City of Palco

Financial Statements

December 31, 2021

ATC Accounting

City of Palco
Financial Statements
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT
Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

Honorable Mayor and City Council
City of Palco
Palco, Kansas 66066

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Palco, Kansas, as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Palco, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Palco, Kansas as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Palco, Kansas as of December 31, 2021, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2021 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, 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 2021 basic financial statement, however are required to be presented under the provision 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 2021 basic financial statement. The 2021 information has been subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2021 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2020 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2020 basic financial statement upon which we rendered as unqualified opinion dated December 17, 2021. The 2020 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, Office of Management Analysis and Standards at the following link http://da.ks.gov/ar/muniserv/. Such 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

ATC Accounting

ATC Accounting

November 30, 2022

City of Palco, Kansas
Summary of Cash Receipts, Expenditures, and Encumbered Cash
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances And Accounts Payable	Ending Cash Balance
GENERAL	$ 109,512	$ 195,512	$ 138,379	$ 166,645	$ 4,834	$ 171,479
SPECIAL PURPOSE FUNDS:						
Library	2,802	5,466	5,576	2,692	-	2,692
Employee Benefits	-	33,141	29,288	3,853	2,883	6,736
Special Highway	5,153	7,679	-	12,832	-	12,832
BOND AND INTEREST FUND:						
Bond and Interest	3,188	4,619	6,011	1,796	-	1,796
CAPITAL PROJECT FUNDS:						
Water Reserve	9,568	-	-	9,568	-	9,568
Special Equipment Reserve	-	-	-	-	-	-
Capital Improvements	59,193	-	9,432	49,761	-	49,761
BUSINESS FUNDS:						
Ambulance	3,573	-	3,573	-	-	-
Fire	970	6,026	6,996	-	-	-
Water	76,584	46,676	34,120	89,140	78	89,218
Sewer	13,036	37,039	30,511	19,564	-	19,564
Solid Waste	31,422	48,797	46,212	34,007	-	34,007
TRUST FUNDS:						
Expendable Trust	23,334	-	-	23,334	-	23,334
McKenna	317,267	121,651	147,003	291,915	5,141	297,056
Customer Deposits	9,184	1,450	5,504	5,130	-	5,130
Total Reporting Entity	$ 664,786	$ 508,056	$ 462,605	$ 710,237	$ 12,936	$ 723,173

Cash on Hand	$ 75
NOW and Money Market Accounts	426,041
Demand Accounts	38,559
Certificates of Deposit	258,498
Total Reporting Entity	$ 723,173

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The City of Palco is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Palco (the municipality).

The related municipal entity is not included in the City's reporting entity even though it was established to benefit the City and/or its constituents.

> Library Board - The Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at their administrative offices.

(b) 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 acquisition or construction of major capital facilities or equipment.
Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).
Trust fund – funds 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 – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

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

(d) **Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted fro 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 the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2021.

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 statements 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 municipality 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 and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are 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

The City is not aware of any non-compliance with Kansas Statutes.

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 county in which the City is located or in an adjoining county if such an 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 District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 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 institutes 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. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits was 723,098 and the bank balance was $734,339. The bank balances were held by 1 bank resulting in a concentration of credit risk. Of the bank balance $292,776 was covered by federal depository insurance and remaining balance was covered by pledged securities.

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.

4. UNCERTAINTIES

As a result of significant disruption in the U.S. economy due to the ongoing Coronavirus "COVID-19" pandemic in 2021, uncertainties have risen which are likely to negatively impact future operation results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

As a result of COVID-19, the State of Kansas has received Coronavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The City received SLFRF in the amount of $20,373 during 2021. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at https://home.treasury.gov/

5. LONG-TERM DEBT

Changes in long-term liabilities for the year ended December 31, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 01/01/2021	Additions	Reductions/ Payments	Ending Balance 12/31/2021	Interest/ Service Fees Pd
General Obligation Bonds:									
Series 2020			$ 135,000		$ 125,000	$ -	$ 10,000	$ 115,000	$ 2,500
KDHE Loan:									
Wastewater Loan	2.86%	05/02/2003	$ 224,307	09/01/2026	51,060	-	12,226	38,834	1,374
Capital Lease:									
Trash Truck	4.99%	06/14/2018	$ 109,353	06/14/2025	73,356	-	15,226	58,130	3,314
Total Contractual Indebtedness					$ 249,416	$ -	$ 37,452	$ 211,964	$ 7,188

Current maturities of long-term debt and interest through maturity are as follows:

Year	General Obligation Bond		KDHE Loan		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 10,000	$ 2,300	$ 12,580	$ 1,020	$ 16,003	$ 2,537	$ 38,583	$ 5,857
2023	15,000	2,100	12,947	653	16,819	1,721	44,766	4,474
2024	15,000	1,800	13,307	293	17,678	862	45,985	2,955
2025	15,000	1,500	-	-	7,630	94	22,630	1,594
2026	15,000	1,200	-	-	-	-	15,000	1,200
2027-2030	45,000	1,800	-	-	-	-	45,000	1,800
	$ 115,000	$ 10,700	$ 38,834	$ 1,966	$ 58,130	$ 5,214	$ 211,964	$ 17,880

6. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depend on whether the employee is a Tier 1, Tier 2, or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009 and Tier 3 members were first employed in a covered position on or after January 1, 2015. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members through December 31, 2014. On January 1, 2015, Kansas law increased the KPERS member-employee contribution rate to 6% of covered salary for Tier 1 members. On that date, the Tier 2 member-employee contribution rate remained at 6% of covered salary, and the Tier 3-member contribution rate was established at 6% of covered salary. 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 Tier 1 and Tier 2 be determined annually based on the results of an annual actuarial valuation. Tier 3 Employer credits are established by statute and are based on the member employee's years of service. Tier 1 and Tier 2 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.46%, for the fiscal year ended December 31, 2021. Contributions to the pension plan from the city were $5,218 for the year ended December 31, 2021

Net Pension Liability. At December 31, 2021, the city's proportionate share of the collective net pension liability reported by KPERS was $36,743. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The city's proportion of the net pension liability was based on the ration 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 these financial statements.

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.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City 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.

(b) Compensated Absences

Vacation – Full-time employees and the city clerk are entitled to paid vacation. After 6 months employment and up to 5 years of continuous employment employees at entitled to 10 working days of paid vacation. Employment between five years to 10 years of service the employee is entitled to 12 working days of paid vacation. After ten years of employment employees are entitled to fifteen days of paid vacation. Part-time employees that work at least 30 hours of more per week shall earn vacation credit at the rate of ½ day for each month of employment. Seasonal and temporary employees shall not earn vacation leave. Vacation time is paid at the employee's regular rate. Unused vacation pay will be paid to employees upon termination, if proper notice of resignation is given. Vacation leave does not accumulate and must be used by December 31. Therefore, accumulated vacation at year end was zero.

The cost of accumulated vacation leave is $0 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave – Full-time employees shall earn 1 day of sick leave for each full month of service. Part-time employees who are employed to work not less than 20 hours per week shall receive ½ day of sick leave for each month of employment. Employees may accumulate up to 720 hours of sick leave. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is terminated, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

8. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Fire	K.S.A. 12-1,118	6,000
Ambulance	General	K.S.A. 12-825d	3,573
Customer Deposit	Water	K.S.A. 12-825d	1,334
Customer Deposit	Sewer	K.S.A. 12-825d	1,333
Customer Deposit	Solid Waste	K.S.A. 12-825d	1,333

9. SUBSEQUENT EVENTS

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

CITY OF PALCO, KANSAS

REGULATORY-REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2021

City of Palco, Kansas
Summary of Expenditures – Actual and Budget
For the Year Ended December 31, 2021

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	$ 323,092	$ -	$ 323,092	$ 138,379	$ (184,713)
SPECIAL PURPOSE FUNDS:					
Library	7,950	-	7,950	5,576	(2,374)
Employee Benefits	35,094	-	35,094	29,288	(5,806)
Special Highway	11,391	-	11,391	-	(11,391)
BOND AND INTEREST FUNDS:					
Bond and Interest	11,350	-	11,350	6,011	(5,339)
BUSINESS FUNDS:					
Ambulance	3,573	-	3,573	3,573	-
Fire	18,698	-	18,698	6,996	(11,702)
Water	77,365	-	77,365	34,120	(43,245)
Sewer	67,266	-	67,266	30,511	(36,755)
Solid Waste	95,563	-	95,563	46,212	(49,351)

City of Palco, Kansas
General Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 99,602	$ 86,875	$ 91,590	$ (4,715)
Delinquent Tax	8,140	5,125	3,049	2,076
Motor Vehicle Tax	13,353	12,936	15,343	(2,407)
Recreational Vehicle Tax	222	493	235	258
16/20M Vehicle Tax	304	422	443	(21)
Commercial Truck Tax	420	411	83	328
Watercraft Tax	51	84	83	1
Sales Tax	41,861	48,111	48,000	111
Franchise Fee	11,333	12,127	12,000	127
Licenses and Permits	241	640	300	340
Interest on Idle Funds	566	431	-	431
Donations/Grants	-	400	-	400
ARPA Funds	-	20,373	-	20,373
Miscellaneous	7,313	7,107	-	7,107
Transfer from Ambulance	16,343	3,573	3,573	-
Neighborhood Revitalization Program	(5,001)	(3,596)	-	(3,596)
Total Receipts	194,748	195,512	$ 174,699	$ 20,813
Expenditures				
Personal Services	22,329	20,570	$ 27,378	$ (6,808)
General Administration	26,603	22,395	13,900	8,495
Shop	6,200	5,994	5,600	394
Street Lights	9,684	14,276	-	14,276
Fees	5,053	390	28,000	(27,610)
Park	647	289	3,000	(2,711)
Building Repair	897	624	700	(76)
Equipment Repair	3,847	2,408	9,300	(6,892)
Donations	1,075	1,889	-	1,889
Insurance	21,523	22,339	18,000	4,339
Legal Fees	1,179	100	-	100
Street Maintenance	6,618	7,371	18,000	(10,629)
Public Transportation	2,105	2,295	-	2,295
Capital Outlay	5,349	24,949	174,614	(149,665)
Debt Service - Principal	8,127	6,490	12,600	(6,110)
Transfer to Fire	-	6,000	12,000	(6,000)
Transfer to Capital Improvements	15,770	-	-	-
Total Expenditures	137,006	138,379	$ 323,092	$ (184,713)
Receipts Over (Under) Expenditures	57,742	57,133		
Unencumbered Cash , January 1	51,770	109,512		
Unencumbered Cash, December 31	$ 109,512	$ 166,645		

City of Palco, Kansas
Library Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 4,903	$ 4,691	$ 4,944	$ (253)
Delinquent Tax	404	253	165	88
Motor Vehicle Tax	664	645	755	(110)
Recreational Vehicle Tax	11	25	12	13
16/20M Vehicle Tax	14	22	22	-
Commercial Truck Tax	22	20	4	16
Watercraft Tax	3	4	4	-
Neighborhood Revitalization Program	(246)	(194)	-	(194)
Total Receipts	5,775	5,466	$ 5,906	$ (440)
Expenditures				
Appropriation to Palco Public Library	5,775	5,466	$ 7,250	$ (1,784)
Commodities	107	110	700	(590)
Total Expenditures	5,882	5,576	$ 7,950	$ (2,374)
Receipts Over (Under) Expenditures	(107)	(110)		
Unencumbered Cash , January 1	2,909	2,802		
Unencumbered Cash, December 31	$ 2,802	$ 2,692		

City of Palco, Kansas
Employee Benefits Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 16,242	$ 30,739	$ 32,409	$ (1,670)
Delinquent Tax	1,593	913	1,079	(166)
Motor Vehicle Tax	2,914	2,480	2,502	(22)
Recreational Vehicle Tax	63	87	38	49
16/20M Vehicle Tax	25	114	72	42
Commercial Truck Tax	118	67	14	53
Watercraft Tax	14	14	14	-
Reimbursements	-	-	-	-
Neighborhood Revitalization Program	(816)	(1,273)	-	(1,273)
Total Receipts	20,153	33,141	$ 36,128	$ (2,987)
Expenditures				
Unemployment Insurance	-	58	$ 59	$ (1)
Social Security/Medicare	4,580	4,569	4,457	112
KPERS	5,602	5,394	5,544	(150)
Medical Insurance	10,541	19,267	25,034	(5,767)
Worker's Compensation Insurance	-	-	-	-
Total Expenditures	20,723	29,288	$ 35,094	$ (5,806)
Receipts Over (Under) Expenditures	(570)	3,853		
Unencumbered Cash, January 1	570	-		
Unencumbered Cash, December 31	$ -	$ 3,853		

City of Palco, Kansas
Special Highway Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Special Highway Tax	$ 7,042	$ 7,679	$ 6,220	$ 1,459
Expenditures				
Capital Outlay	9,389	-	$ 11,391	$ (11,391)
Commodities	-	-	-	-
Total Expenditures	9,389	-	$ 11,391	$ (11,391)
Receipts Over (Under) Expenditures	(2,347)	7,679		
Unencumbered Cash, January 1	7,500	5,153		
Unencumbered Cash, December 31	$ 5,153	$ 12,832		

City of Palco, Kansas
Bond and Interest Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 3,977	$ 4,163	$ 4,390	$ (227)
Delinquent Tax	342	212	146	66
Motor Vehicle Tax	236	380	613	(233)
Recreational Vehicle Tax	(1)	17	9	8
16/20M Vehicle Tax	19	-	18	(18)
Commercial Truck Tax	(1)	16	3	13
Watercraft Tax	-	3	3	-
Neighborhood Revitalization Program	(200)	(172)	-	(172)
Total Receipts	4,372	4,619	$ 5,182	$ (563)
Expenditures				
Principal	1,873	3,510	$ 10,000	$ (6,490)
Interest	2,499	2,501	1,350	1,151
Reserve	-	-	-	-
Total Expenditures	4,372	6,011	$ 11,350	$ (5,339)
Receipts Over (Under) Expenditures	-	(1,392)		
Unencumbered Cash, January 1	3,188	3,188		
Unencumbered Cash, December 31	$ 3,188	$ 1,796		

SCHEDULE 2-6

City of Palco, Kansas
Water Utility Reserve Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2021

	2020 Actual	2021 Actual
Receipts		
Transfer from General	$ -	$ -
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	9,568	9,568
Unencumbered Cash, December 31	$ 9,568	$ 9,568

SCHEDULE 2-7

City of Palco, Kansas
Special Equipment Reserve Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2021

	2020 Actual	2021 Actual
Receipts		
Transfer from General	$ -	$ -
Transfer from Expendable Trust	-	-
Total Receipts	-	-
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	-	-
Unencumbered Cash, December 31	$ -	$ -

City of Palco, Kansas
Capital Improvements Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2021

	2020 Actual	2021 Actual
Receipts		
Bond Proceeds	$ 135,000	$ -
Grants	40,000	-
Transfer from General	15,770	-
Total Receipts	190,770	-
Expenditures		
Capital Outlay	131,577	9,432
Receipts Over (Under) Expenditures	59,193	(9,432)
Unencumbered Cash, January 1	-	59,193
Unencumbered Cash, December 31	$ 59,193	$ 49,761

City of Palco, Kansas
Ambulance Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	$ -	$ -	$ -	$ -
County Subsidy	-	-	-	-
Total Receipts	-	-	$ -	$ -
Expenditures				
Personal Services	-	-	$ -	$ -
Contractual Services	-	-	-	-
Transfer to General	16,343	3,573	3,573	-
Total Expenditures	16,343	3,573	$ 3,573	$ -
Receipts Over (Under) Expenditures	(16,343)	(3,573)		
Unencumbered Cash, January 1	19,916	3,573		
Unencumbered Cash, December 31	$ 3,573	$ -		

City of Palco, Kansas
Fire Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfer from General	$ -	$ 6,000	$ 12,000	$ (6,000)
State of Kansas Grant	-	-	-	-
Miscellaneous	-	26	-	26
Total Receipts	-	6,026	$ 12,000	$ (5,974)
Expenditures				
Personal Services	1,800	1,800	$ 4,300	$ (2,500)
Contractual Services	-	-	1,200	(1,200)
Commodities	3,928	5,196	13,198	(8,002)
Capital Outlay	-	-	-	-
Total Expenditures	5,728	6,996	$ 18,698	$ (11,702)
Receipts Over (Under) Expenditures	(5,728)	(970)		
Unencumbered Cash, January 1	6,698	970		
Unencumbered Cash, December 31	$ 970	$ -		

City of Palco, Kansas
Water Utility Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	$ 48,165	$ 45,342	$ 46,250	$ (908)
Transfer from Customer Deposit	-	1,334	-	1,334
Total Receipts	48,165	46,676	$ 46,250	$ 426
Expenditures				
Personal Services	15,801	14,825	$ 14,604	$ 221
Contractual Services	-	-	-	-
Commodities	15,682	13,341	10,523	2,818
Capital Outlay	7,131	5,954	52,238	(46,284)
Transfer to Water Reserve	-	-	-	-
Total Expenditures	38,614	34,120	$ 77,365	$ (43,245)
Receipts Over (Under) Expenditures	9,551	12,556		
Unencumbered Cash, January 1	67,033	76,584		
Unencumbered Cash, December 31	$ 76,584	$ 89,140		

City of Palco, Kansas
Sewer Utility Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges to Customers	$ 36,651	$ 35,706	$ 42,000	$ (6,294)
Transfer from Customer Deposit	-	1,333	-	1,333
	36,651	37,039	$ 42,000	$ (4,961)
Expenditures				
Personal Services	15,801	14,825	$ 14,604	$ 221
Contractual Services	-	-	-	-
Commodities	5,768	2,206	2,550	(344)
Capital Outlay	-	-	36,632	(36,632)
KDHE Loan Payment	13,450	13,480	13,480	-
Total Expenditures	35,019	30,511	$ 67,266	$ (36,755)
Receipts Over (Under) Expenditures	1,632	6,528		
Unencumbered Cash, January 1	11,404	13,036		
Unencumbered Cash, December 31	$ 13,036	$ 19,564		

City of Palco, Kansas
Solid Waste Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2021

	2020	2021		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges to Customers	$ 48,706	$ 47,464	$ 53,500	$ (6,036)
Transfer from Customer Deposits	-	1,333	-	1,333
Total Receipts	48,706	48,797	$ 53,500	$ (4,703)
Expenditures				
Personal Services	19,241	14,825	$ 14,604	$ 221
Contractual Services	5,875	5,676	6,000	(324)
Commodities	2,436	7,171	9,700	(2,529)
Capital Outlay	18,540	18,540	65,259	(46,719)
Total Expenditures	46,092	46,212	$ 95,563	$ (49,351)
Receipts Over (Under) Expenditures	2,614	2,585		
Unencumbered Cash, January 1	28,808	31,422		
Unencumbered Cash, December 31	$ 31,422	$ 34,007		

SCHEDULE 2-14

City of Palco, Kansas
Expendable Trust Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2021

	2020 Actual	2021 Actual
Receipts		
McKenna Fund Reimbursement	$ -	$ -
Expenditures		
Personal Services	-	-
Contractual	-	-
Reimbursements	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	23,334	23,334
Unencumbered Cash, December 31	$ 23,334	$ 23,334

SCHEDULE 2-15

City of Palco, Kansas
McKenna Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2021

	2020 Actual	2021 Actual
Receipts		
Donations	$ -	$ -
Membership Sales	25,231	25,000
Oil Income	11,857	4,619
Farmland Income	98,422	90,309
Dividend Income	-	-
Interest on Idle Funds	3,410	1,723
	138,920	121,651
Expenditures		
Personal Services	27,553	37,934
Contractual	48,810	50,911
Commodities	25,079	27,321
Capital Outlay	41,872	30,837
Reimbursements	-	-
Total Expenditures	143,314	147,003
Receipts Over (Under) Expenditures	(4,394)	(25,352)
Unencumbered Cash, January 1	321,661	317,267
Unencumbered Cash, December 31	$ 317,267	$ 291,915

City of Palco, Kansas
Customer Deposits Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2021

	2020 Actual	2021 Actual
Receipts		
Customer Deposits	$ 1,627	$ 1,441
Interest on Idle Funds	12	9
Total Receipts	1,639	1,450
Expenditures		
Customer Refunds	850	1,504
Transfer to Water	-	1,334
Transfer to Sewer		1,333
Transfer to Solid Waste		1,333
Total Expenditures	850	5,504
Receipts Over (Under) Expenditures	789	(4,054)
Unencumbered Cash, January 1	8,395	9,184
Unencumbered Cash, December 31	$ 9,184	$ 5,130