CITY OF HILLSBORO, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2025

CITY OF HILLSBORO, KANSAS
Primary Government Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2025

TABLE OF CONTENTS

Independent Auditors' Report 1

Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis 4

Notes to Financial Statement 6

Regulatory–Required Supplementary Information

Schedule 1 – Summary of Expenditures – Actual and Budget – Regulatory Basis 20

Schedule 2 – Schedule of Receipts and Expenditures – Regulatory Basis
Individually presented by fund

Regulatory Basis Fund Types

General Fund

2-1 General Fund 21

Special Purpose Funds

2-2 Airport Revolving Fund 25
2-3 D.A.R.E. Fund 26
2-4 Equipment Reserve Fund 27
2-5 Fire Equipment Replacement Reserve Fund 28
2-6 Local Sales Tax Fund 29
2-7 Museum Trust Fund 30
2-8 Industrial Fund 31
2-9 Library Fund 32
2-10 Recreation Fund 33
2-11 Special Highway Fund 34
2-12 Special Law Enforcement Fund 35
2-13 Special Parks and Recreation Fund 36
2-14 Capital Improvement Fund 37
2-15 Tree Screening Fund 38
2-16 Bowling Alley Fund 39

Bond and Interest Funds

2-17 Bond and Interest Fund 40
2-18 TIF Fund 41

Capital Project Funds

2-19 Street Improvement Project Fund 42
2-20 CDBG Project Fund 43

Business Funds

2-21 Electric Operating Fund 44
2-22 Refuse Operating Fund 45
2-23 Sewer Operating Fund 46
2-24 Water Operating Fund 47

TABLE OF CONTENTS (continued)

Trust Funds
2-25 Special Law Enforcement Trust Fund 48
2-26 Insurance Proceeds Fund 49

Related Municipal Entities
2-27 Hillsboro Land Bank 50
2-28 Hillsboro Public Building Commission – Heath Care Facilities 51

Schedule 3 - Summary of Receipts and Disbursements – Regulatory Basis
Agency Funds 52

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INDEPENDENT AUDITORS' REPORT

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

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Hillsboro, Kansas**, as of and for the year ended December 31, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated April 1, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits.The 2024 actual column 2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2025 (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 2024 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 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 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 2024 basic financial statement or to the 2024 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 2024 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, 2024, on the basis of accounting described in Note 1.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

April 7, 2026

CITY OF HILLSBORO, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Fund	$ 121,016	-	2,917,635	2,899,121	**139,530**	18,379	**157,909**
Special Purpose Funds							
Airport Revolving Fund	1,943	-	3,022	4,691	**274**	-	**274**
D.A.R.E. Fund	345	-	-	-	**345**	-	**345**
Equipment Reserve Fund	62,904	-	162,484	204,448	**20,940**	-	**20,940**
Fire Equipment Replacement Reserve Fund	163,876	-	72,583	64,815	**171,644**	-	**171,644**
Local Sales Tax Fund	341,442	-	421,551	496,356	**266,637**	-	**266,637**
Museum Trust Fund	42,981	-	3,421	35,981	**10,421**	-	**10,421**
Industrial Fund	30,937	-	88,566	78,074	**41,429**	4,802	**46,231**
Library Fund	10,325	-	103,392	111,984	**1,733**	17	**1,750**
Recreation Fund	313	-	23,697	23,697	**313**	23,696	**24,009**
Special Highway Fund	85,653	2,043	72,515	153,110	**7,101**	-	**7,101**
Special Law Enforcement Fund	85,637	-	91,222	125,408	**51,451**	-	**51,451**
Special Parks and Recreation Fund	4,541	-	1,313	2,781	**3,073**	-	**3,073**
Capital Improvement Fund	12,560	-	36,315	24,951	**23,924**	8,000	**31,924**
Tree Screening Fund	4,433	-	-	-	**4,433**	-	**4,433**
Bowling Alley Fund	33,363	-	53,615	69,094	**17,884**	39	**17,923**
Bond and Interest Funds							
Bond and Interest Fund	88,770	-	859,254	931,174	**16,850**	-	**16,850**
TIF Fund	-	-	11,280	11,280	**-**	-	**-**
Capital Projects Fund							
Street Improvement Project Fund	618,067	122,475	270,634	1,006,741	**4,435**	866,949	**871,384**
CDBG Project Fund	(129,836)	-	1,256,734	1,123,020	**3,878**	-	**3,878**
Business Funds							
Electric Operating Fund	574,596	-	3,435,776	3,590,078	**420,294**	127,979	**548,273**
Refuse Operating Fund	34,041	-	439,190	390,504	**82,727**	6,332	**89,059**
Sewer Operating Fund	325,291	-	748,424	951,858	**121,857**	42,741	**164,598**
Water Operating Fund	142,541	-	1,437,550	1,464,983	**115,108**	12,644	**127,752**
Trust Funds							
Special Law Enforcement Trust Fund	7,388	-	44	-	**7,432**	-	**7,432**
Total Primary Government	2,663,127	124,518	12,510,217	13,764,149	**1,533,713**	1,111,578	**2,645,291**
Related Municipal Entities							
Hillsboro Land Bank	11,045	-	18,092	25,401	**3,736**	-	**3,736**
Hillsboro Public Building Commission - Health Care Facilities	146,169	-	7,642,329	7,650,083	**138,415**	-	**138,415**
Total Related Municipal Entities	157,214	-	7,660,421	7,675,484	**142,151**	-	**142,151**
Total Reporting Entity (Excluding Agency Funds)	$ 2,820,341	124,518	20,170,638	21,439,633	**1,675,864**	1,111,578	**2,787,442**

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, 2025

Composition of Cash		
Checking Accounts	$	**1,260,650**
Petty Cash		**500**
Certificates of Deposit		**1,500,000**
Total Primary Government		**2,761,150**
Total Related Municipal Entities		**142,151**
Agency Funds per Schedule 3		**(115,859)**
Total Reporting Entity (Excluding Agency Funds)	$	**2,787,442**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

Hillsboro Public Building Commission

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

Hillsboro Land Bank

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

Hillsboro Public Library

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

Hillsboro Recreation Commission

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

Hillsboro Convention and Visitors Bureau

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

Housing Authority of City of Hillsboro, Kansas

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

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, 2025.

Regulatory Basis Fund Types

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

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

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

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

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

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

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

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

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

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

NOTE 2 – BUDGETARY INFORMATION

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

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for this year for the Local Sales Tax Fund, Special Law Enforcement Fund, Electric Operating Fund, and Sewer 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: D.A.R.E. Fund, Equipment Reserve Fund, Fire Equipment Replacement Reserve Fund, Museum Trust Fund, Capital Improvement 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, 2025.

At December 31, 2025, the City's carrying amount of deposits was $2,761,150 and the bank balance was $2,974,442. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $590,259 was covered by federal depository insurance and $2,384,183 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2025, the Hillsboro Public Building Commission's carrying amount of deposits was $138,415 and the bank balance was $138,415. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, the entire balance was covered by federal depository insurance.

At December 31, 2025, the Hillsboro Land Bank's carrying amount of deposits was $3,736 and the bank balance was $3,736. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, the entire balance was covered by federal depository insurance.

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, 2025.

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, 2025 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	$ 20,000
Water Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	25,000
Water Operating Fund	General Fund	K.S.A. 12-825d	50,000
Water Operating Fund	Bond and Interest Fund	K.S.A. 12-825d	125,000
Electric Operating Fund	General Fund	K.S.A. 12-825d	950,000
Electric Operating Fund	Industrial Fund	K.S.A. 12-825d	60,000
Electric Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	100,000
Refuse Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	6,464
Local Sales Tax Fund	Bond and Interest Fund	Ordinance	300,000
Special Highway Fund	Street Improvement Project Fund	K.S.A. 12-1,118	25,829
Sewer Operating Fund	Street Improvement Project Fund	K.S.A. 12-1,118	61,028
Sewer Operating Fund	Bond and Interest Fund	K.S.A. 12-825d	150,000
Sewer Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	15,000
Sewer Operating Fund	General Fund	K.S.A. 12-825d	150,000

NOTE 5 – CAPITAL PROJECTS

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

	Project Authorization	Expenditures to Date
KDHE Water Project	$ 1,100,000	$ 419,798
CDBG Childcare Building and Event Center Projects	3,606,777	3,607,777
Street Improvement Project	2,066,893	2,066,893

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 of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has been unable to obtain property and liability insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the State to participate in Kansas County Association Multi-line Pool (KCAMP), a public entity risk pool currently operating as a common risk management and insurance program for 116 participating members.

The City pays an annual premium to KCAMP for its property and liability insurance coverage. The agreement to participate provides that KCAMP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $250,000 to $3,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KCAMP management.

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 175 participating members. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $500,000 for each insured event. During 2025, the City contributed $25,949 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

As part on the City's participation in KMIT, the City joined together with other cities in the State to participate in KMIT Association Health Plan, a public entity risk pool currently operating in partnership with Blue Cross Blue Shield to bring affordable and stable health insurance premiums to the City's employees.

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

Expenditures were not controlled so that no indebtedness was created in excess of budgeted limits in the Bowling Alley Fund, which is in violation of K.S.A. 79-2935.

NOTE 10 – DEFERRED COMPENSATION PLAN

City of Hillsboro, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b) and 401(a). Permanent and part-time employees are eligible to participate under the 457(b) plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions for either plan except as outlined in employment contracts. The City contributed $6,382 to the 401(a) plan for the year ended December 31, 2025.

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 Annual Comprehensive Financial Report which can be found on the

KPERS website at www.kspers.gov 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 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 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $186,886 for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $1,523,308. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. 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.kspers.gov 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 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, 2025.

NOTE 13 – HEALTH REIMBURSEMENT ARRANGEMENT

City of Hillsboro, Kansas entered into a Health Reimbursement Arrangement (HRA) starting in 2021. The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employee, their spouse or their dependents. The maximum allowance per year through BCBS is $7,000 for employee only, $14,000 for employee and spouse, employee and children and employee and family. Of this amount the employee is responsible for $4,000 for employee only and $8,000 for employee and spouse, employee and children and employee and family. The City is responsible for the difference. The amount the City paid in HRA reimbursements was $53,970 for the year ended December 31, 2025.

NOTE 14 – COMPENSATED ABSENCES

Vacation

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

Years Worked	Amount Earned
0-9	80 hours/year
10-19	120 hours/year
20+	160 hours/year

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

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

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

Vacation may not be taken until the employee completes one full year of service. The maximum accrual for vacation at the date of the employee's employment anniversary shall be no more than 184 hours for employees with 1-9 years of service, 264 hours for employees with 10-19 years of service, and 344 hours for employees with 20+ years of service. Upon termination any unused vacation will be paid to the employee.

Sick Leave

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

Shared Leave Bank
Employees may donate sick leave time to a shared leave bank for use by any employee needing additional leave due to extraordinary circumstances. Employees must willingly donate leave to the leave bank by written request. Employees will not be eligible to donate leave if the donation would put their sick leave balance below 80 hours. When an employee reaches the maximum accumulated cap for sick or vacation leave, those hours will automatically be donated to the shared leave bank. Employees seeking to utilize leave bank time must submit a written request to, and be approved by, the City Administrator.

Sick Leave Conversion
Before the end of each year of employment anniversary, employees that have accumulated sick leave in excess of 120 hours may opt to convert a portion of sick leave into vacation leave. The conversion rate shall be 3 hours of sick leave being equal to 1 hour of vacation leave. Employees can convert a maximum of 72 hours of sick leave into 24 hours of vacation leave per year. Employees that choose to convert leave must maintain a balance of 80 hours of sick leave after conversion. Employees that have used more than 56 hours of sick leave in an employment year will not be eligible to convert sick leave in that year.

Personal Day Leave
Each full time employee earns one 8 hours personal holiday each year. Date is determined by employee with supervisor approval.

Comp Time
Comp time is earned at the rate of 1½ hours per every hour worked over 40 hours during a one week period. Comp time will be capped at a maximum of three normal days or shifts depending on position. For police department employees there will be a compensatory time cap of 36 hours, for all other employees the cap will be 24 hours. 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, 2025 was $6,891 for the City. This is reflected in the financial statement.

NOTE 15 – HILLSBORO PUBLIC BUILDING COMMISSION

Lease Receivable
Hillsboro Public Building Commission entered into lease agreement with **City of Hillsboro, Kansas** for the lease of 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:

Years Ending December 31		Total
2026	$	551,111
2027		520,362
2028		521,510
2029		519,251

2030	518,765
2031-2035	2,596,242
2036-2040	2,600,692
2041-2045	2,600,803
2046-2050	2,598,316
2051-2055	2,378,290
Total	$ **15,405,342**

Long-Term Debt
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.

The Commission issued Taxable Revenue Refinancing Bonds, Series 2025 dated September 30, 2025 with an original issue amount of $7,520,000. The bonds have varying maturities with annual payments. Interest rates range from 5.20%-6.20% depending on the maturity date.

NOTE 16 – CURRENT YEAR DEBT DEFEASANCE

On September 30, 2025, the Hillsboro Public Building Commission issued Series 2025 Taxable Revenue Bonds of $7,520,000 (par value) with a variable interest rate of 5.20%-6.20%. The bond proceeds were used to refinance $885,000 of Series 2015 Taxable Revenue bonds and $6,240,124 for a Senior Mortgage Loan from Bank of Hays. The Series 2025 bonds were issued at par and, after paying issuance costs of $460,892, the net proceeds were $7,101,987. The current refinancing met the requirements of a debt defeasance and the term bonds in the amount of $885,000 were called on October 1, 2025. The Series 2025 bonds mature on August 1, 2055 and will be subject to optional redemption and payment prior to their stated maturity.

NOTE 17 – CONDUIT DEBT

In 2007, **City of Hillsboro, Kansas** issued health care facilities revenue bonds to provide financial assistance to a adult care facility for the purpose of financing the costs of certain health care facilities and refinancing of certain bonds issued for the benefit of the adult care facility. The bonds are generally payable from and secured by the project financed and if needed, additional assets or revenues of the adult care facility serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the adult care facility 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 bonds were refunded in 2024 to the amount of $5,983,459. The outstanding balance of the bonds as of December 31, 2025 was unavailable.

In 2025, **City of Hillsboro, Kansas** issued economic development revenue bonds to provide financial assistance to a healthcare facility for the purpose of financing the purchasing, acquiring, constructing, installing, and equipping improvements to skilled nursing facility. The bonds are generally payable from and secured by the project financed and if needed, additional assets or revenues of the healthcare facility serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the skilled nursing facility 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 $2,680,000. The outstanding balance of the bonds as of December 31, 2025 was unavailable.

NOTE 18 – LONG-TERM DEBT

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

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

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

On October 10, 2019, the City issued $5,195,000 in Series 2019B Refunding Bonds for the purpose of refunding the Series 2009A General Obligation Bonds and Series 2006A General Obligation Water Bonds.
On October 28, 2021, the City issued $957,000 in Series 2021A Refunding Bonds for the purpose of refunding the Series 2007 General Obligation Bond, Series 2011A General Obligation Bond, and Series 2011B General Obligation Bond.

On July 9, 2024, the City issued $1,560,000 in Series 2024 bond for the purpose of providing funds to pay 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.

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. The City will use proceeds generated by the City for loan repayment, which began on August 1, 2007.

On February 20, 2023, the City entered into a $1,100,000 forgivable loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance a pilot study for water treatment plant improvements.

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

The original terms of the lease provided for basic rent to be paid on each basic rent payment date in an amount sufficient to pay on the next succeeding payment date, the principal of, redemption premium, if any, and interest on the Series 2015 taxable revenue bonds which are due. The basic rent payment dates are the first of the month commencing February 1, 2016, and continuing through the basic term of the lease. The lease agreement also provides for the payment of additional rent, in addition to basic rent, in

amounts pursuant to the terms of the lease. The City intends that these rent payments will be used to make the City's payments to the Commission under the lease, which payments will in turn, be used to pay debt service on the Series 2015 taxable revenue bonds. To the extent that the payments of basic rent and additional rent are not adequate to provide the Commission with funds sufficient to pay the principal and interest on the bonds as they become due and payable, the City shall be obligated to pay, as additional rent, further sums of money as may be required for such purposes.

In March 2019, the Hillsboro Community Hospital declared Chapter 11 bankruptcy. The City was named a party of the case that was filed with the District Court of Marion County, Kansas, where the City was a defendant. The City subleased the land and 2015 Improvements to Hillsboro Hospital LLC, as successor-in-interest to CAH Acquisition Company #5. The Company financed the costs from a senior mortgage loan from Bank of Hays. A settlement was reached which included amending the original lease agreement with a new rental payment schedule.

On September 30, 2025, the Series 2015 taxable revenue bonds were refinanced into Series 2025 taxable revenue bonds. The Series 2025 taxable revenue bonds provided funds for the payoff of the senior mortgage loan with the Bank of Hays. The City now leases the Land, 2015 Improvements and Hospital from the Commission. The new rental payment schedule is outlined below:

Year		Basic Rental Payment
2026	$	551,111
2027		520,362
2028		521,510
2029		519,251
2030		518,765
2031-2035		2,596,242
2036-2040		2,600,692
2041-2045		2,600,803
2046-2050		2,555,568
2051-2055		2,378,290
Total	$	**15,362,594**

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

Changes in long-term liabilities for the City for the year ended December 31, 2025, 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 2018	3.45%	9/12/2018	$ 105,000	2038	$ 75,000	-	(5,000)	**70,000**	2,588
Series 2019A	3.00-4.00%	8/1/2019	4,055,000	2039	3,315,000	-	(170,000)	**3,145,000**	125,600
Series 2019B Refunding	3.00-3.50%	10/10/2019	5,195,000	2042	5,045,000	-	(215,000)	**4,830,000**	164,763
Series 2021A	1.15%	10/28/2021	957,000	2026	373,000	-	(201,000)	**172,000**	3,715
Series 2024	4.00-5.00%	7/9/2024	1,560,000	2034	1,560,000	-	-	**1,560,000**	81,771
Revolving Debt									
KDHE Revolving Loan	3.77%	7/11/2006	146,352	2026	15,153	-	(10,008)	**5,145**	478
KDOT Revolving Loan	3.79%	10/17/2006	531,535	2025	18,018	-	(18,018)	**-**	683
KDHE Revolving Loan - Waterlines	2.15%	12/13/2017	3,107,750	2039	1,983,261	-	(113,351)	**1,869,910**	42,034
KDHE Revolving Loan - Pilot Study *	2.20%	2/20/2023	1,100,000	2025	-	264,141	(264,141)	**-**	67
Finance Leases									
HPBC - Hospital Series 2015	2.00 - 4.50%	12/30/2015	1,325,000	2038	935,000	-	(935,000)	**-**	43,350
HPBC - Hospital Series 2025	5.20 - 6.20%	9/30/2025	7,520,000	2055	-	7,520,000	-	**7,520,000**	-
Freightliner Electric Pole Digger Truck	3.07%	10/7/2019	249,045	2026	76,263	-	(37,557)	**38,706**	2,058
Case 580 Loader Backhoe	3.80%	7/20/2022	115,000	2027	71,631	-	(22,975)	**48,656**	2,500
Vacuum Excavation Trailer	3.80%	7/20/2022	89,570	2027	55,794	-	(17,893)	**37,901**	1,947
2022 Police Car	2.25%	1/14/2022	32,710	2025	5,607	-	(5,607)	**-**	64
2020 Police Car	2.78%	9/9/2020	29,925	2025	3,147	-	(3,147)	**-**	42
2019 Electric Bucket Truck	2.78%	2/28/2020	130,909	2025	13,873	-	(13,873)	**-**	194
Mower and Trash Truck	5.53%	5/1/2023	203,682	2028	141,641	-	(39,802)	**101,839**	6,815
Dump Truck, Brush Truck and Sprayer	5.78%	8/15/2023	279,249	2028	212,547	-	(53,603)	**158,944**	10,850
Enterprise Fleet Management	Various	12/31/2024	477,492	2029	465,610	222,163	(185,511)	**502,262**	43,594
Golf Equipment	5.38%	8/13/2025	79,472	2029	-	79,472	-	**79,472**	-
Total for City of Hillsboro					14,365,545	8,085,776	(2,311,486)	**20,139,835**	533,113
Hillsboro Public Building Commission									
Series 2015	2.00 - 4.50%	12/30/2015	1,325,000	2038	935,000	-	(935,000)	**-**	43,350
Series 2025	5.20 - 6.20%	9/30/2025	7,520,000	2055	-	7,520,000	-	**7,520,000**	-
Total for Hillsboro Public Building Commission					935,000	7,520,000	(935,000)	**7,520,000**	43,350
Total Contractual Indebtedness					$ **15,300,545**	**15,605,776**	**(3,246,486)**	**27,659,835**	**576,463**

* This Loan is a pilot study and 100% forgivable

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

	YEAR										
City	2026	2027	2028	2029	2030	2031 - 2035	2036 - 2040	2041-2045	2046-2050	2051-2055	**Total**
Principal											
General Obligation Bonds	$ 577,000	575,000	595,000	620,000	645,000	3,365,000	2,685,000	715,000	-	-	**9,777,000**
Revolving Debt	120,946	118,304	120,861	123,474	126,142	672,810	592,518	-	-	-	**1,875,055**
Finance Leases	385,736	317,173	190,612	74,259	-	-	-	-	-	-	**967,780**
Finance Lease - HPBC	100,000	105,000	115,000	120,000	125,000	760,000	1,000,000	1,295,000	1,690,000	2,210,000	**7,520,000**
Total Principal	**1,183,682**	**1,115,477**	**1,021,473**	**937,733**	**896,142**	**4,797,810**	**4,277,518**	**2,010,000**	**1,690,000**	**2,210,000**	**20,139,835**
Interest											
General Obligation Bonds	352,461	337,005	314,633	293,360	271,138	972,869	402,978	37,800	-	-	**2,982,242**
Revolving Debt	39,681	37,081	34,524	31,911	29,242	104,113	29,021	-	-	-	**305,573**
Finance Leases	63,331	44,546	28,591	13,753	-	-	-	-	-	-	**150,221**
Finance Lease - HPBC	351,257	413,908	407,398	400,268	392,828	1,836,418	1,599,488	1,305,800	909,898	384,440	**8,001,703**
Total Interest	**806,730**	**832,540**	**785,146**	**739,292**	**693,208**	**2,913,400**	**2,031,487**	**1,343,600**	**909,898**	**384,440**	**11,439,739**
Total City Principal and Interest	**$ 1,990,412**	**1,948,017**	**1,806,619**	**1,677,025**	**1,589,350**	**7,711,210**	**6,309,005**	**3,353,600**	**2,599,898**	**2,594,440**	**31,579,574**
Hillsboro Public Building Commission											
Principal											
Taxable Revenue Bonds	$ 100,000	105,000	115,000	120,000	125,000	760,000	1,000,000	1,295,000	1,690,000	2,210,000	**7,520,000**
Interest											
Taxable Revenue Bonds	351,257	413,908	407,398	400,268	392,828	1,836,418	1,599,488	1,305,800	909,898	384,440	**8,001,703**
Total Hillsboro Public Building Commission	$ **451,257**	**518,908**	**522,398**	**520,268**	**517,828**	**2,596,418**	**2,599,488**	**2,600,800**	**2,599,898**	**2,594,440**	**15,521,703**

CITY OF HILLSBORO, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

CITY OF HILLSBORO, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Fund Types					
General Fund	$ 3,110,405	-	3,110,405	**2,899,121**	(211,284)
Special Purpose Funds					
Airport Revolving Fund	6,000	-	6,000	**4,691**	(1,309)
Local Sales Tax Fund	575,000	-	575,000	**496,356**	(78,644)
Industrial Fund	116,490	-	116,490	**78,074**	(38,416)
Library Fund	113,150	-	113,150	**111,984**	(1,166)
Recreation Fund	25,533	-	25,533	**23,697**	(1,836)
Special Highway Fund	180,000	-	180,000	**153,110**	(26,890)
Special Law Enforcement Fund	144,470	-	144,470	**125,408**	(19,062)
Special Parks and Recreation Fund	8,000	-	8,000	**2,781**	(5,219)
Bowling Alley Fund	-	-	-	**69,094**	69,094
Bond and Interest Funds					
Bond and Interest Fund	988,478	-	988,478	**931,174**	(57,304)
TIF Fund	25,900	-	25,900	**11,280**	(14,620)
Business Funds					
Electric Operating Fund	3,784,675	-	3,784,675	**3,590,078**	(194,597)
Refuse Operating Fund	390,504	-	390,504	**390,504**	-
Sewer Operating Fund	1,020,475	-	1,020,475	**951,858**	(68,617)
Water Operating Fund	2,236,311	-	2,236,311	**1,464,983**	(771,328)
Agency Fund					
Utility Sales Tax Fund	115,000	-	115,000	**100,271**	(14,729)

CITY OF HILLSBORO, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 647,719	**682,295**	679,242	3,053
Motor Vehicle Tax	63,563	**64,415**	61,098	3,317
Recreational Vehicle Tax	960	**897**	1,052	(155)
16/20M Vehicle Tax	424	**59**	395	(336)
Local Sales/Use Tax	449,944	**442,651**	480,000	(37,349)
Local Alcoholic Liquor Tax	1,780	**1,313**	2,300	(987)
In Lieu of Tax	4,467	**4,428**	5,000	(572)
Highway Connecting Links	314	**314**	400	(86)
Transient Guest Tax	14,211	**4,304**	16,000	(11,696)
Rental Excise Tax	89	**299**	-	299
Commercial Vehicle Tax	3,983	**3,986**	4,635	(649)
Watercraft Tax	368	**469**	345	124
Franchise Taxes	150,820	**153,252**	180,000	(26,748)
Licenses, Permits, and Fees	6,875	**13,470**	7,000	6,470
Building Permits	11,160	**27,572**	15,000	12,572
Interest Income	142,690	**115,889**	115,000	889
Rent Income	18,785	**11,199**	30,000	(18,801)
Court Fines and Bonds	11,805	**14,076**	7,500	6,576
Reimbursements	11,281	**15,989**	9,000	6,989
Museum Income	1,363	**924**	1,000	(76)
Swimming Pool Receipts	32,210	**39,893**	45,000	(5,107)
Sports Complex Income	10,172	**18,493**	11,000	7,493
Golf Course Receipts	108,095	**112,565**	120,000	(7,435)
Miscellaneous	33,844	**33,343**	70,000	(36,657)
Donations	2,660	**5,540**	10,000	(4,460)
Grant Proceeds	25,000	**-**	50,000	(50,000)
Sale of Lots	-	**-**	10,000	(10,000)
Transfers In	862,510	**1,150,000**	970,000	180,000
Total Receipts	2,617,092	**2,917,635**	2,900,967	16,668
Expenditures				
Legislative				
Personal Services	12,960	**12,848**	13,500	(652)
Contractual Services	79,379	**92,923**	82,500	10,423
Commodities	16,738	**22,794**	20,000	2,794
Capital Outlay	-	**-**	1,000	(1,000)
Total Legislative	$ 109,077	**128,565**	117,000	11,565

CITY OF HILLSBORO, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Expenditures (continued)				
Administrative				
Personal Services	$ 376,388	**426,844**	376,005	50,839
Contractual Services	45,157	**57,718**	53,000	4,718
Commodities	89,308	**97,408**	70,000	27,408
Capital Outlay	23,312	**13,289**	3,000	10,289
Miscellaneous	150	**150**	-	150
Total Administrative	534,315	**595,409**	502,005	93,404
Police				
Personal Services	517,316	**536,602**	525,000	11,602
Contractual Services	34,270	**35,502**	49,400	(13,898)
Commodities	23,495	**25,118**	32,000	(6,882)
Capital Outlay	14,791	**9,030**	47,000	(37,970)
Total Police	589,872	**606,252**	653,400	(47,148)
Fire				
Personal Services	64,239	**77,655**	79,500	(1,845)
Contractual Services	14,003	**17,752**	23,900	(6,148)
Commodities	32,933	**33,467**	50,000	(16,533)
Capital Outlay	-	**30,445**	18,000	12,445
Total Fire	111,175	**159,319**	171,400	(12,081)
Street				
Personal Services	268,607	**317,075**	308,700	8,375
Contractual Services	41,863	**96,399**	30,400	65,999
Commodities	117,933	**115,182**	101,000	14,182
Capital Outlay	6,375	**2,180**	10,000	(7,820)
Total Street	434,778	**530,836**	450,100	80,736
Parks and Recreation				
Personal Services	1,345	**4,495**	-	4,495
Contractual Services	39,813	**42,789**	26,000	16,789
Commodities	15,982	**6,671**	6,500	171
Capital Outlay	3,828	**9,028**	7,000	2,028
Total Parks and Recreation	$ 60,968	**62,983**	39,500	23,483

CITY OF HILLSBORO, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Expenditures (continued)				
Museum				
Personal Services	$ 31,354	**14,697**	16,000	(1,303)
Contractual Services	27,238	**28,280**	26,000	2,280
Commodities	6,274	**3,649**	6,000	(2,351)
Capital Outlay	-	**4,068**	-	4,068
Total Museum	64,866	**50,694**	48,000	2,694
Swimming Pool				
Personal Services	103,816	**98,575**	81,000	17,575
Contractual Services	17,274	**18,333**	12,000	6,333
Commodities	43,912	**37,000**	35,000	2,000
Capital Outlay	2,800	**1,800**	-	1,800
Total Swimming Pool	167,802	**155,708**	128,000	27,708
Golf				
Personal Services	147,967	**155,002**	145,000	10,002
Contractual Services	31,597	**31,872**	27,000	4,872
Capital Outlay	-	**-**	79,000	(79,000)
Commodities	90,149	**56,072**	20,000	36,072
Total Golf	269,713	**242,946**	271,000	(28,054)
Public Safety				
Commodities	634	**-**	6,000	(6,000)
Planning				
Personal Services	86,988	**92,501**	92,000	501
Contractual Services	2,055	**1,978**	2,600	(622)
Commodities	4,245	**5,016**	3,000	2,016
Total Planning	93,288	**99,495**	97,600	1,895
Tourism				
Appropriation	15,169	**7,100**	16,000	(8,900)
Sports Complex				
Personal Services	108,118	**165,073**	148,500	16,573
Contractual Services	10,237	**9,421**	6,700	2,721
Commodities	35,845	**29,504**	18,000	11,504
Capital Outlay	1,971	**1,190**	15,000	(13,810)
Total Sports Complex	$ 156,171	**205,188**	188,200	16,988

CITY OF HILLSBORO, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Expenditures (continued)				
Court				
Contractual	$ 11,121	**8,989**	15,000	(6,011)
Other Expenditures				
Miscellaneous	36,408	**25,637**	-	25,637
City Improvement Project	-	**-**	23,000	(23,000)
Senior Center	-	**-**	10,000	(10,000)
Sign Rent	-	**-**	1,200	(1,200)
Grant Projects	-	**-**	50,000	(50,000)
Contingency	-	**-**	176,000	(176,000)
Transfers Out	34,250	**20,000**	147,000	(127,000)
Total Other Expenditures	70,658	**45,637**	407,200	(361,563)
Total Expenditures	2,689,607	**2,899,121**	3,110,405	(211,284)
Receipts Over (Under) Expenditures	(72,515)	**18,514**		
Unencumbered Cash - Beginning	193,531	**121,016**		
Unencumbered Cash - Ending	$ 121,016	**139,530**		

CITY OF HILLSBORO, KANSAS
Airport Revolving Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Fuel Sales	$ 1,959	**2,197**	3,500	(1,303)
Rent	1,110	**825**	4,000	(3,175)
Total Receipts	3,069	**3,022**	7,500	(4,478)
Expenditures				
Fuel	1,974	**1,920**	3,000	(1,080)
Commodities	-	**2,771**	1,000	1,771
Contractual	477	**-**	2,000	(2,000)
Total Expenditures	2,451	**4,691**	6,000	(1,309)
Receipts Over (Under) Expenditures	618	**(1,669)**		
Unencumbered Cash - Beginning	1,325	**1,943**		
Unencumbered Cash - Ending	$ 1,943	**274**		

CITY OF HILLSBORO, KANSAS
D.A.R.E. Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

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

CITY OF HILLSBORO, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Sale of Equipment	$	76,293	**16,020**
Transfers In		30,000	**146,464**
Total Receipts		106,293	**162,484**
Expenditures			
Capital Outlay		126,323	**159,420**
Contractual Services		8,269	**-**
Lease Payments		37,153	**45,028**
Total Expenditures		171,745	**204,448**
Receipts Over (Under) Expenditures		(65,452)	**(41,964)**
Unencumbered Cash - Beginning		128,356	**62,904**
Unencumbered Cash - Ending	$	62,904	**20,940**

CITY OF HILLSBORO, KANSAS
Fire Equipment Replacement Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Township Reimbursements	$	73,884	**60,583**
Reimbursed Expenses		-	**12,000**
Total Receipts		73,884	**72,583**
Expenditures			
Lease Payment		27,300	**29,451**
Capital Outlay		-	**35,364**
Total Expenditures		27,300	**64,815**
Receipts Over (Under) Expenditures		46,584	**7,768**
Unencumbered Cash - Beginning		117,292	**163,876**
Unencumbered Cash - Ending	$	163,876	**171,644**

CITY OF HILLSBORO, KANSAS
Local Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Local Sales/Use Tax	$ 346,207	**342,374**	340,000	2,374
Donations	20,000	**-**	-	-
Lease Proceeds	-	**79,177**	-	79,177
Total Receipts	366,207	**421,551**	340,000	81,551
Expenditures				
Capital Outlay	94,320	**196,356**	200,000	(3,644)
Transfers Out	300,000	**300,000**	375,000	(75,000)
Total Expenditures	394,320	**496,356**	575,000	(78,644)
Receipts Over (Under) Expenditures	(28,113)	**(74,805)**		
Unencumbered Cash - Beginning	369,555	**341,442**		
Unencumbered Cash - Ending	$ 341,442	**266,637**		

CITY OF HILLSBORO, KANSAS
Museum Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest Income	$	867	**554**
Reimbursed Expense		31	**27**
Donations		2,800	**2,840**
Total Receipts		3,698	**3,421**
Expenditures			
Contractual		2,371	**-**
Capital Outlay		-	**35,981**
Total Expenditures		2,371	**35,981**
Receipts Over (Under) Expenditures		1,327	**(32,560)**
Unencumbered Cash - Beginning		41,654	**42,981**
Unencumbered Cash - Ending	$	42,981	**10,421**

CITY OF HILLSBORO, KANSAS
Industrial Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 21,467	**23,521**	23,449	72
Motor Vehicle Tax	2,025	**2,122**	2,028	94
Recreational Vehicle Tax	31	**30**	35	(5)
16/20M Vehicle Tax	14	**9**	13	(4)
Commercial Vehicle Tax	127	**132**	154	(22)
Watercraft Tax	12	**16**	11	5
Reimbursed Expense	-	**1,986**	-	1,986
Grant Proceeds	5,000	**750**	-	750
Transfers In	50,000	**60,000**	60,000	-
Total Receipts	78,676	**88,566**	85,690	2,876
Expenditures				
Personal Services	44,820	**59,135**	30,580	28,555
Commodities	20,561	**9,333**	50,000	(40,667)
Capital Outlay	-	**9,606**	5,910	3,696
Contractual	-	**-**	30,000	(30,000)
Total Expenditures	65,381	**78,074**	116,490	(38,416)
Receipts Over (Under) Expenditures	13,295	**10,492**		
Unencumbered Cash - Beginning	17,642	**30,937**		
Unencumbered Cash - Ending	$ 30,937	**41,429**		

CITY OF HILLSBORO, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 85,910	**94,153**	93,823	330
Motor Vehicle Tax	8,103	**8,524**	8,109	415
Recreational Vehicle Tax	122	**87**	140	(53)
16/20M Vehicle Tax	54	**37**	52	(15)
Commercial Vehicle Tax	507	**529**	615	(86)
Watercraft Tax	47	**62**	46	16
Total Receipts	94,743	**103,392**	102,785	607
Expenditures				
Appropriation to Public Library	90,652	**111,984**	113,150	(1,166)
Receipts Over (Under) Expenditures	4,091	**(8,592)**		
Unencumbered Cash - Beginning	6,234	**10,325**		
Unencumbered Cash - Ending	$ 10,325	**1,733**		

CITY OF HILLSBORO, KANSAS
Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 21,466	**21,754**	23,451	(1,697)
Motor Vehicle Tax	2,025	**2,122**	2,027	95
Recreational Vehicle Tax	31	**30**	35	(5)
16/20M Vehicle Tax	14	**9**	13	(4)
Commercial Vehicle Tax	127	**132**	154	(22)
Watercraft Tax	12	**16**	11	5
Neighborhood Revitalization	(411)	**(366)**	-	(366)
Total Receipts	23,264	**23,697**	25,691	(1,994)
Expenditures				
Appropriations	23,263	**23,697**	25,533	(1,836)
Receipts Over (Under) Expenditures	1	**-**		
Unencumbered Cash - Beginning	312	**313**		
Unencumbered Cash - Ending	$ 313	**313**		

CITY OF HILLSBORO, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
State Payments	$ 73,597	**72,515**	76,200	(3,685)
Expenditures				
Commodities	30,000	**-**	-	-
Contractual	-	**127,281**	-	127,281
Capital Outlay	-	**-**	180,000	(180,000)
Transfers Out	-	**25,829**	-	25,829
Total Expenditures	30,000	**153,110**	180,000	(26,890)
Receipts Over (Under) Expenditures	43,597	**(80,595)**		
Unencumbered Cash - Beginning	42,056	**85,653**		
Prior Year Cancelled Encumbrances	-	**2,043**		
Unencumbered Cash - Ending	$ 85,653	**7,101**		

CITY OF HILLSBORO, KANSAS
Special Law Enforcement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 21,488	**23,521**	23,455	66
Motor Vehicle Tax	2,025	**2,124**	2,028	96
Recreational Vehicle Tax	31	**30**	35	(5)
16/20M Vehicle Tax	14	**9**	11	(2)
Commercial Vehicle Tax	127	**132**	154	(22)
Watercraft Tax	12	**16**	11	5
VIN Inspections	-	**5,020**	6,000	(980)
Miscellaneous	23,330	**60,370**	60,300	70
Total Receipts	47,027	**91,222**	91,994	(772)
Expenditures				
Capital Outlay	22,116	**124,808**	75,000	49,808
Contractual	-	**-**	69,470	(69,470)
Commodities	-	**600**	-	600
Total Expenditures	22,116	**125,408**	144,470	(19,062)
Receipts Over (Under) Expenditures	24,911	**(34,186)**		
Unencumbered Cash - Beginning	60,726	**85,637**		
Unencumbered Cash - Ending	$ 85,637	**51,451**		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Liquor Tax	$ 1,780	**1,313**	4,380	(3,067)
Expenditures				
Capital Outlay	-	**2,781**	8,000	(5,219)
Receipts Over (Under) Expenditures	1,780	**(1,468)**		
Unencumbered Cash - Beginning	2,761	**4,541**		
Unencumbered Cash - Ending	$ 4,541	**3,073**		

CITY OF HILLSBORO, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Rental Income	$ -	**8,715**
Grant Income	-	**7,600**
Transfers In	34,250	**20,000**
Total Receipts	34,250	**36,315**
Expenditures		
Capital Outlay	570	**-**
AMPI Property	19,171	**16,936**
Sports Complex	2,388	**-**
Orchard Trail	-	**8,000**
Miscellaneous	90	**15**
Total Expenditures	22,219	**24,951**
Receipts Over (Under) Expenditures	12,031	**11,364**
Unencumbered Cash - Beginning	529	**12,560**
Unencumbered Cash - Ending	$ 12,560	**23,924**

CITY OF HILLSBORO, KANSAS
Tree Screening Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures			
Capital Outlay		3,600	**-**
Receipts Over (Under) Expenditures		(3,600)	**-**
Unencumbered Cash - Beginning		8,033	**4,433**
Unencumbered Cash - Ending	$	4,433	**4,433**

CITY OF HILLSBORO, KANSAS
Bowling Alley Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales	$ 13,360	**42,299**	-	42,299
Miscellaneous	30,382	**11,316**	-	11,316
Total Receipts	43,742	**53,615**	-	53,615
Expenditures				
Personnel Services	5,661	**19,732**	-	19,732
Contractual	1,572	**19,077**	-	19,077
Commodities	3,146	**13,275**	-	13,275
Capital Outlay	-	**17,010**	-	17,010
Total Expenditures	10,379	**69,094**	-	69,094
Receipts Over (Under) Expenditures	33,363	**(15,479)**		
Unencumbered Cash - Beginning	-	**33,363**		
Unencumbered Cash - Ending	$ 33,363	**17,884**		

CITY OF HILLSBORO, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 107,467	**118,665**	118,228	437
Motor Vehicle Tax	10,628	**10,699**	10,137	562
Recreational Vehicle Tax	160	**149**	175	(26)
16/20M Vehicle Tax	71	**48**	65	(17)
Local Retailer Sales Tax	150,000	**150,000**	150,000	-
Commercial Vehicle Tax	666	**661**	769	(108)
Watercraft Tax	61	**78**	57	21
Special Assessments	10,533	**3,954**	11,000	(7,046)
Transfers In	490,000	**575,000**	585,000	(10,000)
Total Receipts	769,586	**859,254**	875,431	(16,177)
Expenditures				
Debt Service Principal	495,114	**580,216**	591,000	(10,784)
Debt Service Interest	309,898	**332,253**	378,435	(46,182)
KDOT Revolving Loan	40,156	**18,702**	19,043	(341)
Miscellaneous	4	**3**	-	3
Total Expenditures	845,172	**931,174**	988,478	(57,304)
Receipts Over (Under) Expenditures	(75,586)	**(71,920)**		
Unencumbered Cash - Beginning	164,356	**88,770**		
Unencumbered Cash - Ending	$ 88,770	**16,850**		

CITY OF HILLSBORO, KANSAS
TIF Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Ad Valorem Property Tax	$ 20,009	**11,280**	-	11,280
Miscellaneous	16	**-**	-	-
Transfers In	-	**-**	25,000	(25,000)
Total Receipts	20,025	**11,280**	25,000	(13,720)
Expenditures				
Principal Payments	19,886	**10,783**	22,000	(11,217)
Interest Payments	139	**139**	2,000	(1,861)
Contractual Services	-	**358**	1,900	(1,542)
Total Expenditures	20,025	**11,280**	25,900	(14,620)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

CITY OF HILLSBORO, KANSAS
Street Improvement Project Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Bond Proceeds	$ 1,614,170	**-**
Transfers In	-	**86,857**
KDOT Reimbursement	275,554	**183,777**
Total Receipts	1,889,724	**270,634**
Expenditures		
Bond Fees	52,823	**-**
Capital Outlay	1,130,090	**960,695**
Contractual	88,744	**-**
Bond Payment	-	**46,046**
Total Expenditures	1,271,657	**1,006,741**
Receipts Over (Under) Expenditures	618,067	**(736,107)**
Unencumbered Cash - Beginning	-	**618,067**
Prior Year Cancelled Encumbrances	-	**122,475**
Unencumbered Cash - Ending	$ 618,067	**4,435**

CITY OF HILLSBORO, KANSAS
CDBG Project Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Federal Aid	$	484,346	**411,654**
Local Match		1,379,682	**844,318**
Miscellaneous		1,822	**762**
Total Receipts		1,865,850	**1,256,734**
Expenditures			
Capital Outlay		2,546,704	**1,123,020**
Receipts Over (Under) Expenditures		(680,854)	**133,714**
Unencumbered Cash - Beginning		551,018	**(129,836)**
Unencumbered Cash - Ending	$	(129,836)	**3,878**

CITY OF HILLSBORO, KANSAS
Electric Operating Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Collections	$ 3,378,647	**3,353,146**	3,400,000	(46,854)
Connection Fees	6,600	**7,750**	9,000	(1,250)
Reimbursements	6,986	**74,869**	76,000	(1,131)
Federal Aid	141,793	**-**	-	-
Miscellaneous	944	**11**	-	11
Total Receipts	3,534,970	**3,435,776**	3,485,000	(49,224)
Expenditures				
Personal Services	371,074	**405,501**	390,000	15,501
Contractual Services	94,838	**104,975**	97,000	7,975
Commodities	143,445	**133,912**	155,000	(21,088)
Capital Outlay	334,324	**54,201**	100,000	(45,799)
Electric Purchases	1,919,456	**1,719,588**	1,850,000	(130,412)
Lease Payments	67,736	**53,682**	53,675	7
Use Tax	4,353	**8,219**	9,000	(781)
Transfers Out	622,510	**1,110,000**	1,130,000	(20,000)
Total Expenditures	3,557,736	**3,590,078**	3,784,675	(194,597)
Receipts Over (Under) Expenditures	(22,766)	**(154,302)**		
Unencumbered Cash - Beginning	597,362	**574,596**		
Unencumbered Cash - Ending	$ 574,596	**420,294**		

CITY OF HILLSBORO, KANSAS
Refuse Operating Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Collections	$ 390,639	**438,594**	420,000	18,594
Reimbursements	2,904	**401**	3,500	(3,099)
Miscellaneous	40	**195**	-	195
Total Receipts	393,583	**439,190**	423,500	15,690
Expenditures				
Personal Services	177,091	**171,800**	159,000	12,800
Contractual Services	111,979	**80,157**	100,000	(19,843)
Commodities	54,535	**60,374**	41,000	19,374
Capital Outlay	-	**13,474**	-	13,474
Recycling	20,961	**21,644**	24,000	(2,356)
Lease Payment	65,254	**36,591**	36,504	87
Transfers Out	10,000	**6,464**	30,000	(23,536)
Total Expenditures	439,820	**390,504**	390,504	-
Receipts Over (Under) Expenditures	(46,237)	**48,686**		
Unencumbered Cash - Beginning	80,278	**34,041**		
Unencumbered Cash - Ending	$ 34,041	**82,727**		

CITY OF HILLSBORO, KANSAS
Sewer Operating Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Collections	$ 730,926	**713,528**	740,000	(26,472)
Reimbursements	31,840	**34,896**	39,000	(4,104)
Total Receipts	762,766	**748,424**	779,000	(30,576)
Expenditures				
Personal Services	153,390	**154,983**	160,000	(5,017)
Contractual Services	122,868	**118,008**	120,000	(1,992)
Commodities	50,202	**53,278**	50,000	3,278
Capital Outlay	98,756	**224,086**	300,000	(75,914)
Lease Payment	25,475	**25,475**	25,475	-
Transfers Out	340,000	**376,028**	365,000	11,028
Total Expenditures	790,691	**951,858**	1,020,475	(68,617)
Receipts Over (Under) Expenditures	(27,925)	**(203,434)**		
Unencumbered Cash - Beginning	353,216	**325,291**		
Unencumbered Cash - Ending	$ 325,291	**121,857**		

CITY OF HILLSBORO, KANSAS
Water Operating Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Collections	$ 1,088,047	**1,121,674**	1,228,421	(106,747)
Reimbursements	1,484	**51,735**	1,000	50,735
KDHE Forgivable Loan	35,943	**264,141**	850,800	(586,659)
Total Receipts	1,125,474	**1,437,550**	2,080,221	(642,671)
Expenditures				
Personnel Services	285,514	**297,497**	318,000	(20,503)
Contractual Services	148,177	**147,414**	162,100	(14,686)
Commodities	250,578	**239,575**	240,700	(1,125)
Capital Outlay	38,328	**45,766**	30,000	15,766
Water Purchases	80,710	**83,691**	83,000	691
Revolving Loan Payments	185,711	**185,711**	185,711	-
KDHE Pilot Study	40,448	**265,329**	850,800	(585,471)
Transfers Out	160,000	**200,000**	261,000	(61,000)
Cash Reserve	-	**-**	105,000	(105,000)
Total Expenditures	1,189,466	**1,464,983**	2,236,311	(771,328)
Receipts Over (Under) Expenditures	(63,992)	**(27,433)**		
Unencumbered Cash - Beginning	206,533	**142,541**		
Unencumbered Cash - Ending	$ 142,541	**115,108**		

CITY OF HILLSBORO, KANSAS
Special Law Enforcement Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Asset Seizures	$	3,450	**-**
Drug Tax		-	**44**
Total Receipts		3,450	**44**
Expenditures			
Contractual		1,375	**-**
Receipts Over (Under) Expenditures		2,075	**44**
Unencumbered Cash - Beginning		5,313	**7,388**
Unencumbered Cash - Ending	$	7,388	**7,432**

CITY OF HILLSBORO, KANSAS
Insurance Proceeds Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

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

CITY OF HILLSBORO, KANSAS
Hillsboro Land Bank
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Rent Income	$	26,475	**18,032**
Interest Income		80	**60**
Sale of Assets		7,802	**-**
Total Receipts		34,357	**18,092**
Expenditures			
Commodities		12,737	**13,226**
Contractual Services		10,639	**12,175**
Total Expenditures		23,376	**25,401**
Receipts Over (Under) Expenditures		10,981	**(7,309)**
Unencumbered Cash - Beginning		64	**11,045**
Unencumbered Cash - Ending	$	11,045	**3,736**

CITY OF HILLSBORO, KANSAS
Hillsboro Public Building Commission - Health Care Facilities
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Interest Income	$ 5,537	**4,112**
Rental Income	-	**2,701**
Lease Payment From Hospital	71,500	**49,500**
Bond Proceeds	-	**7,520,000**
Bond Premium	-	**66,016**
Total Receipts	77,037	**7,642,329**
Expenditures		
Contractual	11,489	**7,747**
Debt Service Principal	50,000	**935,000**
Debt Service Interest	41,900	**43,349**
Transfer to Hospital for Loan Repayment	-	**6,179,958**
Cost of Issuance	-	**289,816**
Underwriter's Discount	-	**194,213**
Total Expenditures	103,389	**7,650,083**
Receipts Over (Under) Expenditures	(26,352)	**(7,754)**
Unencumbered Cash - Beginning	172,521	**146,169**
Unencumbered Cash - Ending	$ 146,169	**138,415**

Schedule 3

CITY OF HILLSBORO, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Beginning Cash Balance	Receipts	Disbursements	**Ending Cash Balance**
Payroll Withholding Fund	$ 8,186	-	29	**8,157**
Health Reimbursement Fund	105,079	106,147	120,966	**90,260**
Utility Sales Tax Fund	14,911	101,157	100,271	**15,797**
Municipal Court Fund	1,595	24,373	24,323	**1,645**
Total	$ 129,771	231,677	245,589	**115,859**