CITY OF PAOLA
Paola, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2022

CITY OF PAOLA, KANSAS

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Year ended December 31, 2022

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234 South Main
Ottawa, Kansas 66067
(785) 242-3170
(785) 242-9250 FAX
www.agc-cpas.com WEB SITE

Agler & Gaeddert CHARTERED
Certified Public Accountants

Harold K. Mayes, CPA
Jennifer L. Kettler, CPA

Lucille L. Hinderliter, CPA

INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Paola, Kansas
Paola, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Paola, Kansas as of and for the year ended December 31, 2022 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 of Adverse Opinion 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 City of Paola as of December 31, 2022, 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 City of Paola as of December 31, 2022, 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 C.

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 responsibility 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 City of Paola and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note C of the financial statement, the financial statement is prepared by City of Paola, 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 C 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 Statements
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 C; 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 City of Paola 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.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

Auditor's Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about where 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 an 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 judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgement and maintain professional skepticism throughout the audit.
2. 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.
3. 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 City of Paola's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate made by management, as well as evaluate the overall presentation of the financial statement.
5. Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Paola 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 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 expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide.* Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Paola, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated June 14, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link http//admin.ks.gov/offices/oar/municipal-services. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 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 2021 basic financial statement. The 2021 comparative information was 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 statements itself, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note C.

Harold K. Mayes Jr

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
June 8, 2023

City of Paola, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2022

	Beginning Unencumbered Cash Balances	Receipts
General Fund	$ 441,307	$ 5,577,302
Special Purpose Funds		
Library	87,581	333,905
Employee Benefit	815,958	942,407
Family Aquatics Center	45,371	199,197
Community Center	5,044	138,919
Storm Water Management	262,349	86,923
Special Park and Recreation	39,534	21,090
Street Repair/Special Highway	182,330	155,202
Special Law Enforcement Account	7,525	11
Transient Guest Tax	64,828	37,883
Family Aquatics Center Equipment Reserve	(118)	0
Covid-19	436,386	686,386
General Obligation Temporary Notes	0	3,130,132
Escrow Proceeds	2,946	330
Mennenoah Cemetery	2,295	3
Special Grants Fund	43,848	92,166
Drug Enforcement Account	1,093	1,058
	1,996,970	5,825,612
Debt Service Funds		
Bond and Interest	444,109	881,544
Capital Projects Funds		
Equipment Replacement	102,827	87,677
Capital Projects Fund	2,233,362	1,666,159
	2,336,189	1,753,836

The accompanying notes are an integral part of this statement.

Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balances
$ 4,822,397	$ 1,196,212	$ 137,214	$ 1,333,426
328,981	92,505	9,804	102,309
1,188,886	569,479	29,445	598,924
154,222	90,346	357	90,703
138,813	5,150	3,680	8,830
52,251	297,021	500	297,521
49,135	11,489	24,996	36,485
150,000	187,532	0	187,532
0	7,536	0	7,536
39,792	62,919	0	62,919
0	(118)	0	(118)
459,785	662,987	0	662,987
2,522,534	607,598	7,080	614,678
0	3,276	0	3,276
0	2,298	0	2,298
112,186	23,828	3,097	26,925
60	2,091	0	2,091
5,196,645	2,625,937	78,959	2,704,896
958,963	366,690	0	366,690
61,750	128,754	0	128,754
685,473	3,214,048	20,089	3,234,137
747,223	3,342,802	20,089	3,362,891

The accompanying notes are an integral part of this statement.

City of Paola, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2022

	Beginning Unencumbered Cash Balances	Receipts
Business Funds		
Sewer Service Operating	$ 794,125	$ 1,384,860
Water Utility Operating	30,702	2,210,818
Health and Sanitation	90,271	419,340
Water Treatment Plant	223,896	317
Wastewater Treatment Plant	929,712	21,144
	1,274,581	2,651,619
	$ 6,493,156	$ 16,689,913

The accompanying notes are an integral part of this statement.

	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balances
$	1,397,182	$ 781,803	$ 27,326	$ 809,129
	2,173,016	68,504	6,694	75,198
	414,036	95,575	0	95,575
	15,423	208,790	747	209,537
	37,721	913,135	747	913,882
	2,640,196	1,286,004	35,514	2,103,321
$	14,365,424	$ 8,817,645	$ 271,776	$ 9,871,224

Cash balance consisting of		
Balance on deposit		
Checking, money market accounts & petty cash	$	5,619,139
Certificates of deposit		4,250,000
Police bond		14,266
Payroll withholding		5,403
Police account		2,091
Total cash		9,890,899
Agency Funds Per Schedule 3		(19,675)
Total cash (excluding agency funds)	$	9,871,224

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENT
December 31, 2022

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Paola is a municipal corporation governed by a mayor/council/manager form of government. These financial statements present the government and its related municipal entities, entities for which the government is considered financially accountable.

Related Municipal Entities

The Paola Free Library is governed by a board appointed by the City Council. The Library's budget and its expenditures and contractual arrangements, are approved by the City council. The Library has been included in the accompanying financial statements as a special purpose fund of the primary government.

Other Entities

The Paola Housing Authority has been omitted from the accompanying financial statements. The Paola Housing Authority Board is appointed by the City Council and oversees the operations of the Paola Housing Authority. The financial statements of the Paola Housing Authority are audited annually as of the Paola Housing Authority's fiscal year end (March 31). Those financial statements are issued separately and may be obtained from the Paola Housing Authority.

The City entered into a joint venture with the City of Louisburg for the purpose of developing a public utility to treat and disburse water to the two cities. The water treatment plant has been completed and is in operation. Both Cities provide labor, supplies and administrative costs to the operation for which both are reimbursed. Those financial statements are issued separately and may be obtained at City Hall.

The Public Building Commission activity is included in these financial records as part of the City's activity. There is no separate accounting by the Public Building Commission of its activity.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

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

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

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments 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 part by fees charged to users of goods or services (i.e. enterprise and internal service funds 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 municipality reporting entity scholarship funds, etc.). The City does not have any funds of this type.

NOTE B. REGULATORY BASIS FUND TYPES - continued

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

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Paola, Kansas has approved a resolution that it 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.

NOTE D. 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 the final budget on or before August 25th.

Should the City hold a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

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 this year.

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

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

NOTE D. BUDGETARY INFORMATION - continued

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 the following special purpose funds and capital project funds:

Special Law Enforcement	Family Aquatics Center Equipment
Covid-19	General Obligation Temporary Notes
Escrow Fund	Mennenoah Cemetery
Special Grants	Drug Enforcement Account
Wastewater Treatment Plant Construction	Equipment Replacement
Capital Projects	Sewer Line Replacement

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

NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments, Earning from these investments are allocate to designated funds.

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 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 bank 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. The City rates investments (if any) as noted.

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 has no investments other than money markets and certificates of deposit.

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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2022.

At December 31, 2022, the carrying amount of the City's bank deposits was $9,890,899 (which includes petty cash funds) and the bank balance was $9,993,294. The bank balance was held by two banks which reduces concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $500,000 was covered by federal depository insurance, and $9,493,294 was collateralized with securities held by the pledging financial institution's 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

NOTE E. CASH AND INVESTMENTS – continued

possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year-end.

NOTE F. LONG-TERM DEBT

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
General obligation bonds:				
Refunding Series 2014	2.00-3.00	10/06/14	2,485,000	09/01/25
GO Refunding Series 2020	3.00%	06/04/20	4,140,000	09/01/31
GO Temporary Note Series 2022	2.00%	01/06/22	3,110,000	12/01/23
Public Building Commission				
Refunding Series 2016	2.0-3.0	01/12/16	2,185,000	11/01/26
Capital leases:				
Fire Truck	2.25	04/28/15	750,000	4/28/29
Dump Truck	3.47	03/14/18	190,000	3/14/22
Copiers	0.00	01/18/18	18,300	1/18/22

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:						
Refunding Series 2014	$ 955,000	$ 0	$ 290,000	$ (290,000)	$ 665,000	$ 28,650
GO Refunding Series 2020	4,055,000	0	330,000	(330,000)	3,725,000	121,650
GO Temporary Note Series 2022	0	3,110,000	0	3,110,000	3,110,000	56,153
Public Building Commission						
Refunding Series 2016	875,000	0	165,000	(165,000)	710,000	23,663
Total bonds	$ 5,885,000	$ 3,110,000	$ 785,000	$ 2,325,000	$ 8,210,000	$ 230,116

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital leases:						
Fire Truck	$ 427,566	$ 0	$ 49,377	$ (49,377)	$ 378,189	$ 9,620
Dump Truck	49,995	0	49,995	(49,995)	0	1,759
Copiers	3,660	0	3,660	(3,660)	0	0
Copiers	0	41,790	0	41,790	41,790	0
Total for leases	481,221	41,790	103,032	(61,242)	419,979	11,379
Total for all debt	$ 6,366,221	$ 3,151,790	$ 888,032	$ 2,263,758	$ 8,629,979	$ 241,495

NOTE F. LONG-TERM DEBT – continued

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

	Year				
	2023	2024	2025	2026	2027
Principal:					
Bonds	$ 4,065,000	$ 1,120,000	$ 380,000	$ 395,000	$ 410,000
Capital Leases	58,846	59,982	61,144	62,332	63,546
	4,123,846	1,179,982	441,144	457,332	473,546
Interest:					
Bonds	196,750	112,650	90,750	79,350	67,500
Capital Leases	8,509	7,373	6,212	5,024	3,810
	205,259	120,023	96,962	84,374	71,310
Total Principal & Interest	$ 4,329,105	$ 1,300,005	$ 538,106	$ 541,706	$ 544,856

	Year	
	2028-2032	Total
Principal:		
Bonds	$ 1,840,000	$ 8,210,000
Capital Leases	114,129	419,979
	1,954,129	8,629,979
Interest:		
Bonds	141,000	688,000
Capital Leases	3,866	34,794
	144,866	722,794
Total Principal & Interest	$ 2,098,995	$ 9,352,773

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2022, the statutory limit for the City was $16,987,300 providing a debt margin of $8,777,300 after removing debt exempt from the limitation.

NOTE G. CAPITAL PROJECTS

Project Name	Project Authorization	Project Expenditures
Wallace Park Improvements	$ 4,200,000	$ 2,207,906
Pool Improvements	2,500,000	164,448
Lake Miola Dam Repair	1,200,000	45,325

Wallace Park Improvements is in phase 1 with a total cost of $2,692,382 and at year end had a balance due to finish the project of $538,476.

NOTE H. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority		Amount
General	Community Center	12-101	$	100,000
General	Employee Benefit	12-16,102		510,006
Library	Employee Benefit	12-16,102		55,000
Family Aquatics Center	Employee Benefit	12-16,102		25,000
Community Center	Employee Benefit	12-16,102		13,500
Water Utility	Employee Benefit	12-825d		35,417
Sewer Service	General	12-825d		300,000
Sewer Service	Bond and Interest	12-825d		451,650
Sewer Service	Employee Benefit	12-825d		103,000
Health and Sanitation	General	12-825d		16,000
Capital Projects	Family Aquatics Center	12-197		150,000
			$	1,759,573

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

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 retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified 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.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All employees of the City working 20 or more hours per week are eligible to participate in the plan beginning the first day of a pay period following coincidental with an employee's satisfaction of eligibility requirements of any Optional Benefit Plan. Each participant may elect to reduce his or her salary, subject to the limitations of the Individual Optional Benefit plans, to purchase benefits offered through the Plan. All benefits offered through the plan involve insurance coverage, dependent care reimbursements and health expense reimbursements.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) received long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefits payments. The employer contribution rate is set a t 1% for the year ended December 31, 2022.

Compensated Absences:

Vacation Pay - Full-time employees are entitled to paid vacation leave time according to one of the following schedules:

(a) Full-time employees hired prior to January 1, 1992:

The employee shall be credited with ninety-six (96) hours for each year for up to ten (10) years. Employees with more than ten (10) years of service shall be entitled to eight (8) additional hours for each year of service longer than ten (10) years.

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS - continued

Full-time employees hired after January 1, 1992:

Years of Continuous Employment:	0 to 5	5 to 10	10 to 15	over 15
Hours earned per bi-weekly pay period:	3.6923	4.6153	5.5384	6.4615

(b) New employees shall be awarded vacation time beginning on the first day of the month following (30) days of employment.

(c) Employees may accumulate vacation leave time up to the maximum of two hundred (200) hours. An employee shall not earn additional vacation leave during any time period that the employee maintains the two hundred (200) hours maximum accumulation.

(d) Off-duty employees on a leave of absence without pay for more than seven (7) working days in any one (1) calendar month shall not be eligible for earning vacation time during such month.

(e) Vacation schedules are established by the Department Heads. Vacation time shall be reported as prescribed by the Human Resources Director and shall be taken as follows:

Employees who work 8 hour days	Increments of four (4) hours
Employees who work 10 hour days	Increments of five (5) hours

(f) Bonus personal time shall be rewarded to employees not using sick leave as prescribed by the following schedule:

Hours of Sick Leave Used	Personal Hours Awarded
0 – 3	24
4 – 8	16
9 – 16	8
17 or more	0

To qualify for bonus personal time, employees must have been employed by the City for the entire calendar year. Bonus personal time is awarded in the first pay period of the calendar year and must be used prior to the end of the calendar year that it is awarded or it shall be cancelled without any payment due to the employee. Bonus personal time may be taken in 1-hour increments.

(g) Employees shall receive payment for unused vacation time upon voluntary or involuntary termination of employment. As of December 31, 2022, the unused vacation time represented a potential liability to the City in the amount of $147,888.

Sick Pay - Full-time employees may accumulate up to 180 days of sick leave. Twenty-five percent (25%) of unused sick leave will be paid upon termination of employment if in good standing. At December 31, 2022, City employees' sick leave payout at 25% would be $114,636. In addition to vacation and sick leave, the City also has paid leave for comp time, Covid leave, personal days and wellness that amounted to $28,048 as of December 31, 2022. There is no accrual for these amounts in the financial statements as amounts are expensed as the amounts are paid out.

NOTE J. 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; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE K. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefits 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 require 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, Ks. 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is 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 establishes the KPERS member-employee contribution rates a 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes KP&F (Kansas Police and Fire) member-employee contribution rate at 7.15% 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 KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for KPERS and 22.99% for KP&F for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were $178,106 for KPERS and $203,374 for KP&F for the year ended December 31, 2022.

Net Pension Liability: At December 31, 2022, the City's proportionate share of the collective net pension liability reported to KPERS was $1,785,423 and $2,159,338 for KP&F. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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 this financial statement.

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

NOTE L. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality. Family Aquatics Center Equipment Reserve has a negative cash and unencumbered cash balance as of December 31, 2022. Generally this is a statutory violation but the City has been waiting on the State for sales tax that will be allocated to this fund.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls.

NOTE L. OTHER INFORMATION - continued

Ad valorem tax revenues: The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

Reimbursements: The City of Paola records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenues to the fund receiving the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursement.

Special assessments: Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through June 8, 2023, the date the financial statements were available to be issued. No significant events were noted that need disclosure.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

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City of Paola, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(Budgeted Funds Only)
For the Year Ended December 31, 2022

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 5,554,585	$ 0	$ 5,554,585	$ 4,822,397	$ (732,188)
Special Purpose Funds					
Library	396,439	0	396,439	328,981	(67,458)
Employee Benefit	1,583,775	0	1,583,775	1,188,886	(394,889)
Family Aquatics Center	246,483	0	246,483	154,222	(92,261)
Community Center	151,882	0	151,882	138,813	(13,069)
Storm Water Management	270,390	0	270,390	52,251	(218,139)
Special Park and Recreation	49,913	0	49,913	49,135	(778)
Street Repair/Special Highway	273,687	0	273,687	150,000	(123,687)
Transient Guest Tax	74,035	0	74,035	39,792	(34,243)
Debt Service Funds					
Bond and Interest	1,331,124	0	1,331,124	958,963	(372,161)
Business Funds					
Sewer Service	1,793,534	0	1,793,534	1,397,182	(396,352)
Water Utility	2,549,367	0	2,549,367	2,173,016	(376,351)
Health and Sanitation	414,475	0	414,475	414,036	(439)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Ad valorem property tax	$ 1,513,279	$ 1,960,851	$ 2,000,000	$ (39,149)
Back tax collections	26,186	20,876	12,500	8,376
Motor vehicle tax	179,842	142,229	134,500	7,729
City sales tax	921,832	1,012,632	840,000	172,632
County sales tax	707,473	817,449	600,000	217,449
Sales tax	2,274	1,681	2,500	(819)
Mowing assessments	836	1,070	0	1,070
In lieu of taxes	25,460	26,112	21,000	5,112
Total taxes	3,377,182	3,982,900	3,610,500	372,400
Intergovernmental				
Liquor	21,665	21,044	15,000	6,044
Community fisheries program	6,489	6,489	6,400	89
Total Intergovernmental	28,154	27,533	21,400	6,133
Licenses, fees and permits				
Franchise tax	450,139	485,572	435,000	50,572
Pet licenses	1,555	1,147	2,000	(853)
General licenses	40,339	43,745	34,000	9,745
Lake permits	53,236	51,554	40,000	11,554
Zoning/planning	836	2,663	1,000	1,663
Building permits	91,872	109,093	50,000	59,093
Total Licenses, Fees & Permits	637,977	693,774	562,000	131,774
Charges for services				
Rural fire	89,146	98,520	90,000	8,520
Fines, forfeitures, penalties				
Fines and fees	194,043	181,954	200,000	(18,046)
Court costs	46,140	34,790	50,000	(15,210)
Total Fines, Forfeitures, Penalties	240,183	216,744	250,000	(33,256)
Use of money and property				
Rentals	55,462	55,478	52,000	3,478
Cemetery	16,475	18,875	13,000	5,875
Interest on investments	8,845	10,972	14,000	(3,028)
Total Use of Money & Property	80,782	85,325	79,000	6,325

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Other				
Reimbursed expense	$ 88,021	$ 142,148	$ 102,000	$ 40,148
Reimbursed NSF Checks	2,906	7,906	10,000	(2,094)
Miscellaneous	4,400	6,452	5,250	1,202
Total Other	95,327	156,506	117,250	39,256
Operating Transfers	0	316,000	415,000	(99,000)
Total Cash Receipts	4,548,751	5,577,302	$ 5,145,150	$ 432,152
Expenditures				
Administration				
Full time salaries	458,258	381,618	$ 463,370	$ (81,752)
Part time help	14,833	15,666	7,850	7,816
Overtime	137	650	100	550
Other personal services	9,438	9,268	8,300	968
Professional services	105,996	58,386	5,000	53,386
Legal service	48,430	9,938	13,000	(3,062)
Telephone	8,110	8,418	7,000	1,418
Credit card transaction fees	22,478	29,819	17,000	12,819
Training, travel and dues	6,392	10,874	11,000	(126)
Legal printing	1,921	1,497	1,500	(3)
Advertising	1,198	960	1,000	(40)
Insurance	11,045	11,375	12,600	(1,225)
Utility charges	7,183	7,776	11,000	(3,224)
Other contractual	53,265	61,855	53,000	8,855
Civil defense sirens	7,791	2,602	4,000	(1,398)
Street lights	160,558	135,968	160,000	(24,032)
Chamber of commerce dues	5,000	16,000	5,000	11,000
General office supplies	11,406	7,039	8,000	(961)
Postage	2,923	3,825	4,000	(175)
Gifts and memorials	334	412	500	(88)
Operational supplies	2,731	2,362	3,000	(638)
Vehicle maintenance	32	0	0	0
Building and maintenance supplies	3,326	648	2,000	(1,352)
Cleaning supplies	568	68	750	(682)
Non sufficient funds checks	3,532	8,528	8,000	528
Miscellaneous	1,710	17,492	500	16,992
Computer equip. & software	250	96	1,000	(904)
Refunds	88	75	100	(25)
Sales tax	2,176	1,661	2,500	(839)
Total Administration	951,109	804,876	811,070	(6,194)

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Expenditures - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Police Department				
Full time salaries	$ 1,080,239	$ 958,910	$ 1,215,150	$ (256,240)
Part time help	11,088	6,051	7,000	(949)
Overtime	71,909	124,788	65,000	59,788
Holiday overtime	34,050	33,024	40,000	(6,976)
Communications equipment	1,963	0	2,000	(2,000)
Telephone	17,295	17,983	20,000	(2,017)
Training, travel and dues	19,957	14,122	18,000	(3,878)
Training T&D Command Staff	3,714	4,020	4,100	(80)
Advertising	2,446	582	1,000	(418)
Insurance	30,956	31,719	27,250	4,469
Lease payments	42,000	40,870	42,000	(1,130)
Animal care	8,160	10,456	18,000	(7,544)
Utilities	24,734	26,326	31,620	(5,294)
Other services	83,539	81,867	78,000	3,867
Office supplies	11,897	3,849	4,100	(251)
Postage	781	914	2,250	(1,336)
Operational supplies	12,897	11,630	12,250	(620)
DARE supplies	310	1,427	1,700	(273)
Vehicle maintenance	8,640	11,421	9,000	2,421
Equipment maintenance	5,787	4,930	5,100	(170)
Building maintenance	15,975	17,267	16,000	1,267
Cleaning supplies	1,532	1,692	2,000	(308)
Motor fuel and lubrication	30,079	39,630	32,000	7,630
Uniforms	6,964	10,272	10,200	72
Enforcement equip. & supplies	16,436	9,381	19,000	(9,619)
Non sufficient funds checks	0	77	0	77
Miscellaneous supplies	2,500	0	2,500	(2,500)
Office equipment	2,000	0	2,000	(2,000)
Computer equip. & software	27,554	24,806	20,400	4,406
Body cameras	0	0	13,632	(13,632)
Equipment, bldg. & grounds	4,969	5,170	5,000	170
Motor vehicles	8,911	10,348	10,100	248
Total Police Department	1,589,282	1,503,532	1,736,352	(232,820)
Fire Department				
Full time salaries	239,520	249,026	235,000	14,026
Part time help	24	0	0	0
Telephone	3,770	5,795	3,500	2,295
Travel, dues and tags	4,371	6,851	9,000	(2,149)
Insurance	14,484	15,115	17,500	(2,385)

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Expenditures - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Fire Department - continued				
Utilities	$ 16,669	$ 19,362	$ 20,000	$ (638)
Other contractual	15,862	20,649	15,000	5,649
General office supplies	3,937	733	800	(67)
Postage	40	522	100	422
Gifts/memorials	0	0	500	(500)
Operational supplies	17,240	17,849	19,000	(1,151)
Consumables	0	300	0	300
Vehicle maintenance	2,612	3,771	9,800	(6,029)
Equipment maintenance	6,557	7,982	6,000	1,982
Comm. equip. & maint.	3,700	90	5,000	(4,910)
Building maintenance	14,681	19,118	15,000	4,118
Cleaning supplies	481	406	1,100	(694)
Motor fuel and lubrication	2,027	3,063	2,500	563
Rural fuel	1,548	3,385	3,500	(115)
Uniforms	6,802	5,095	6,500	(1,405)
Protective clothing	12,392	18,157	18,000	157
Miscellaneous	0	0	100	(100)
Computer equip. & software	3,058	4,742	3,000	1,742
Total Fire Department	369,775	402,011	390,900	11,111
Municipal Court				
Full time salaries	34,886	41,124	56,670	(15,546)
Part time help	36,143	36,593	35,700	893
Overtime	50	0	0	0
Legal services	114,002	76,626	94,500	(17,874)
Telephone services	183	550	0	550
Training, travel and dues	25	50	1,000	(950)
Legal printing expense	126	0	0	0
Prisoner care	23,727	50,621	30,000	20,621
Other contract	14,826	13,053	19,000	(5,947)
Office supplies	819	949	1,500	(551)
Postage	750	850	850	0
Operational supplies	159	656	1,000	(344)
Refunds	284	250	0	250
Non sufficient funds checks	0	172	0	172
Office Equip - Furniture	0	0	1,000	(1,000)
Computer equip. &software	842	480	1,000	(520)
Total Municipal Court	226,822	221,974	242,220	(20,246)

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Expenditures - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Street Department				
Full time salaries	$ 465,311	$ 390,555	$ 458,535	$ (67,980)
Part time help	0	20,996	6,500	14,496
Overtime	6,595	3,355	0	3,355
Telephone	3,149	4,098	2,500	1,598
Training, travel, dues	1,134	138	1,800	(1,662)
Advertising	30	253	500	(247)
Insurance	17,028	16,716	18,000	(1,284)
Lease payments	51,754	51,765	52,000	(235)
Utility charges	14,003	13,472	16,000	(2,528)
Other services	13,763	11,008	8,500	2,508
Tree care	0	1,650	5,000	(3,350)
General office supplies	792	641	500	141
Operational supplies	24,252	17,551	25,000	(7,449)
Chemicals/Fertilizer	0	6,316	0	6,316
Plant materials	0	2,047	0	2,047
Consumables	0	1,245	0	1,245
Vehicle maintenance	3,246	2,956	7,000	(4,044)
Snow/Ice Control	8,668	19,553	18,000	1,553
Equipment maintenance	23,761	28,709	29,000	(291)
Traffic	13,839	2,822	10,000	(7,178)
Building maintenance	769	2,501	3,000	(499)
Construction material	30,161	34,684	35,000	(316)
Motor fuel and lubrication	23,613	19,837	27,000	(7,163)
Uniforms	3,323	3,401	3,500	(99)
Miscellaneous supplies	0	271	300	(29)
Office equipment furniture	159	18	500	(482)
Computer equipment/ software	525	802	500	302
Equip/Bldg. & grounds	0	17,467	0	17,467
Motor vehicle/equipment	5	0	0	0
Refunds	0	212	0	212
Miscellaneous capital items	0	25,000	25,000	0
Total Street Department	705,880	700,039	753,635	(53,596)
Park and Recreation				
Full time salaries	139,437	175,541	187,375	(11,834)
Part time help	25,175	0	25,000	(25,000)
Overtime	2,736	1,970	1,200	770
Telephone	2,162	1,673	2,500	(827)
Training, travel and dues	984	902	1,000	(98)
Advertising	291	296	1,200	(904)
Insurance	9,314	9,431	10,000	(569)
Utility charges	35,913	35,418	34,000	1,418
Other services	30,376	31,228	25,000	6,228

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Expenditures - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Park and Recreation - continued				
Tree care	$ 4,000	$ 0	$ 6,000	$ (6,000)
General office supplies	327	407	250	157
Operational supplies	8,634	9,105	15,000	(5,895)
Chemicals and fertilizer	5,192	0	5,000	(5,000)
Plant materials	3,035	0	4,000	(4,000)
Consumables	827	0	1,500	(1,500)
Vehicle maintenance	1,668	851	4,000	(3,149)
Equipment maintenance	9,272	8,877	8,500	377
Building maintenance	8,956	5,647	7,000	(1,353)
Construction material	453	786	3,500	(2,714)
Motor fuel and lubrication	16,481	21,107	18,500	2,607
Uniforms	1,006	921	1,400	(479)
Lease Payments	0	0	8,500	(8,500)
Miscellaneous	0	271	500	(229)
Refunds	0	0	300	(300)
Computer Equip/Software	702	647	750	(103)
Equipment/building & grounds	7,412	0	17,000	(17,000)
Total Park & Recreation	314,353	305,078	388,975	(83,897)
Cemetery				
Full time salaries	52,613	44,516	54,450	(9,934)
Overtime	3,547	2,596	0	2,596
Training, travel and dues	0	0	200	(200)
Advertising	76	76	100	(24)
Insurance	748	1,996	800	1,196
Lease Payments	0	25,000	27,000	(2,000)
Other Contractual	1,896	1,835	3,000	(1,165)
Operational supplies	160	350	1,500	(1,150)
Vehicle maintenance	0	0	1,000	(1,000)
Equipment maintenance	880	861	1,500	(639)
Building maintenance	436	1,853	3,000	(1,147)
Construction materials	1,511	0	4,000	(4,000)
Motor fuel and lube	1,868	2,520	2,500	20
Motor vehicle/equipment	0	31	0	31
Refunds	0	125	0	125
Uniforms	241	224	300	(76)
Total Cemetery	63,976	81,983	99,350	(17,367)

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Expenditures - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Community Development				
Full time salaries	$ 140,455	$ 128,759	$ 178,750	$ (49,991)
Overtime	0	0	300	(300)
Professional services	2,714	24,231	5,500	18,731
Legal services	0	0	1,000	(1,000)
Telephone	3,310	2,993	4,200	(1,207)
Training, travel and dues	2,712	2,818	2,500	318
Legal printing	1,599	854	2,000	(1,146)
Advertising	925	342	100	242
Insurance	1,475	2,613	2,000	613
Other contractual	10,655	13,595	7,500	6,095
General office supplies	4,196	2,509	3,500	(991)
Postage	300	404	1,000	(596)
Operational supplies	1,087	2,651	1,500	1,151
Vehicle maintenance	731	208	1,000	(792)
Cleaning supplies	35	0	0	0
Motor fuel and lubrication	1,730	2,183	2,000	183
Uniforms	233	127	325	(198)
Miscellaneous	1,040	903	0	903
Computer equipment & software	3,295	5,831	3,500	2,331
Motor Vehicle/Equipment	62	27	100	(73)
Refunds	3,400	1,800	1,000	800
Miscellaneous	0	50	0	50
Total Community Development	179,954	192,898	217,775	(24,877)
Operating transfers	543,300	610,006	848,005	(237,999)
Appropriated reserve	0	0	66,303	(66,303)
Total expenditures and transfers subject to budget	4,944,451	4,822,397	$ 5,554,585	$ (732,188)
Receipts over (under) expenditures	(395,700)	754,905		
Unencumbered cash, January 1	837,007	441,307		
Unencumbered cash, December 31	$ 441,307	$ 1,196,212		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
LIBRARY FUND - 02
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Ad valorem property tax	$ 266,710	$ 271,814	$ 275,000	$ (3,186)
Back tax collections	4,646	3,619	2,500	1,119
Motor vehicle tax	31,732	25,076	23,687	1,389
Total taxes	303,088	300,509	301,187	(678)
Intergovernmental				
State aid and grants	30,365	28,891	25,000	3,891
Use of money and property				
Interest on investments	666	279	1,000	(721)
Fines and fees	388	468	500	(32)
Other				
Miscellaneous	3,834	3,758	4,000	(242)
Total cash receipts	338,341	333,905	$ 331,687	$ 2,218
Expenditures				
Regular salaries	112,766	117,976	$ 115,755	$ 2,221
Temporary help	46,003	38,027	58,880	(20,853)
Library pages	23,422	23,635	23,650	(15)
Overtime	950	629	400	229
Unemployment benefits	186	180	173	7
Telephone services	3,498	3,954	2,500	1,454
Training	646	754	1,000	(246)
Advertising	758	961	1,000	(39)
Insurance and bond premiums	7,125	7,662	6,900	762
Utility charges	10,765	11,266	10,500	766
Other services	21,629	15,774	13,500	2,274
Office supplies	1,413	2,112	1,700	412
Postage	126	244	350	(106)
Operation supplies	3,365	4,504	4,000	504
Building maintenance supplies	9,594	9,441	6,000	3,441
Cleaning supplies	728	630	900	(270)
Library media	15,142	19,250	20,000	(750)
Library materials	1,491	1,934	1,500	434
Children's programming	1,860	1,041	1,000	41
Adult Programming	20	307	300	7
Non sufficient funds checks	0	26	0	26
Computer equipment and software	5,060	5,184	5,250	(66)
Library books	8,345	8,490	8,500	(10)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
LIBRARY FUND - 02
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual	2022 Budget	2022 Variance Over (Under)
Expenditures - continued				
Refunds	$ 0	$ 0	$ 100	$ (100)
Other	125	0	0	0
Total expenditures	275,017	273,981	283,858	(9,877)
Operating transfers	55,000	55,000	55,000	0
Appropriated reserve	0	0	57,581	(57,581)
Total expenditures and transfers subject to budget	330,017	328,981	$ 396,439	$ (67,458)
Receipts over (under) expenditures	8,324	4,924		
Unencumbered cash, January 1	79,257	87,581		
Unencumbered cash, December 31	$ 87,581	$ 92,505		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
EMPLOYEE BENEFIT FUND - 05
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Ad valorem property tax	$ 323,265	$ 117,746	$ 120,000	$ (2,254)
Back tax collections	5,659	4,196	4,000	196
Motor vehicle tax	38,450	30,384	28,714	1,670
Total taxes	367,374	152,326	152,714	(388)
Use of money and property				
Interest on investments	2,992	1,075	6,200	(5,125)
Other				
Reimbursements	69,479	47,083	61,000	(13,917)
Operating transfers	863,800	741,923	1,029,505	(287,582)
Total cash receipts	1,303,645	942,407	$ 1,249,419	$ (307,012)
Expenditures				
Final Benefits Payout	56,890	146,821	$ 100,000	$ 46,821
HRA	18,155	23,332	35,000	(11,668)
Health Premiums	337,723	283,926	450,000	(166,074)
Cobra Insurance Premiums	22,687	12,438	20,000	(7,562)
Worker's compensation	55,885	46,547	60,000	(13,453)
FICA employer's contributions	248,382	245,667	250,000	(4,333)
KPERS employer's contributions	394,439	381,781	425,000	(43,219)
Section 125 payments	26,531	19,885	36,000	(16,115)
Unemployment	3,191	3,139	6,500	(3,361)
Training, travel, dues	219	304	1,000	(696)
Insurance	6,240	6,576	6,000	576
Employee assistance	9,880	8,806	10,000	(1,194)
Other contractual	1,767	2,080	1,500	580
Operational supplies	0	0	750	(750)
Miscellaneous	397	201	2,000	(1,799)
Employee development	(632)	7,383	25,000	(17,617)
Total expenditures	1,181,754	1,188,886	1,428,750	(239,864)
Appropriated reserve	0	0	155,025	(155,025)
Total expenditures subject to budget	1,181,754	1,188,886	$ 1,583,775	$ (394,889)
Receipts over (under) expenditures	121,891	(246,479)		
Unencumbered cash, January 1	694,067	815,958		
Unencumbered cash, December 31	$ 815,958	$ 569,479		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER FUND - 07
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Sales Tax	$ 1,165	$ 961	$ 1,500	$ (539)
Charges for services				
Season passes	12,245	11,215	19,500	(8,285)
Gate receipts	19,345	16,859	28,750	(11,891)
Coupon books	3,420	2,790	6,500	(3,710)
Concessions	12,598	10,192	15,000	(4,808)
Lessons	3,093	3,443	9,600	(6,157)
Total charges for services	50,701	44,499	79,350	(34,851)
Use of money and property				
Rentals	0	3,600	4,000	(400)
Interest on investments	187	137	500	(363)
Total use of money & property	187	3,737	4,500	(763)
Operating transfers	90,000	150,000	150,000	0
Total cash receipts	142,053	199,197	$ 235,350	$ (36,153)
Expenditures				
Regular Salaries	312	617	$ 14,000	$ (13,383)
Temporary help	50,634	53,693	70,000	(16,307)
Overtime	2,590	3,846	5,000	(1,154)
Other personal services	4	0	900	(900)
Professional services	10,000	228	0	228
Telephone	1,372	1,247	1,100	147
Training, travel, dues	2,400	0	2,000	(2,000)
Advertising	1,372	1,268	2,000	(732)
Insurance	4,898	5,029	5,500	(471)
Utilities	13,541	9,354	13,000	(3,646)
Other contractual	4,261	4,622	2,500	2,122
General office supplies	602	217	200	17
Postage	7	0	0	0
Operational supplies	12,293	17,540	10,000	7,540
Equipment maintenance	1,167	370	500	(130)
Building & maintenance	358	0	5,000	(5,000)
Cleaning	316	185	100	85
Uniforms	1,547	1,838	2,000	(162)
Concession supplies	7,674	7,532	10,000	(2,468)
Equipment and plant	2,275	20,378	50,000	(29,622)
Other	4	0	0	0

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER FUND - 07
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual	2022 Budget	Variance Over (Under)
Expenditures - continued				
Refunds	$ 0	$ 370	$ 0	$ 370
Sales tax	1,139	888	1,500	(612)
Total expenditures	118,766	129,222	195,300	(66,078)
Operating transfers	25,000	25,000	25,000	0
Appropriated reserve	0	0	26,183	(26,183)
Total expenditures and transfers subject to budget	143,766	154,222	$ 246,483	$ (92,261)
Receipts over (under) expenditures	(1,713)	44,975		
Unencumbered cash, January 1	47,084	45,371		
Unencumbered cash, December 31	$ 45,371	$ 90,346		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
COMMUNITY CENTER - 08
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Charges for services				
Rentals	$ 20,717	$ 30,316	$ 25,000	$ 5,316
Concessions	669	121	250	(129)
Ticket sales	610	585	2,500	(1,915)
Program and events	0	0	2,000	(2,000)
Total charges for services	21,996	31,022	29,750	1,272
Intergovernmental				
Grants	6,300	7,530	3,000	4,530
Use of money and property				
Interest on investments	53	15	100	(85)
Other				
Reimbursed expenses	13	0	0	0
Miscellaneous	110	287	0	287
Sales Tax	104	65	100	(35)
Total other	227	352	100	252
Operating transfers	100,000	100,000	100,000	0
Total cash receipts	128,576	138,919	$ 132,950	$ 5,969
Expenditures				
Full time salaries	61,768	64,557	$ 63,085	$ 1,472
Part time help	3,424	4,746	5,385	(639)
Overtime	39	0	150	(150)
Telephone	2,956	2,057	2,400	(343)
Training and travel	102	100	600	(500)
Advertising	4,490	865	3,900	(3,035)
Insurance	10,341	11,412	10,500	912
Lease Payments	5,041	5,041	5,041	0
Utilities	12,844	14,206	16,000	(1,794)
Other contractual	11,795	7,123	2,500	4,623
Event and program costs	983	1,112	4,000	(2,888)
General office supplies	302	949	300	649
Postage	0	0	300	(300)
Gifts/memorials	0	77	100	(23)
Operating supplies	861	1,107	3,000	(1,893)
Building maintenance	7,687	10,540	3,500	7,040
Cleaning supplies	527	39	1,200	(1,161)
Non Sufficient Funds Checks	0	0	100	(100)

City of Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
COMMUNITY CENTER - 08
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual	2022 Budget	2022 Variance Over (Under)
Expenditures - continued				
Concession supplies	$ 19	$ 42	$ 500	$ (458)
Office Equip. Furniture	0	0	150	(150)
Miscellaneous	0	29	50	(21)
Computer equipment and software	0	836	200	636
Sales tax	118	65	175	(110)
Real Estate taxes	383	410	1,000	(590)
Refunds	150	0	0	0
Total expenditures	123,830	125,313	124,136	1,177
Operating transfers	13,500	13,500	13,500	0
Appropriated reserve	0	0	14,246	(14,246)
Total expenditures and transfers subject to budget	137,330	138,813	$ 151,882	$ (13,069)
Receipts over (under) expenditures	(8,754)	106		
Unencumbered cash, January 1	13,798	5,044		
Unencumbered cash, December 31	$ 5,044	$ 5,150		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
STORM WATER MANAGEMENT - 12
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Storm water management fees	$ 86,118	$ 86,499	$ 85,000	$ 1,499
Use of money and property				
Interest on investments	744	424	900	(476)
Total cash receipts	86,862	$ 86,923	$ 85,900	$ 1,023
Expenditures				
Full time salaries	27	$ 0	$ 0	$ 0
Professional Services	0	0	20,000	(20,000)
Other contractual	0	1,919	5,000	(3,081)
Construction materials	0	25,163	30,000	(4,837)
Lease payments	6,300	7,150	6,300	850
Equipment/plant	0	0	2,500	(2,500)
Storm water construction	4,470	18,019	25,000	(6,981)
Total expenditures	10,802	52,251	88,800	(36,549)
Appropriated reserve	0	0	181,590	(181,590)
Total expenditures and transfers subject to budget	10,802	$ 52,251	$ 270,390	$ (218,139)
Receipts over (under) expenditures	76,060	34,672		
Unencumbered cash, January 1	186,289	262,349		
Unencumbered cash, December 31	$ 262,349	$ 297,021		

City of Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
SPECIAL PARK AND RECREATION FUND - 14
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Intergovernmental				
Local liquor tax	$ 21,666	$ 21,043	$ 15,000	$ 6,043
Use of money and property				
Interest on investment	172	47	0	47
Total cash receipts	21,838	21,090	$ 15,000	$ 6,090
Expenditures				
Other contractual	6,225	$ 33,489	$ 15,000	$ 18,489
Operational supplies	2,300	344	2,500	(2,156)
Equip/Bldg. & Grounds	15,692	14,893	16,000	(1,107)
Construction materials	10,000	409	16,000	(15,591)
Total expenditures	34,217	49,135	49,500	(365)
Appropriated reserve	0	0	413	(413)
Total expenditures subject to budget	34,217	49,135	$ 49,913	$ (778)
Receipts over (under) expenditures	(12,379)	(28,045)		
Unencumbered cash, January 1	51,913	39,534		
Unencumbered cash, December 31	$ 39,534	$ 11,489		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
STREET REPAIR - SPECIAL HIGHWAY FUND - 17
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Gas tax	$ 165,209	$ 154,862	$ 147,060	$ 7,802
Use of money and property				
Interest on investments	621	340	0	340
Total cash receipts	165,830	155,202	$ 147,060	$ 8,142
Expenditures				
Full time salaries	36	0	$ 0	$ 0
Construction material	111,032	150,000	150,000	0
Total expenditures	111,068	150,000	150,000	0
Appropriated reserve	0	0	123,687	(123,687)
Total expenditures subject to budget	111,068	150,000	$ 273,687	$ (123,687)
Receipts over (under) expenditures	54,762	5,202		
Unencumbered cash, January 1	127,568	182,330		
Unencumbered cash, December 31	$ 182,330	$ 187,532		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
SPECIAL LAW ENFORCEMENT ACCOUNT - 18
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Interest on investment	$ 27	$ 11
Total cash receipts	27	11
Expenditures		
Miscellaneous	0	0
Total expenditures	0	0
Receipts over (under) expenditures	27	11
Unencumbered cash, January 1	7,498	7,525
Unencumbered cash, December 31	$ 7,525	$ 7,536

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
TRANSIENT GUEST TAX - 20
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Transient guest tax	$ 31,664	$ 37,798	$ 25,000	$ 12,798
Use of money and property				
Interest on investment	229	85	0	85
Total cash receipts	31,893	$ 37,883	$ 25,000	$ 12,883
Expenditures				
Advertising	0	$ 5,642	$ 0	$ 5,642
Economic Development Chamber	15,000	4,000	15,000	(11,000)
Promotional campaigns	15,900	30,150	25,000	5,150
Other	200	0	0	0
Total expenditures	31,100	39,792	40,000	(208)
Appropriated reserve	0	0	34,035	(34,035)
Total expenditures and transfers subject to budget	31,100	$ 39,792	$ 74,035	$ (34,243)
Receipts over (under) expenditures	793	(1,909)		
Unencumbered cash, January 1	64,035	64,828		
Unencumbered cash, December 31	$ 64,828	$ 62,919		

City of Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER EQUIPMENT RESERVE - 23
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Interest on investments	$ 215	$ 0
Total cash receipts	215	0
Expenditures		
Operating transfers	90,000	0
Total expenditures and transfers	90,000	0
Receipts over (under) expenditures	(89,785)	0
Unencumbered cash, January 1	89,667	(118)
Unencumbered cash, December 31	$ (118)	$ (118)

City of Paola, Kansas

Schedule 2l

SPECIAL PURPOSE FUNDS
COVID-19 - 26
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Intergovernmental		
State Grants	$ 438,180	$ 436,386
County Grants	0	250,000
Total cash receipts	438,180	686,386
Expenditures		
Other contractual	0	248,098
Operating supplies	1,794	0
Construction materials	0	65,510
Other	0	146,177
Total expenditures	1,794	459,785
Receipts over (under) expenditures	436,386	226,601
Unencumbered cash, January 1	0	436,386
Unencumbered cash, December 31	$ 436,386	$ 662,987

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
GENERAL OBLIGATION TEMPORARY NOTES - 27
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Bond proceeds	$ 0	$ 3,110,000
Bond Premium	0	19,997
Other		
Reimbursed expense	0	135
Total cash receipts	0	3,130,132
Expenditures		
Professional services	0	18,298
Other contractual	0	2,260,310
Construction materials	0	164,448
Underwriting discount	0	23,325
Interest expense	0	56,153
Total expenditures	0	2,522,534
Receipts over (under) expenditures	0	607,598
Unencumbered cash, January 1	0	0
Unencumbered cash, December 31	$ 0	$ 607,598

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2n

SPECIAL PURPOSE FUNDS
ESCROW FUND - 46
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Escrow receipts	$ 300	$ 330
Total cash receipts	300	330
Expenditures		
Escrow disbursements	900	0
Total expenditures	900	0
Receipts over (under) expenditures	(600)	330
Unencumbered cash, January 1	3,546	2,946
Unencumbered cash, December 31	$ 2,946	$ 3,276

City of Paola, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
MENNENOAH CEMETERY - 47
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Interest on investment	$ 8	$ 3
Total cash receipts	8	3
Expenditures		
Other Contractual	0	0
Total expenditures	0	0
Receipts over (under) expenditures	8	3
Unencumbered cash, January 1	2,287	2,295
Unencumbered cash, December 31	$ 2,295	$ 2,298

City of Paola, Kansas

Schedule 2p

SPECIAL PURPOSE FUNDS
SPECIAL GRANTS FUND - 70
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Intergovernmental		
Grants	$ 56,834	$ 88,666
Use of money and property		
Donations and Gifts	3,500	3,500
Total cash receipts	60,334	92,166
Expenditures		
Library materials	54,591	70,741
Children's programming	0	400
Other contractual	538	0
Equipment	0	10,583
Other	4,618	30,462
Total expenditures	59,747	112,186
Receipts over (under) expenditures	587	(20,020)
Unencumbered cash, January 1	43,261	43,848
Unencumbered cash, December 31	$ 43,848	$ 23,828

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2q

SPECIAL PURPOSE FUNDS
DRUG ENFORCEMENT ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Other		
Reimbursement	$ 2,352	$ 1,058
Expenditures		
Other services	2,842	60
Receipts over (under) expenditures	(490)	998
Unencumbered cash, January 1	1,583	1,093
Unencumbered cash, December 31	$ 1,093	$ 2,091

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2r

DEBT SERVICE FUND
BOND & INTEREST - 06
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021	2022		
				Variance
				Over
Cash receipts	**Actual**	**Actual**	**Budget**	**(Under)**
Taxes				
Ad valorem property tax	$ 309,196	$ 279,473	$ 285,000	$ (5,527)
Back tax collections	5,812	4,388	3,000	1,388
Motor vehicle tax	38,646	29,183	27,462	1,721
Special assessments	37,644	114,083	10,000	104,083
Total taxes	391,298	427,127	325,462	101,665
Use of money and property				
Interest on investments	5,904	2,767	6,000	(3,233)
Total use of money and property	5,904	2,767	6,000	(3,233)
Other				
Miscellaneous	24	0	0	0
Operating transfers	826,579	451,650	390,825	60,825
Total cash receipts	1,223,805	881,544	$ 722,287	$ 159,257
Expenditures				
Bond principal	940,000	785,000	$ 785,000	$ 0
Interest expense	229,379	173,963	174,000	(37)
Total expenditures	1,169,379	958,963	959,000	(37)
Operating transfers	208,908	0	372,124	(372,124)
Total expenditures and transfers subject to budget	1,378,287	958,963	$ 1,331,124	$ (372,161)
Receipts over (under) expenditures	(154,482)	(77,419)		
Unencumbered cash, January 1	598,591	444,109		
Unencumbered cash, December 31	$ 444,109	$ 366,690		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2s

CAPITAL PROJECTS FUNDS
WASTE WATER TREATMENT PLANT CONSTRUCTION - 31
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Interest on investments	$ 3,014	$ 0
Other		
Reimbursements	18,913	0
Total cash receipts	21,927	0
Expenditures		
Operating transfers	758,806	0
Receipts over (under) expenditures	(736,879)	0
Unencumbered cash, January 1	736,879	0
Unencumbered cash, December 31	$ 0	$ 0

City of Paola, Kansas

Schedule 2t

CAPITAL PROJECTS FUNDS
EQUIPMENT REPLACEMENT - 80
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Other		
Reimbursed Expenses	$ 167,550	$ 47,679
Sale of surplus equipment	0	33,950
Miscellaneous	347	6,048
Total cash receipts	167,897	87,677
Expenditures		
Equipment/plant	0	61,750
Motor vehicle	167,550	0
Total expenditures	167,550	61,750
Receipts over (under) expenditures	347	25,927
Unencumbered cash, January 1	102,480	102,827
Unencumbered cash, December 31	$ 102,827	$ 128,754

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2u

CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS - 90
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Taxes and shared revenues		
City sales tax	$ 1,382,748	$ 1,518,947
Other		
Interest	3,560	2,237
Miscellaneous	3,662	400
Reimbursements	22,132	8,737
Grants	638,851	73,790
Donations and gifts	750	1,364
Total other	668,955	86,528
Operating transfers	208,908	60,684
Total cash receipts	2,260,611	1,666,159
Expenditures		
Construction materials	11,279	222,598
Other contractual	61,893	63,976
Motor Vehicle/Equipment	10,050	74,876
Equip/Bldg. & Grounds	60,478	73,000
Capital improvements	57,991	31,147
Professional services	21,768	0
Other	836,546	9,192
Total expenditures	1,060,005	474,789
Operating transfers	627,392	210,684
Total expenditures and transfers	1,687,397	685,473
Receipts over (under) expenditures	573,214	980,686
Unencumbered cash, January 1	1,660,148	2,233,362
Unencumbered cash, December 31	$ 2,233,362	$ 3,214,048

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Charges for services				
Connect & disconnect	$ 16,992	$ 71,500	$ 30,000	$ 41,500
Inspection charges	930	3,700	2,000	1,700
Sewer lagoon dumping	3,261	0	15,000	(15,000)
Sewer service charges	1,298,211	1,305,095	1,313,000	(7,905)
Total charges for services	1,319,394	1,380,295	1,360,000	20,295
Use of money and property				
Interest on investments	1,131	1,203	4,200	(2,997)
Other				
Reimbursed expenses	3,416	3,362	10,600	(7,238)
Operating transfers	144,505	0	0	0
Total cash receipts	1,468,446	1,384,860	$ 1,374,800	$ 10,060
Expenditures				
Administration				
Full time salaries	137	0	$ 0	$ 0
Overtime	(34)	0	0	0
Other personal services	13	0	0	0
Telephone services	480	758	0	758
Training, Travel, Dues	0	0	8,000	(8,000)
Insurance	27,450	31,762	28,000	3,762
Other contractual	5,563	5,394	5,000	394
General office supplies	943	700	600	100
Postage	3,992	5,091	4,500	591
Refunds	1,468	0	0	0
Total administration	40,012	43,705	46,100	(2,395)
Production				
Full time salaries	56,213	58,345	56,700	1,645
Overtime	5,170	4,627	5,500	(873)
Telephone services	806	1,016	1,300	(284)
Training, travel, dues	511	266	600	(334)
Lease payments	19,777	19,777	19,777	0
Utilities	102,156	98,297	98,000	297
Testing and analytical	8,074	9,556	9,000	556
Other contractual	27,677	27,784	30,000	(2,216)
General office supplies	170	136	200	(64)

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Expenditures - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Production - continued				
Operational supplies	$ 4,646	$ 10,173	$ 20,000	$ (9,827)
Vehicle maintenance	0	0	500	(500)
Equipment maintenance	57	604	1,500	(896)
Building maintenance	28	1,221	2,000	(779)
Motor fuel and lubricants	1,012	1,257	3,000	(1,743)
Uniforms	249	236	400	(164)
Miscellaneous	0	0	10,000	(10,000)
Computer Equipment and Software	0	99	1,000	(901)
Equipment, Plant	27,307	22,805	28,000	(5,195)
Equipment, building and grounds	10,512	2,631	6,000	(3,369)
Total production	264,365	258,830	293,477	(34,647)
Distribution				
Full time salaries	50,565	98,770	67,600	31,170
Overtime	3,426	8,729	4,000	4,729
Telephone services	1,492	683	3,000	(2,317)
Training, travel, dues	917	1,182	1,200	(18)
Advertising	0	78	500	(422)
Lease Payments	0	0	33,000	(33,000)
Utilities	8,173	7,185	12,000	(4,815)
Other contractual	12,726	15,069	12,000	3,069
General office supplies	175	190	400	(210)
Operational supplies	12,738	11,326	10,000	1,326
Vehicle maintenance	915	1,649	1,500	149
Equipment maintenance	9,268	5,290	15,000	(9,710)
Building maintenance	436	2,053	2,000	53
Construction materials	25	4,902	4,500	402
Motor fuel and lubricants	5,904	14,222	10,000	4,222
Uniforms	549	495	900	(405)
Computer equipment and software	525	284	300	(16)
Motor vehicle/equipment	0	16,049	16,000	49
Equipment, building and grounds	8,016	2,107	8,000	(5,893)
Distribution lines	30,516	49,734	50,000	(266)
Total distribution	146,366	239,997	251,900	(11,903)

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Expenditures - continued				
Operating transfers	$ 441,965	$ 854,650	$ 893,825	$ (39,175)
Appropriated reserve	0	0	308,232	(308,232)
Total expenditures and transfers subject to budget	892,708	1,397,182	$ 1,793,534	$ (396,352)
Receipts over (under) expenditures	575,738	(12,322)		
Unencumbered cash, January 1	218,387	794,125		
Unencumbered cash, December 31	$ 794,125	$ 781,803		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Sale of water	$ 1,796,765	$ 2,048,273	$ 2,200,000	$ (151,727)
Water for resale	46,263	47,745	55,000	(7,255)
Sales tax	27,440	32,070	30,000	2,070
Tank sales	7,423	6,768	7,500	(732)
Installation charges	6,600	58,600	15,000	43,600
Connection fees	7,685	8,214	8,000	214
Total charges for services	1,892,176	2,201,670	2,315,500	(113,830)
Use of money and property				
Interest on investments	512	27	1,500	(1,473)
Total use of money and property	512	27	1,500	(1,473)
Other				
Reimbursed expenses	4,280	4,230	82,000	(77,770)
KS setoff reimbursement	5,655	4,562	7,000	(2,438)
Miscellaneous	350	350	350	0
Long/short	(28)	(21)	0	(21)
	10,257	9,121	89,350	(80,229)
Total cash receipts	1,902,945	2,210,818	$ 2,406,350	$ (195,532)
Expenditures				
Administration				
Full time salaries	286	0	$ 0	$ 0
Other personal services	13	0	2,500	(2,500)
Telephone services	370	512	0	512
Insurance and bonds	11,358	13,145	11,500	1,645
Other contractual	5,931	5,384	5,000	384
General office supplies	943	700	700	0
Postage	3,992	5,091	5,000	91
Operational supplies	0	1,147	1,000	147
Refunds	52	123	0	123
Sales tax remittance	40,365	50,016	30,000	20,016
Total administration	63,310	76,118	55,700	20,418

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Expenditures - continued	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Production				
Telephone services	$ 0	$ 0	$ 500	$ (500)
Training, travel, dues	169	348	200	148
Utilities	5,954	7,518	7,000	518
Water purchase	1,587,909	1,771,804	1,800,000	(28,196)
Motor fuel and lubrication	0	0	275	(275)
Uniforms	0	0	275	(275)
Total production	1,594,032	1,779,670	1,808,250	(28,580)
Distribution				
Full time salaries	104,871	70,713	150,705	(79,992)
Overtime	2,984	1,756	1,000	756
Tank maintenance	10,687	10,686	10,700	(14)
Legal	15	0	0	0
Telephone services	1,812	974	3,000	(2,026)
Training, travel, dues	1,824	2,836	2,000	836
Advertising	0	35	500	(465)
Lease Payments	0	0	33,000	(33,000)
Utilities	2,889	1,428	2,000	(572)
Testing analytical	1,793	2,901	3,000	(99)
Other contractual	13,844	16,865	12,000	4,865
General office supplies	183	136	500	(364)
Postage	308	176	600	(424)
Operational supplies	25,548	44,049	35,000	9,049
Vehicle maintenance	1,727	3,413	3,000	413
Equipment maintenance	2,674	4,315	8,000	(3,685)
Building and maintenance	437	2,939	2,500	439
Construction materials	21,151	29,317	25,000	4,317
Motor fuel and lubrication	6,612	10,047	12,000	(1,953)
Uniforms	595	275	1,000	(725)
Motor vehicle/equipment	0	16,016	16,000	16
Computer equipment and software	1,378	647	1,000	(353)
Mains and meters	81,886	62,287	110,000	(47,713)
Total distribution	283,218	281,811	432,505	(150,694)

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual	2022 Budget	2022 Variance Over (Under)
Expenditures - continued				
Operating transfers	$ 126,000	$ 35,417	$ 175,000	$ (139,583)
Appropriated reserve	0	0	77,912	(77,912)
Total expenditures and transfers subject to budget	2,066,560	2,173,016	$ 2,549,367	$ (376,351)
Receipts over (under) expenditures	(163,615)	37,802		
Unencumbered cash, January 1	194,317	30,702		
Unencumbered cash, December 31	$ 30,702	$ 68,504		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2x

BUSINESS FUNDS
SEWER LINE REPLACEMENT - 11
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Interest on investments	$ 483	$ 0
Operating transfers	1,750	0
Total cash receipts	2,233	0
Expenditures		
Equipment/plant	7,700	0
Operating transfers	177,465	0
Total expenditures subject to budget	185,165	0
Receipts over (under) expenditures	(182,932)	0
Unencumbered cash, January 1	182,932	0
Unencumbered cash, December 31	$ 0	$ 0

City of Paola, Kansas

Schedule 2y

BUSINESS FUNDS
HEALTH AND SANITATION FUND - 13
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

		2022		
Cash receipts	**2021 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Haulers' permits	$ 1,950	$ 1,500	$ 1,500	$ 0
Landfill charges and collections	414,426	417,067	400,000	17,067
Total charges for services	416,376	418,567	401,500	17,067
Use of money and property				
KS setoff reimbursement	92	232	300	(68)
Interest on investments	123	91	400	(309)
Total use of money & property	215	323	700	(377)
Fees	660	450	200	250
Total cash receipts	417,251	419,340	$ 402,400	$ 17,008
Expenditures				
Full time salaries	107	0	$ 0	$ 0
Advertising	440	465	0	465
Insurance	1,298	1,378	1,275	103
Other contractual	375,926	395,795	387,600	8,195
General office supplies	712	398	600	(202)
Total expenditures	378,483	398,036	389,475	8,561
Operating transfers	0	16,000	25,000	(9,000)
Appropriated reserve	0	0	0	0
Total expenditures and transfers subject to budget	378,483	414,036	$ 414,475	$ (439)
Receipts over (under) expenditures	38,768	5,304		
Unencumbered cash, January 1	51,503	90,271		
Unencumbered cash, December 31	$ 90,271	$ 95,575		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2z

BUSINESS FUNDS
WATER TREATMENT PLANT FUND - 15
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Interest	$ 819	$ 317
Total cash receipts	819	317
Expenditures		
Other Contractual	38,275	15,423
Total expenditures and transfers subject to budget	38,275	15,423
Receipts over (under) expenditures	(37,456)	(15,106)
Unencumbered cash, January 1	261,352	223,896
Unencumbered cash, December 31	$ 223,896	$ 208,790

City of Paola, Kansas

Schedule 2aa

BUSINESS FUNDS
WASTEWATER TREATMENT PLANT - 16
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Use of money and property		
Interest income	$ 1,214	$ 1,659
Other		
Reimbursed expense	0	19,485
Operating transfers	974,550	0
Total cash receipts	975,764	21,144
Expenditures		
Full time salaries	869	0
Overtime	68	0
Other contractual	40,900	36,974
Computer equip/software	0	747
Total expenditures	41,837	37,721
Operating transfer	142,755	0
Total expenditures and transfers subject to budget	184,592	37,721
Receipts over (under) expenditures	791,172	(16,577)
Unencumbered cash, January 1	138,540	929,712
Unencumbered cash, December 31	$ 929,712	$ 913,135

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2022

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Police bond	$ 19,134	$ 44,554	$ 49,422	$ 14,266
Payroll withholding	6,799	304,768	306,164	5,403
TIF	0	6	0	6
	$ 25,933	$ 349,328	$ 355,586	$ 19,675

See Independent Auditor's Report.