
Transfers Out	52,835	70,249	<u>70,249</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	20,388		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	20,388		

CITY OF HILLSBORO, KANSAS
Hillsboro 150th Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Interest Income	\$ 1	2
Expenditures	-	-
Receipts Over (Under) Expenditures	1	2
Unencumbered Cash - Beginning	1,539	1,540
Unencumbered Cash - Ending	\$ 1,540	1,542

CITY OF HILLSBORO, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Receipts				
State Aid	\$ 49,296	34,483	80,000	(45,517)
Bond Proceeds	-	105,000	-	105,000
Reimbursements	11,057	13,598	39,050	(25,452)
Transfers In	347,851	214,808	-	214,808
Total Receipts	408,204	367,889	119,050	248,839
Expenditures				
Capital Outlay	952	17,770	373,748	(355,978)
Swimming Pool	6,000	-	-	-
AMPI Property	34,454	48,874	-	48,874
City Hall	898	-	-	-
KDOT Hospital Trail	-	17,943	-	17,943
Schaeffler House Repairs	-	43,503	-	43,503
Sewer Groves	-	120,110	-	120,110
Sports Complex	39,800	7,565	-	7,565
Street Construction	294,897	64,561	-	64,561
School, Adobe House, Mill	84,847	7,029	-	7,029
Visitor's Center	2,074	-	-	-
Miscellaneous	3,389	17,662	-	17,662
Transfers Out	-	46,751	-	46,751
Total Expenditures	467,311	391,768	373,748	18,020
Receipts Over (Under) Expenditures	(59,107)	(23,879)		
Unencumbered Cash - Beginning	118,698	59,591		
Unencumbered Cash - Ending	\$ 59,591	35,712		

CITY OF HILLSBORO, KANSAS
Tree Screening Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Actual
Receipts	\$ -	-
Expenditures		
Commodities	<u>726</u>	<u>-</u>
Receipts Over (Under) Expenditures	(726)	-
Unencumbered Cash - Beginning	<u>17,086</u>	<u>16,360</u>
Unencumbered Cash - Ending	\$ <u><u>16,360</u></u>	<u><u>16,360</u></u>

CITY OF HILLSBORO, KANSAS

Bond and Interest Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	\$ 58,803		155,284	162,595	(7,311)
Delinquent Tax	1,327		614	842	(228)
Motor Vehicle Tax	6,991		7,845	7,685	160
Recreational Vehicle Tax	89		93	89	4
16/20M Vehicle Tax	27		60	38	22
Local Retailer Sales Tax	150,000		150,000	150,000	-
Neighborhood Revitalization	(159)		(402)	(286)	(116)
Special Assessments	10,859		9,176	-	9,176
Transfers In	411,943		423,276	356,379	66,897
Total Receipts	639,880		745,946	677,342	68,604
Expenditures					
Debt Service Principal	318,004		326,845	351,845	(25,000)
Debt Service Interest	281,481		270,098	282,541	(12,443)
KDOT Revolving Loan	40,156		40,156	39,514	642
Total Expenditures	639,641		637,099	673,900	(36,801)
Receipts Over (Under) Expenditures	239		108,847		
Unencumbered Cash - Beginning	1,090		1,329		
Unencumbered Cash - Ending	\$ 1,329		110,176		

CITY OF HILLSBORO, KANSAS

TIF Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over Under (Under)
		Actual	Budget	
Receipts				
Ad Valorem Property Tax	\$ 25,194	23,717	22,509	1,208
Transfers In	7,510	7,668	7,668	-
Total Receipts	32,704	31,385	30,177	1,208
Expenditures				
Principal Payments	25,000	25,000	25,000	-
Interest Payments	6,380	5,880	5,880	-
Contractual Services	3,140	-	-	-
Total Expenditures	34,520	30,880	30,880	-
Receipts Over (Under) Expenditures	(1,816)	505		
Unencumbered Cash - Beginning	6,109	4,293		
Unencumbered Cash - Ending	\$ 4,293	4,798		

CITY OF HILLSBORO, KANSAS
Street Improvement Project Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Actual
Receipts		
Temporary Note Proceeds	\$ -	2,210,000
Note Premium	-	111
Transfers In	-	46,751
Total Receipts	-	2,256,862
Expenditures		
Contractual	-	170,181
Capital Outlay	-	466,730
Miscellaneous	-	10
Transfers Out	-	400,000
Total Expenditures	-	1,036,921
Receipts Over (Under) Expenditures	-	1,219,941
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	1,219,941

CITY OF HILLSBORO, KANSAS
Water Improvement Project Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Actual
Receipts		
KDHE Loan Proceeds	\$ -	638,393
Expenditures		
Capital Outlay	-	788,534
Receipts Over (Under) Expenditures	-	(150,141)
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	(150,141)

CITY OF HILLSBORO, KANSAS

Electric Operating Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under (Under)
Receipts				
Collections	\$ 2,759,962	2,860,233	3,100,000	(239,767)
Connection Fees	565	1,920	500	1,420
Reimbursements	17,969	313	2,800	(2,487)
Miscellaneous	649	916	500	416
Transfers In	-	100,000	-	100,000
Total Receipts	<u>2,779,145</u>	<u>2,963,382</u>	<u>3,103,800</u>	<u>(140,418)</u>
Expenditures				
Personal Services	265,634	266,496	268,710	(2,214)
Contractual Services	49,535	52,373	43,000	9,373
Commodities	107,800	122,779	112,000	10,779
Capital Outlay	-	-	30,000	(30,000)
Electric Purchases	1,847,733	1,939,131	1,700,000	239,131
Lease Payments	-	-	33,398	(33,398)
Use Tax	1,388	723	2,000	(1,277)
Transfers Out	666,500	566,500	566,500	-
Total Expenditures	<u>2,938,590</u>	<u>2,948,002</u>	<u>2,755,608</u>	<u>192,394</u>
Receipts Over (Under) Expenditures	(159,445)	15,380		
Unencumbered Cash - Beginning	<u>334,005</u>	<u>174,560</u>		
Unencumbered Cash - Ending	<u>\$ 174,560</u>	<u>189,940</u>		

CITY OF HILLSBORO, KANSAS

Refuse Operating Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under (Under)
Receipts				
Collections	\$ 278,178	280,074	250,000	30,074
Reimbursements	12,382	472	-	472
Miscellaneous	850	-	-	-
Transfers In	-	100,000	100,000	-
Total Receipts	291,410	380,546	<u>350,000</u>	<u>30,546</u>
Expenditures				
Personal Services	98,974	115,242	111,000	4,242
Contractual Services	45,692	25,175	44,990	(19,815)
Commodities	14,931	19,005	19,110	(105)
Capital Outlay	-	-	7,500	(7,500)
Recycling	32,522	28,802	30,000	(1,198)
Transfers Out	35,000	135,000	135,000	-
Total Expenditures	227,119	323,224	<u>347,600</u>	<u>(24,376)</u>
Receipts Over (Under) Expenditures	64,291	57,322		
Unencumbered Cash - Beginning	313,894	378,185		
Unencumbered Cash - Ending	\$ <u>378,185</u>	<u>435,507</u>		

CITY OF HILLSBORO, KANSAS

Sewer Operating Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Receipts				
Collections	\$ 681,755	679,748	685,200	(5,452)
Reimbursements	684	1,177	1,900	(723)
Miscellaneous	1,900	9,181	450	8,731
Transfers In	-	100,000	-	100,000
Total Receipts	<u>684,339</u>	<u>790,106</u>	<u>687,550</u>	<u>102,556</u>
Expenditures				
Personal Services	87,052	88,326	86,635	1,691
Contractual Services	63,537	61,716	101,000	(39,284)
Commodities	28,244	34,410	76,000	(41,590)
Capital Outlay	2,785	-	25,000	(25,000)
Transfers Out	452,754	409,495	385,499	23,996
Total Expenditures	<u>634,372</u>	<u>593,947</u>	<u>674,134</u>	<u>(80,187)</u>
Receipts Over (Under) Expenditures	49,967	196,159		
Unencumbered Cash - Beginning	<u>399,371</u>	<u>449,338</u>		
Unencumbered Cash - Ending	<u>\$ 449,338</u>	<u>645,497</u>		

CITY OF HILLSBORO, KANSAS

Water Operating Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under (Under)
Receipts				
Collections	\$ 880,780	888,486	1,035,500	(147,014)
Reimbursements	2,462	5,124	1,500	3,624
KDHE Loan Proceeds	-	148,561	-	148,561
Miscellaneous	1,193	71,252	-	71,252
Transfers In	-	100,000	-	100,000
Total Receipts	<u>884,435</u>	<u>1,213,423</u>	<u>1,037,000</u>	<u>176,423</u>
Expenditures				
Personal Services	239,179	260,986	263,000	(2,014)
Contractual Services	146,042	230,128	165,880	64,248
Commodities	127,305	177,383	138,860	38,523
Capital Outlay	25,985	-	115,000	(115,000)
Water Purchases	15,000	15,000	15,000	-
Revolving Loan Payments	10,485	10,485	10,227	258
Transfers Out	217,500	196,839	292,500	(95,661)
Total Expenditures	<u>781,496</u>	<u>890,821</u>	<u>1,000,467</u>	<u>(109,646)</u>
Receipts Over (Under) Expenditures	102,939	322,602		
Unencumbered Cash - Beginning	<u>206,965</u>	<u>309,904</u>		
Unencumbered Cash - Ending	<u>\$ 309,904</u>	<u>632,506</u>		

CITY OF HILLSBORO, KANSAS
Insurance Proceeds Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	2,250	2,250
Unencumbered Cash - Ending	\$ 2,250	2,250

CITY OF HILLSBORO, KANSAS
Hillsboro Public Library
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Interest Income	\$ 13	80
User Charges, Fines and Fees	3,703	3,371
Appropriations From the City of Hillsboro	74,609	79,391
Gifts, Memorials, and Donations	4,578	887
Book Sales	619	492
State of Kansas	2,397	209
Grants	-	2,054
Copies	2,692	2,636
Reimbursements	220	154
Miscellaneous	-	575
Total Receipts	<u>88,831</u>	<u>89,849</u>
Expenditures		
Personal Services	56,046	61,391
Contractual Services	3,251	3,282
Commodities	23,805	26,789
Total Expenditures	<u>83,102</u>	<u>91,462</u>
Receipts Over (Under) Expenditures	5,729	(1,613)
Unencumbered Cash - Beginning	<u>60,827</u>	<u>66,556</u>
Unencumbered Cash - Ending	<u>\$ 66,556</u>	<u>64,943</u>

CITY OF HILLSBORO, KANSAS
Hillsboro Public Building Commission - Health Care Facilities
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Interest Income	\$ 413	2,834
Lease Payment From Hospital	90,283	67,246
Rent Income - Hospital and Salem Home	26,040	-
Transfers In	-	9,287
Total Receipts	<u>116,736</u>	<u>79,367</u>
Expenditures		
Contractual	29,411	88,032
Debt Service Principal	40,000	40,000
Debt Service Interest	50,550	49,750
Total Expenditures	<u>119,961</u>	<u>177,782</u>
Receipts Over (Under) Expenditures	(3,225)	(98,415)
Unencumbered Cash - Beginning	<u>687,322</u>	<u>684,097</u>
Unencumbered Cash - Ending	<u>\$ 684,097</u>	<u>585,682</u>

CITY OF HILLSBORO, KANSAS
Hillsboro Public Building Commission - Family Aquatic Center
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Rent Income From City of Hillsboro	\$ 370,135	360,642
Interest Income	12	112
Total Receipts	<u>370,147</u>	<u>360,754</u>
Expenditures		
Debt Service Principal	320,000	320,000
Debt Service Interest	51,895	40,641
Miscellaneous	-	82
Total Expenditures	<u>371,895</u>	<u>360,723</u>
Receipts Over (Under) Expenditures	(1,748)	31
Unencumbered Cash - Beginning	<u>2,567</u>	<u>819</u>
Unencumbered Cash - Ending	\$ <u><u>819</u></u>	<u><u>850</u></u>

CITY OF HILLSBORO, KANSAS
Hillsboro Public Building Commission - Hospital Project
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Interest	\$ 444	26
Expenditures		
Capital Outlay	442,788	-
Transfers Out	-	9,287
Total Expenditures	442,788	9,287
Receipts Over (Under) Expenditures	(442,344)	(9,261)
Unencumbered Cash - Beginning	451,605	9,261
Unencumbered Cash - Ending	\$ 9,261	-

CITY OF HILLSBORO, KANSAS
Hillsboro Recreation Commission
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Athletic Programs	\$ 98,453	103,780	95,000	8,780
Fundraising and Donations	4,720	6,555	7,500	(945)
Appropriations From the City of Hillsboro	17,000	12,551	19,500	(6,949)
Reimbursements	2,035	2,236	2,500	(264)
Miscellaneous	136	1,375	2,500	(1,125)
Total Receipts	122,344	126,497	127,000	(503)
Expenditures				
Athletic Programs	94,222	94,588	94,000	588
Contractual Services	161	380	1,500	(1,120)
Commodities	506	2,174	4,000	(1,826)
Capital Outlay	1,540	6,473	6,500	(27)
Field and Equipment Maintenance	1,844	3,670	6,000	(2,330)
Utilities	7,537	8,437	10,000	(1,563)
Miscellaneous	6,033	10,629	5,000	5,629
Total Expenditures	111,843	126,351	127,000	(649)
Receipts Over (Under) Expenditures	10,501	146		
Unencumbered Cash - Beginning	38,584	49,085		
Unencumbered Cash - Ending	\$ 49,085	49,231		

CITY OF HILLSBORO, KANSAS
Hillsboro Convention and Visitors Bureau
Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Appropriations From the City of Hillsboro	\$ 14,307	13,687
Miscellaneous	664	135
Total Receipts	<u>14,971</u>	<u>13,822</u>
Expenditures		
Contractual	2,075	896
Chamber of Commerce	6,014	6,055
Special Event Expenses	7,666	10,795
Miscellaneous	4,488	6,129
Total Expenditures	<u>20,243</u>	<u>23,875</u>
Receipts Over (Under) Expenditures	(5,272)	(10,053)
Unencumbered Cash - Beginning	<u>20,996</u>	<u>15,724</u>
Unencumbered Cash - Ending	\$ <u><u>15,724</u></u>	<u><u>5,671</u></u>

CITY OF HILLSBORO, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2018

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Meter Deposit Fund	\$ 27,442	14,849	17,510	24,781
Payroll Withholding Fund	6,614	556,620	555,806	7,428
Utility Sales Tax Fund	<u>28,830</u>	<u>93,159</u>	<u>111,176</u>	<u>10,813</u>
Total	\$ <u>62,886</u>	<u>664,628</u>	<u>684,492</u>	<u>43,022</u>