CITY OF HILL CITY, KANSAS

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

For the Year Ended December 31, 2024

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CITY OF HILL CITY, KANSAS
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Hill City, Hill City, Kansas, a Municipality, as of and for the year ended December 31, 2024, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse 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 of Hill City, Kansas, as of December 31, 2024, 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 of Hill City, Kansas, as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 of Hill 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 of Hill City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
August 18, 2025

CITY OF HILL CITY, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2024

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Fund	$ 691,501	1,013,067	955,281	749,287	1,038	750,325
Special Purpose Funds						
Airport Fund	102,367	209,891	252,660	59,598	0	59,598
Special City Highway Fund	167,770	37,829	0	205,599	0	205,599
Employee Benefits Fund	79,483	115,759	141,194	54,048	0	54,048
Special Parks and Recreation Fund	109,069	3,098	39,346	72,821	0	72,821
Equipment Reserve Fund	332,449	124,000	296,747	159,702	0	159,702
Capital Improvements Fund	541,758	160,600	77,869	624,489	0	624,489
Recreation Commission Fund	0	4	0	4	0	4
LE Seizure Trust Fund	1,129	0	0	1,129	0	1,129
Tree and Park Fund	189	0	0	189	0	189
Self Insurance Health Fund	68,239	96,000	75,761	88,478	0	88,478
Ball Complex Lights Fund	21,506	0	0	21,506	0	21,506
Airport Grant Fund	0	180,729	180,729	0	0	0
Housing Grant Fund	1,966	0	1,966	0	0	0
Municipal Judge Training Fund	0	5	0	5	0	5
Donations Fund	2,775	0	0	2,775	0	2,775
Industrial Park Lot Fund	7,500	0	0	7,500	0	7,500
Diversion Fund	7,967	3,098	0	11,065	0	11,065
Tort Liability Fund	54,720	0	0	54,720	0	54,720
Reinstatement Fee Fund	800	300	0	1,100	0	1,100
Swimming Pool Reserve Fund	90,750	0	0	90,750	0	90,750
Law Enforcement Training Fund	0	113	0	113	0	113

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

CITY OF HILL CITY, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2024

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund						
Airport Bond and Interest Fund	15,359	219	0	15,578	0	15,578
GO Water Bond & Interest Fund	215,115	200,000	185,743	229,372	0	229,372
Capital Project Funds						
Airport Runway Fund	415	0	0	415	0	415
Water Improvement Project Fund	25,548	0	0	25,548	0	25,548
Business Funds						
Light Utility Fund	1,188,557	2,029,447	1,671,086	1,546,918	43,176	1,590,094
Water Utility Fund	741,539	509,711	430,582	820,668	5,269	825,937
Sewer Utility Fund	104,945	327,420	378,794	53,571	741	54,312
Golf Course Fund	4,767	97,149	76,571	25,345	0	25,345
Light Emergency Maintenance Fund	87,614	488	0	88,102	0	88,102
Light and Water Surplus Fund	1,900	0	0	1,900	0	1,900
Sewer Reserve Fund	23,071	203,684	133,669	93,086	0	93,086
Total Reporting Entity	$ **4,690,768**	**5,312,611**	**4,897,998**	**5,105,381**	**50,224**	**5,155,605**

Compositon of Cash		
	Cash on Hand	$ 100
	Checking Accounts - First State Bank	64,791
	Checking Accounts - Outdoor Bank	89,878
	Checking Accounts - Solutions North Bank	4,195,213
	Certificates of Deposit - First State Bank	223,170
	Certificates of Deposit - Solutions North Bank	582,453
	Total Reporting Entity	$ 5,155,605

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

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Hill City, Kansas, is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Hill City (the municipality). The following related municipal entity is not included in the financial statement:

Housing Authority. The City of Hill City Housing Authority operates the City's public housing facilities. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The governing body of the housing authority is appointed by the City. The audited financial statements for the Hill City Housing Authority may be obtained from the Executive Director, Hill City Housing Authority, Hill City, KS 67642.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2024:

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

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

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

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

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

Encumbrance – a commitment by the municipality for future payments and supported by a document evidencing the commitment, such as a purchase order or contract.

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

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

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

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

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

Budgetary Information

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

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

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

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

4. Adoption of final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20 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 municipality did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended for the following funds: Employee Benefits Fund and Airport 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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditures authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Equipment Reserve Fund, Capital Improvements Fund, LE Seizure Trust Fund, Tree and Park Fund, Self Insurance Health Fund, Ball Complex Lights Fund, Airport Grant Fund, Housing Grant Fund, Municipal Judge Training Fund, Donations Fund, Industrial Park Lot Fund, Diversion Fund, Tort Liability Fund, Reinstatement Fee Fund, Swimming Pool Reserve Fund, and Law Enforcement Training Fund; and the following business funds: Light Emergency Maintenance Fund, Light and Water Surplus Fund, and Sewer Reserve Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

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

3. Deposits and Investments

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

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

Concentration of Credit Risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investments consist solely of certificates of deposits.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not use "peak periods" during 2024. All deposits were legally secured at December 31, 2024.

At December 31, 2024, the City's carrying amount of deposits was $5,155,505, and the bank balance was $5,186,636. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $634,494 was covered by federal depository insurance and $4,552,142 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. At December 31, 2024, the City held no investments except for certificates of deposit which are considered as a component of deposits.

4. Defined Benefit Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City of Hill City were $78,346 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the city's proportionate share of the collective net pension liability reported by KPERS was $688,845. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2022. The city's proportion of the net pension liability was based on the ratio of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

5. Other Long-Term Obligations from Operations

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

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

Death and Disability Other Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2024.

Compensated Absences. Full-time employees earn one day of vacation leave for each month worked. Employees who have been employed by the City for ten or more years earn 1 ¼ days of vacation leave per month. No vacation shall be taken until an employee has worked 3 consecutive, uninterrupted months. Permanent part-time employees who work 20 hours or more per week earn ½ day of vacation leave per month. Carryover of vacation leave from one year to the next is not permitted without authorization by the City Superintendent.

Full-time employees earn one day of sick leave for each month worked. Part-time employees who work 20 hours or more per week earn ½ day of sick leave per month. No more than 120 days of sick leave may accrue. Unused sick leave is not paid upon termination of employment with the City except upon retirement. All full-time City employees who retire and receive benefits pursuant to the Kansas Public Retirement System are entitled to a lump-sum cash payment equal to $20 for each day of unused sick leave.

6. Capital Projects

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

Project	Project Authorization	Expenditures to Date
Airport Runway	$4,474,701	$4,354,611
Water Improvement Project	842,250	663,368

7. Interfund Transfers

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes.

The City's operating transfers and regulatory authority for December 31, 2024, were as follows:

From	To	Regulatory Authority		Amount
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	$	50,000
General Fund	Capital Improvements Fund	K.S.A. 12-1,118		110,000
General Fund	Golf Course Fund	Per Council		50,000
Light Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d		64,000
Light Utility Fund	Capital Improvements Fund	K.S.A. 12-825d		50,000
Water Utility Fund	GO Water Bond & Int Fund	K.S.A. 12-825d		200,000
Sewer Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d		10,000
Sewer Utility Fund	Employee Benefits Fund	K.S.A. 12-825d		10,000
Sewer Utility Fund	Light Utility Fund	K.S.A. 12-825d		20,279
Sewer Utility Fund	Sewer Reserve Fund	K.S.A. 12-825d		202,096

8. Risk Management

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

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust's management.

The City continues to carry commercial insurance for all other risks of loss, including property, liability, and automobiles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. Claims and Judgments

The City participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

During the ordinary course of its operations the City is a party to various claims, legal actions, and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

10. Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

11. Long-term Debt

Changes in long-term liabilities for the City of Hill City, Kansas, for the year ended December 31, 2024, were as follows

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE Loans:									
Sewer Construction Loan	2.50%	10/25/11	4,999,110	03/01/33	1,227,725	0	103,619	1,124,106	30,050
General Obligation Bonds:									
GO Bonds Series 2021	0.60-1.50%	12/21/21	1,105,000	02/01/28	760,000	0	175,000	585,000	9,213
Total Contractual Indebtedness					$ 1,987,725	0	278,619	1,709,106	39,263

11. Long-term Debt (continued)

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

	2025	2026	2027	2028	2029	2030-2034	2035-2039	Total
Principal								
KDHE Loans:								
Sewer Construction Loan	106,226	108,898	111,637	114,446	117,325	565,574	0	1,124,106
General Obligation Bonds:								
GO Bonds Series 2021	175,000	175,000	180,000	55,000	0	0	0	585,000
Total Principal	281,226	283,898	291,637	169,446	117,325	565,574	0	1,709,106
Interest								
KDHE Loans:								
Sewer Construction Loan	27,443	24,771	22,031	19,223	16,344	35,934	0	145,746
General Obligation Bonds:								
GO Bonds Series 2021	7,638	5,713	3,525	825	0	0	0	17,701
Total Interest	35,081	30,484	25,556	20,048	16,344	35,934	0	163,447
Total Principal and Interest	$ 316,307	314,382	317,193	189,494	133,669	601,508	0	1,872,553

CITY OF HILL CITY, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF HILL CITY, KANSAS SCHEDULE 1

Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over (Under)
Governmental Type Funds:					
General Fund	$ 1,265,751	0	1,265,751	955,281	(310,470)
Special Purpose Funds					
Airport Fund	250,000	650	250,650	252,660	2,010
Special City Highway Fund	82,500	0	82,500	0	(82,500)
Employee Benefits Fund	153,000	0	153,000	141,194	(11,806)
Special Parks and Recreation Fund	49,820	0	49,820	39,346	(10,474)
Equipment Reserve Fund	414,400	0	414,400	296,747	*
Capital Improvements Fund	275,000	0	275,000	77,869	**
LE Seizure Trust Fund	735	0	735	0	***
Bond and Interest Fund					
Airport Bond and Interest Fund	0	0	0	0	0
GO Water Bond & Interest Fund	416,644	0	416,644	185,743	(230,901)
Business Funds:					
Light Utility Fund	2,584,485	0	2,584,485	1,671,086	(913,399)
Water Utility Fund	605,255	0	605,255	430,582	(174,673)
Sewer Utility Fund	454,853	0	454,853	378,794	(76,059)
Golf Course Fund	90,000	574	90,574	76,571	(14,003)
Light Emergency Maintenance Fund	47,500	0	47,500	0	****

* Exempt from the Budget Law K.S.A. 12-1,117.
** Exempt from the Budget Law K.S.A. 12-1,118.
*** Exempt from the Budget Law K.S.A. 60-4114d (2).
**** Exempt from the Budget Law K.S.A. 12-825d.

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Receipts:				
Taxes				
Ad Valorem Property Tax	$	**496,527**	501,632	(5,105)
Delinquent Tax		**26,866**	0	26,866
Motor Vehicle Tax		**91,793**	57,353	34,440
Recreational Vehicle Tax		**1,697**	1,258	439
16/20M Vehicle Tax		**546**	578	(32)
Commercial Vehicle Tax		**0**	1,375	(1,375)
Watercraft Tax		**0**	310	(310)
Sales and Compensating Use Tax		**293,208**	300,000	(6,792)
Local Liquor Tax		**2,691**	750	1,941
Licenses, Permits, and Fines				
Franchise Fees		**18,866**	26,600	(7,734)
Licenses and Permits		**2,186**	3,000	(814)
Court Fines		**12,700**	13,500	(800)
Dog Pound Fees		**10**	380	(370)
Charges for Services				
Swimming Pool		**456**	750	(294)
Cemetery		**1,950**	2,000	(50)
Interest on Idle Funds		**46,048**	22,000	24,048
Miscellaneous		**5,090**	0	5,090
Grants		**750**	0	750
Recycling Center		**4,585**	6,000	(1,415)
Reimbursements		**7,098**	0	7,098
Transfer from Sewer Utility (For Swimming Pool)		**0**	6,210	(6,210)
Total Receipts		**1,013,067**	943,696	69,371

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Expenditures:				
General Administration				
Personal Services	$	**20,305**	8,100	12,205
Contractual Services		**46,408**	75,800	(29,392)
Commodities		**924**	20,000	(19,076)
Donations		**9,200**	2,000	7,200
Miscellaneous		**427**	0	427
Total General Administration		**77,264**	105,900	(28,636)
Police Department				
Personal Services		**224,218**	255,123	(30,905)
Contractual Services		**59,224**	66,200	(6,976)
Commodities		**18,579**	35,000	(16,421)
Capital Outlay		**24,993**	65,000	(40,007)
Miscellaneous		**631**	0	631
Total Police Department		**327,645**	421,323	(93,678)
Legal				
Personal Services		**17,096**	20,669	(3,573)
Contractual Services		**1,420**	3,780	(2,360)
Commodities		**0**	800	(800)
Capital Outlay		**0**	4,500	(4,500)
Total Legal		**18,516**	29,749	(11,233)
Airport, Parks, and Cemetery				
Personal Services		**52,769**	65,228	(12,459)
Contractual Services		**9,639**	18,500	(8,861)
Commodities		**20,183**	24,500	(4,317)
Total Airport, Parks, and Cemetery		**82,591**	108,228	(25,637)

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Fire Department				
Personal Services	$	**8,523**	11,925	(3,402)
Contractual Services		**12,309**	9,000	3,309
Commodities		**495**	3,900	(3,405)
Capital Outlay		**0**	10,000	(10,000)
Total Fire Department		**21,327**	34,825	(13,498)
Street Department				
Personal Services		**48,321**	55,238	(6,917)
Contractual Services		**26,274**	27,500	(1,226)
Commodities		**48,231**	75,000	(26,769)
Capital Outlay		**0**	85,000	(85,000)
Miscellaneous		**1,580**	0	1,580
Total Street Department		**124,406**	242,738	(118,332)
Oil Museum				
Contractual Services		**1,913**	750	1,163
Miscellaneous		**0**	0	0
Total Oil Museum		**1,913**	750	1,163
Swimming Pool				
Personal Services		**25,797**	42,928	(17,131)
Contractual Services		**2,716**	4,500	(1,784)
Commodities		**18,699**	19,500	(801)
Total Swimming Pool		**47,212**	66,928	(19,716)
Scout House				
Contractual Services		**3,347**	2,750	597
Commodities		**0**	0	0
Total Scout House		**3,347**	2,750	597

CITY OF HILL CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Other				
Banners	$	**0**	4,500	(4,500)
Chamber/Growing Graham County		**41,060**	38,060	3,000
Total Other		**41,060**	42,560	(1,500)
Operating Transfers				
Transfer to Equipment Reserve Fund		**50,000**	50,000	0
Transfer to Capital Improvements Fund		**110,000**	110,000	0
Transfer to Golf Course Fund		**50,000**	50,000	0
Total Operating Transfers		**210,000**	210,000	0
Total Expenditures		**955,281**	**1,265,751**	**(311,067)**
Receipts Over (Under) Expenditures		**57,786**		
Unencumbered Cash, Beginning		**691,501**		
Unencumbered Cash, Ending	$	**749,287**		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Airport Fund				
Receipts:				
Rent	$	**3,725**	3,500	225
Farm Income		**5,880**	5,880	0
Miscellaneous		**35**	0	35
Reimbursement from Airport Grant Fund		**180,729**	180,729	0
Sale of Equipment		**1,525**	0	1,525
Reimbursed Expense		**650**	0	650
Fuel		**17,347**	32,500	(15,153)
Total Receipts		**209,891**	222,609	(12,718)
Expenditures:				
Contractual Services		**227,854**	10,000	217,854
Commodities		**24,806**	20,000	4,806
Capital Outlay		**0**	220,000	(220,000)
Adjustments for Qualifying Budget Credits:				
Reimbursed Expenses		**0**	650	(650)
Total Expenditures		**252,660**	250,650	2,010
Receipts Over (Under) Expenditures		**(42,769)**		
Unencumbered Cash, Beginning		**102,367**		
Unencumbered Cash, Ending	$	**59,598**		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Special City Highway Fund				
Receipts:				
Intergovernmental	$	**37,829**	38,150	(321)
Transfer from General		**0**	0	0
Total Receipts		**37,829**	38,150	(321)
Expenditures:				
Contractual Services		**0**	82,500	(82,500)
Commodities		**0**	0	0
Total Expenditures		**0**	82,500	(82,500)
Receipts Over (Under) Expenditures		**37,829**		
Unencumbered Cash, Beginning		**167,770**		
Unencumbered Cash, Ending	$	**205,599**		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Employee Benefits Fund				
Receipts:				
Taxes				
Ad Valorem Property Tax	$	**79,599**	80,471	(872)
Delinquent Tax		**6,753**	0	6,753
Motor Vehicle Tax		**19,002**	14,446	4,556
Recreational Vehicle Tax		**361**	317	44
16/20M Vehicle Tax		**44**	142	(98)
Commercial Vehicle		**0**	346	(346)
Transfer from Sewer Utility Fund		**10,000**	10,000	0
Total Receipts		**115,759**	105,722	10,037
Expenditures:				
Social Security / Medicare Tax		**26,350**	30,000	(3,650)
KPERS		**29,069**	34,000	(4,931)
Health Insurance Premiums		**84,896**	85,000	(104)
Miscellaneous		**0**	3,000	(3,000)
Unemployment Tax		**879**	1,000	(121)
Total Expenditures		**141,194**	153,000	(11,806)
Receipts Over (Under) Expenditures		**(25,435)**		
Unencumbered Cash, Beginning		**79,483**		
Unencumbered Cash, Ending	$	**54,048**		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Actual	Budget	Variance-Over (Under)
Special Parks and Recreation Fund			
Receipts:			
Taxes			
Delinquent Tax	$ **407**	0	407
Local Liquor Tax	**2,691**	780	1,911
Total Receipts	**3,098**	780	2,318
Expenditures:			
Contractual Services	**5,029**	2,920	2,109
Commodities	**5,060**	13,900	(8,840)
Capital Outlay	**29,257**	33,000	(3,743)
Total Expenditures	**39,346**	49,820	(10,474)
Receipts Over (Under) Expenditures	**(36,248)**		
Unencumbered Cash, Beginning	**109,069**		
Unencumbered Cash, Ending	$ **72,821**		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	*Budget	Variance-Over (Under)
Equipment Reserve Fund				
Receipts:				
Transfer from General Fund	$	**50,000**	50,000	0
Transfer from Light Utility Fund		**64,000**	64,000	0
Transfer from Sewer Utility Fund		**10,000**	10,000	0
Total Receipts		**124,000**	124,000	0
Expenditures:				
Sewer Equipment		**33,145**	27,500	5,645
Police Equipment		**50,293**	100,000	(49,707)
Light Equipment		**175,174**	227,000	(51,826)
Golf Course Equipment		**16,637**	0	16,637
Street		**21,498**	38,200	(16,702)
Water		**0**	21,700	(21,700)
Total Expenditures		**296,747**	414,400	(117,653)
Receipts Over (Under) Expenditures		**(172,747)**		
Unencumbered Cash, Beginning		**332,449**		
Unencumbered Cash, Ending	$	**159,702**		

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

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	*Budget	Variance-Over (Under)
Capital Improvements Fund				
Receipts:				
Reimbursed Expense	$	**600**	0	600
Transfer from General Fund		**110,000**	110,000	0
Transfer from Sewer Utility Fund		**0**	50,000	(50,000)
Transfer from Light Utility Fund		**50,000**	50,000	0
Total Receipts		**160,600**	210,000	(49,400)
Expenditures:				
Remodel Wastewater Office		**0**	7,000	(7,000)
Improve Dist. System		**0**	70,000	(70,000)
Parks		**19,000**	23,500	(4,500)
Ballfield		**3,150**	14,000	(10,850)
Banners		**4,500**	4,500	0
Curb, Gutter, and Sidewalks		**29,442**	85,000	(55,558)
Tree Trim		**0**	40,000	(40,000)
Demolition		**1,301**	10,000	(8,699)
City Hall		**20,476**	21,000	(524)
Total Expenditures		**77,869**	275,000	(197,131)
Receipts Over (Under) Expenditures		**82,731**		
Unencumbered Cash, Beginning		**541,758**		
Unencumbered Cash, Ending	$	**624,489**		

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

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Actual	*Budget	Variance-Over (Under)
Recreation Commission Fund			
Receipts:			
Taxes			
Delinquent Tax	$ **4**	0	4
Total Receipts	**4**	0	4
Expenditures:			
Appropriations	**0**	0	0
Receipts Over (Under) Expenditures	**4**		
Unencumbered Cash, Beginning	**0**		
Unencumbered Cash, Ending	$ **4**		

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Actual	*Budget	Variance-Over (Under)
LE Seizure Trust Fund			
Receipts:			
Other Revenue	$ **0**	170	(170)
Expenditures:			
Contractual Services	**0**	735	(735)
Receipts Over (Under) Expenditures	**0**		
Unencumbered Cash, Beginning	**1,129**		
Unencumbered Cash, Ending	$ **1,129**		

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

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual
Tree and Park Fund		
Receipts	$	**0**
Expenditures		**0**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**189**
Unencumbered Cash, Ending	$	**189**
Self Insurance Health Fund		
Receipts:		
Contribution from General Fund	$	**41,137**
Contribution from Light Utility Fund		**41,149**
Contribution from Sewer Utility Fund		**6,857**
Contribution from Water Utility Fund		**6,857**
Total Receipts		**96,000**
Expenditures:		
Claims		**75,761**
Receipts Over (Under) Expenditures		**20,239**
Unencumbered Cash, Beginning		**68,239**
Unencumbered Cash, Ending	$	**88,478**

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual
Ball Complex Lights Fund		
Receipts:	$	
Insurance Proceeds		**0**
Expenditures		**0**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**21,506**
Unencumbered Cash, Ending	$	**21,506**
Airport Grant		
Receipts:		
Federal Aid	$	**180,729**
Reimbursement from Airport Fund		**0**
Total Receipts		**180,729**
Expenditures:		
Reimbursement to Airport Fund		**180,729**
Contractual Services		**0**
Total Expenditures		**180,729**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**0**
Unencumbered Cash, Ending	$	**0**
Housing Grant Fund		
Receipts:		
Federal Aid	$	**0**
Expenditures		**1,966**
Receipts Over (Under) Expenditures		**(1,966)**
Unencumbered Cash, Beginning		**1,966**
Unencumbered Cash, Ending	$	**0**

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Actual
Municipal Judge Training Fund	
Receipts	$ **5**
Expenditures	**0**
Receipts Over (Under) Expenditures	**5**
Unencumbered Cash, Beginning	**0**
Unencumbered Cash, Ending	$ **5**
Donations Fund	
Receipts	$ **0**
Expenditures	**0**
Receipts Over (Under) Expenditures	**0**
Unencumbered Cash, Beginning	**2,775**
Unencumbered Cash, Ending	$ **2,775**
Industrial Park Lot Fund	
Receipts:	
Lot sales	$ **0**
Expenditures	**0**
Receipts Over (Under) Expenditures	**0**
Unencumbered Cash, Beginning	**7,500**
Unencumbered Cash, Ending	$ **7,500**
Diversion Fund	
Receipts:	
Diversion Fines	$ **3,098**
Expenditures	**0**
Receipts Over (Under) Expenditures	**3,098**
Unencumbered Cash, Beginning	**7,967**
Unencumbered Cash, Ending	$ **11,065**

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual
Tort Liability Fund		
Receipts	$	**0**
Expenditures		**0**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**54,720**
Unencumbered Cash, Ending	$	**54,720**
Reinstatement Fee Fund		
Receipts	$	**300**
Expenditures		**0**
Receipts Over (Under) Expenditures		**300**
Unencumbered Cash, Beginning		**800**
Unencumbered Cash, Ending	$	**1,100**
Swimming Pool Reserve Fund		
Receipts:		
Transfer from Sewer Utility Fund	$	**0**
Donations		**0**
Total Receipts		**0**
Expenditures		**0**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**90,750**
Unencumbered Cash, Ending	$	**90,750**
Law Enforcement Training Fund		
Receipts	$	**113**
Expenditures		**0**
Receipts Over (Under) Expenditures		**113**
Unencumbered Cash, Beginning		**0**
Unencumbered Cash, Ending	$	**113**

CITY OF HILL CITY, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Airport Bond and Interest Fund				
Receipts:				
Taxes				
Delinquent Tax	$	**219**	0	219
16/20M Vehicle Tax		**0**	0	0
Total Receipts		**219**	0	219
Expenditures:				
Principal		**0**	0	0
Interest		**0**	0	0
Cash Basis Reserve		**0**	0	0
Total Expenditures		**0**	0	0
Receipts Over (Under) Expenditures		**219**		
Unencumbered Cash, Beginning		**15,359**		
Unencumbered Cash, Ending	$	**15,578**		

CITY OF HILL CITY, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
GO Water Bond & Interest Fund				
Receipts:				
Bond Proceeds	$	**0**	0	0
Transfer from Water Fund		**200,000**	200,000	0
Total Receipts		**200,000**	200,000	0
Expenditures:				
Principal		**175,000**	175,000	0
Interest		**9,213**	8,213	1,000
Financing Fees		**1,530**	0	1,530
Cash Basis Reserve		**0**	233,431	(233,431)
Total Expenditures		**185,743**	416,644	(230,901)
Receipts Over (Under) Expenditures		**14,257**		
Unencumbered Cash, Beginning		**215,115**		
Unencumbered Cash, Ending	$	**229,372**		

CITY OF HILL CITY, KANSAS
Capital Project Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual
Airport Runway Fund		
Receipts:		
Reimbursed Expense	$	**0**
Expenditures:		
Airport Project		**0**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**415**
Unencumbered Cash, Ending	$	**415**
Water Improvement Project Fund		
Receipts:	$	**0**
Expenditures:		**0**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**25,548**
Unencumbered Cash, Ending	$	**25,548**

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Actual	Budget	Variance-Over (Under)
Light Utility Fund			
Receipts:			
Charges for Services	$ **1,996,015**	2,095,000	(98,985)
Other Sales and Services	**1,320**	500	820
Miscellaneous	**6,829**	2,800	4,029
Reimbursements	**5,004**	0	5,004
Transfer from Sewer Utility Fund	**20,279**	20,279	0
Total Receipts	**2,029,447**	2,118,579	(89,132)
Expenditures:			
General and Administration			
Personal Services	**368,432**	390,167	(21,735)
Contractual Services	**42,217**	65,000	(22,783)
Commodities	**19,360**	22,000	(2,640)
Sales Tax	**67,765**	72,000	(4,235)
Total General and Administration	**497,774**	549,167	(51,393)
Production			
Personal Services	**144,764**	133,635	11,129
Contractual Services	**80,844**	90,000	(9,156)
Commodities	**21,071**	32,000	(10,929)
Miscellaneous	**12**	0	12
Purchased Power	**615,697**	1,337,500	(721,803)
Total Production	**862,388**	1,593,135	(730,747)

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Light Utility Fund (Continued)				
Distribution				
Personal Services	$	**73,631**	53,183	20,448
Contractual Services		**96,973**	225,000	(128,027)
Commodities		**26,220**	50,000	(23,780)
Miscellaneous		**100**	0	100
Total Distribution		**196,924**	328,183	(131,259)
Operating Transfers				
Transfer to Equipment Reserve Fund		**64,000**	64,000	0
Transfer to Capital Improvements Fund		**50,000**	50,000	0
Total Operating Transfers		**114,000**	114,000	0
Total Expenditures		**1,671,086**	2,584,485	(913,399)
Receipts Over (Under) Expenditures		**358,361**		
Unencumbered Cash, Beginning		**1,188,557**		
Unencumbered Cash, Ending	$	**1,546,918**		

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Water Utility Fund				
Receipts:				
Charges for Services	$	**498,828**	525,000	(26,172)
Other Sales and Services		**2,009**	0	2,009
Interest on Idle Funds		**5,139**	0	5,139
Sale of Equipment		**1,025**	0	1,025
Reimbursements		**2,710**	0	2,710
Total Receipts		**509,711**	525,000	(15,289)
Expenditures:				
General and Administration				
Water Tax Fees		**5,254**	3,500	1,754
Sales Tax		**8,364**	11,000	(2,636)
Total General and Administration		**13,618**	14,500	(882)
Distribution				
Personal Services		**77,795**	114,555	(36,760)
Contractual Services		**97,485**	103,000	(5,515)
Commodities		**41,684**	65,000	(23,316)
Capital Outlay		**0**	108,200	(108,200)
Total Distribution		**216,964**	390,755	(173,791)
Operating Transfers				
Transfer to GO Water Bond & Interest Fund		**200,000**	200,000	0
Total Expenditures		**430,582**	605,255	(174,673)
Receipts Over (Under) Expenditures		**79,129**		
Unencumbered Cash, Beginning		**741,539**		
Unencumbered Cash, Ending	$	**820,668**		

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Sewer Utility Fund				
Receipts:				
Charges for Services	$	**324,742**	330,500	(5,758)
Transfer from Sewer Reserve		**0**	90,698	(90,698)
Reimbursements		**2,678**	0	2,678
Total Receipts		**327,420**	421,198	(93,778)
Expenditures:				
Personal Services		**87,283**	85,553	1,730
Contractual Services		**25,763**	33,805	(8,042)
Commodities		**23,373**	50,700	(27,327)
Transfer to Swimming Pool Reserve Fund		**0**	6,210	(6,210)
Transfer to General (For Swimming Pool)		**0**	6,210	(6,210)
Transfer to Employee Benefits Fund		**10,000**	10,000	0
Transfer to Equipment Reserve Fund		**10,000**	10,000	0
Transfer to Light Utility Fund		**20,279**	20,279	0
Transfer to Capital Improvements Fund		**0**	30,000	(30,000)
Transfer to Sewer Reserve Fund		**202,096**	202,096	0
Total Expenditures		**378,794**	454,853	(76,059)
Receipts Over (Under) Expenditures		**(51,374)**		
Unencumbered Cash, Beginning		**104,945**		
Unencumbered Cash, Ending	$	**53,571**		

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual	Budget	Variance-Over (Under)
Golf Course Fund				
Receipts:				
Charges for Services	$	**9,225**	6,900	2,325
Membership Dues		**29,375**	25,600	3,775
Rent		**7,975**	8,000	(25)
Reimbursed Expense		**574**	0	574
Transfer from General		**50,000**	50,000	0
Total Receipts		**97,149**	90,500	6,649
Expenditures:				
Personal Services		**40,032**	50,000	(9,968)
Contractual Services		**6,335**	8,500	(2,165)
Commodities		**30,204**	31,500	(1,296)
Adjustments for Qualifying Budget Credits:				
Reimbursed Expenses		**0**	574	(574)
Total Expenditures		**76,571**	90,574	(14,003)
Receipts Over (Under) Expenditures		**20,578**		
Unencumbered Cash, Beginning		**4,767**		
Unencumbered Cash, Ending	$	**25,345**		

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Actual	*Budget	Variance-Over (Under)
Light Emergency Maintenance Fund			
Receipts:			
Interest on Idle Funds	$ **488**	0	488
Expenditures:			
Transfer to General Fund	**0**	47,500	(47,500)
Receipts Over (Under) Expenditures	**488**		
Unencumbered Cash, Beginning	**87,614**		
Unencumbered Cash, Ending	$ **88,102**		

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

CITY OF HILL CITY, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

		Actual
Light and Water Surplus Fund		
Receipts	$	**0**
Expenditures:		**0**
Receipts Over (Under) Expenditures		**0**
Unencumbered Cash, Beginning		**1,900**
Unencumbered Cash, Ending	$	**1,900**
Sewer Reserve Fund		
Receipts:		
Interest on Idle Funds	$	**1,588**
Transfer from Sewer Utility Fund		**202,096**
Total Receipts		**203,684**
Expenditures:		
KDHE Principal Payment		**103,619**
KDHE Interest Payment		**30,050**
Total Expenditures		**133,669**
Receipts Over (Under) Expenditures		**70,015**
Unencumbered Cash, Beginning		**23,071**
Unencumbered Cash, Ending	$	**93,086**