CITY OF PAOLA
Paola, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2024

CITY OF PAOLA, KANSAS

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Year ended December 31, 2024

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234 South Main
Ottawa, Kansas 66067
(785) 242-3170
(785) 242-9250
www.ag.cpa WEB SITE

Agler & Gaeddert CHARTERED
Certified Public Accountants

Harold K. Mayes, 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, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis 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, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of City of Paola as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 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.

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's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain 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, 2023 (not presented herein), and have issued our report thereon dated June 4, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 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 2023 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2024 (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 2023 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 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the 2023 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 2023 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, 2023, on the basis of accounting described in Note C.

Harold K. Mayes Jr

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
April 24, 2025

City of Paola, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2024

	Beginning Unencumbered Cash Balances	Receipts
General Fund	$ 1,656,933	$ 6,088,225
Special Purpose Funds		
Library	68,360	356,179
Employee Benefit	531,211	1,412,382
Family Aquatics Center	104,046	178,282
Community Center	9,714	113,179
Storm Water Management	337,184	95,176
Special Park and Recreation	6,859	20,649
Street Repair/Special Highway	195,105	159,841
Special Law Enforcement Account	4,584	86
Transient Guest Tax	52,372	40,725
Family Aquatics Center Equipment Reserve	138,714	141,000
Covid-19	507,609	0
Bond Issue	2,740,531	79,827
Escrow Proceeds	2,970	36,367
Mennenoah Cemetery	2,321	44
Special Grants Fund	16,532	53,675
Drug Enforcement Account	1,335	0
	4,719,447	2,687,412
Debt Service Funds		
Bond and Interest	354,521	1,582,145
Capital Projects Funds		
Equipment Replacement	315,101	105,130
Capital Projects Fund	2,854,328	1,740,626
	3,169,429	1,845,756

The accompanying notes are an integral part of this statement.

Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balances
$ 5,647,949	$ 2,097,209	$ 189,701	$ 2,286,910
368,641	55,898	16,604	72,502
1,424,894	518,699	43,707	562,406
174,839	107,489	64	107,553
101,518	21,375	5,835	27,210
77,616	354,744	0	354,744
19,834	7,674	0	7,674
150,000	204,946	0	204,946
0	4,670	0	4,670
55,209	37,888	0	37,888
100,000	179,714	0	179,714
427,609	80,000	10,449	90,449
1,487,711	1,332,647	1,430,450	2,763,097
460	38,877	0	38,877
0	2,365	0	2,365
61,235	8,972	633	9,605
0	1,335	0	1,335
4,449,566	2,957,293	1,507,742	4,465,035
1,514,187	422,479	0	422,479
123,022	297,209	0	297,209
1,324,893	3,270,061	15,801	3,285,862
1,447,915	3,567,270	15,801	3,583,071

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, 2024

	Beginning Unencumbered Cash Balances	Receipts
Business Funds		
Sewer Service Operating	$ 935,523	$ 1,344,412
Water Utility Operating	563,012	2,489,681
Health and Sanitation	92,153	487,864
Water Treatment Plant	210,864	18,210
Wastewater Treatment Plant	788,835	80,920
	2,590,387	4,421,087
	$ 12,490,717	$ 16,624,625

The accompanying notes are an integral part of this statement.

Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balances
$ 1,169,506	$ 1,110,429	$ 19,250	$ 1,129,679
2,070,608	982,085	1,274	983,359
456,064	123,953	444	124,397
10,863	218,211	0	218,211
282,425	587,330	0	587,330
3,989,466	3,022,008	20,968	3,042,976
$ 17,049,083	$ 12,066,259	$ 1,734,212	$ 13,800,471

Cash balance consisting of	
Balance on deposit	
Checking, money market accounts & petty cash	$ 10,231,817
Certificates of deposit	4,250,000
Police bond	15,181
Payroll withholding	6,431
Police account	1,335
Total cash	14,504,764
Agency Funds Per Schedule 3	(704,293)
Total cash (excluding agency funds)	$ 13,800,471

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENT
December 31, 2024

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	Bond Issue
Escrow Fund	Mennenoah Cemetery
Special Grants	Drug Enforcement Account
Equipment Replacement	Capital Projects
Water Treatment Plant	Waste Water Treatment Plant

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, 2024.

At December 31, 2024, the carrying amount of the City's bank deposits was $14,504,764 (which includes petty cash funds) and the bank balance was $14,579,074. The bank balance was held by three banks which reduces concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $750,000 was covered by federal depository insurance, and $13,829,074 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 Bonds Series A, 2023	4.00-5.00	03/01/23	7,570,000	09/01/36
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
Copiers	0.00	01/01/23	18,300	1/18/27
800MHZ Radios	3.49	01/01/20	125,000	1/1/25
2021 Ford Exployer	1.22	01/01/21	85,000	1/1/24
2021 Chevy Silverado	4.95	01/01/21	80,000	1/1/24

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:						
Refunding Series 2014	$ 395,000	$ 0	$ 210,000	$ (210,000)	$ 185,000	$ 11,850
GO Refunding Series 2020	3,385,000	0	360,000	(360,000)	3,025,000	101,550
GO Bond Series A, 2023	7,115,000	0	320,000	(320,000)	6,795,000	320,900
Public Building Commission						
Refunding Series 2016	540,000	0	175,000	(175,000)	365,000	14,888
Total bonds	$ 11,435,000	$ 0	$ 1,065,000	$ (1,065,000)	$ 10,370,000	$ 449,188

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital leases:						
Fire Truck	$ 327,700	$ 0	$ 51,624	$ (51,624)	$ 276,076	$ 8,509
Copiers	33,432	0	8,358	(8,358)	25,074	0
800MHZ Radios	52,119	0	25,604	(25,604)	26,515	2,720
2021 Ford Exployer	40,007	0	40,007	(40,007)	0	1,706
2021 Chevy Silverado	23,614	0	23,614	(23,614)	0	734
Total for leases	476,872	0	149,207	(149,207)	327,665	13,669
Total for all debt	$ 11,911,872	$ 0	$ 1,214,207	$ (1,214,207)	$ 10,697,665	$ 462,857

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				
	2025	2026	2027	2028	2029
Principal:					
Bonds	$ 920,000	$ 1,145,000	$ 830,000	$ 885,000	945,000
Capital Leases	87,659	62,331	63,546	56,430	57,699
	1,007,659	1,207,331	893,546	941,430	1,002,699
Interest:					
Bonds	412,150	372,050	335,400	302,100	266,450
Capital Leases	7,150	5,024	3,810	2,568	1,298
	419,300	377,074	339,210	304,668	267,748
Total Principal & Interest	$ 1,426,959	$ 1,584,405	$ 1,232,756	$ 1,246,098	1,270,447

	Year 2030-2034	Year 2035-2036	Total
Principal:			
Bonds	$ 4,075,000	$ 1,570,000	$ 10,370,000
Capital Leases	0	0	327,665
	4,075,000	1,570,000	10,697,665
Interest:			
Bonds	781,050	95,200	2,564,400
Capital Leases	0	0	19,850
	781,050	95,200	2,584,250
Total Principal & Interest	$ 4,856,050	$ 1,665,200	$ 13,281,915

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. On December 31, 2024, the statutory limit for the City was $24,650,479 providing a debt margin of $14,280,479 after removing debt exempt from the limitation.

NOTE G. CAPITAL PROJECTS

Project Name	Project Authorization	Project Expenditures
Lake Miola Dam Repair	$ 2,299,714	$ 369,264

NOTE H. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Employee Benefit	12-16,102	$ 730,000
General	Community Center	12-16,102	83,000
General	Capital Projects	12-16,102	50,000
General	Equipment Replacement	12-16,102	90,000
Library	Employee Benefit	12-16,102	68,000
Sewer Service	Employee Benefit	12-16,102	130,000
Sewer Service	Bond and Interest	12-16,102	461,550
Family Aquatics Center	Employee Benefit	12-16,102	25,000
Community Center	Capital Projects	12-16,102	5,000
Water Utility	Water Treatment Plant	12-16,102	7,000
Family Aquatics Center Equipment	Family Aquatics Center	12-16,102	100,000
Capital Projects	Bond and Interest	12-16,102	640,900
			$ 2,390,450

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, 2024.

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 or

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, 2024, the unused vacation time represented a potential liability to the City in the amount of $134,691.

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, 2024, City employees' sick leave payout at 25% would be $106,104. In addition to vacation and sick leave, the City also has paid leave for comp time, personal days and wellness that amounted to $57,013 as of December 31, 2024. 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 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $153,360 for KPERS and $232,038 for KP&F for the year ended December 31, 2024.

Net Pension Liability: At December 31, 2024, the City's proportionate share of the collective net pension liability reported to KPERS was $1,705,416 and $2,414,321 for KP&F. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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. The City is not aware of any violations.

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 April 24, 2025, 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, 2024

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 5,978,757	$ 0	$ 5,978,757	$ 5,647,949	$ (330,808)
Special Purpose Funds					
Library	400,664	0	400,664	368,641	(32,023)
Employee Benefit	1,697,903	0	1,697,903	1,424,894	(273,009)
Family Aquatics Center	310,246	0	310,246	174,839	(135,407)
Community Center	132,877	0	132,877	101,518	(31,359)
Storm Water Management	378,622	0	378,622	77,616	(301,006)
Special Park and Recreation	28,291	0	28,291	19,834	(8,457)
Street Repair/Special Highway	348,171	0	348,171	150,000	(198,171)
Transient Guest Tax	58,869	0	58,869	55,209	(3,660)
Debt Service Funds					
Bond and Interest	1,169,653	0	1,169,653	1,514,187	344,534
Business Funds					
Sewer Service	1,930,453	0	1,930,453	1,169,506	(760,947)
Water Utility	2,264,305	0	2,264,305	2,070,608	(193,697)
Health and Sanitation	489,874	0	489,874	456,064	(33,810)

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Ad valorem property tax	$ 1,996,164	$ 2,329,880	$ 2,375,400	$ (45,520)
Back tax collections	28,116	31,670	12,500	19,170
Motor vehicle tax	169,414	159,548	144,620	14,928
City sales tax	1,123,213	1,116,603	900,000	216,603
County sales tax	912,649	909,953	700,000	209,953
Sales tax	1,749	2,101	2,000	101
Mowing assessments	1,060	700	0	700
In lieu of taxes	30,698	30,466	26,000	4,466
Total taxes	4,263,063	4,580,921	4,160,520	420,401
Intergovernmental				
Liquor	21,326	20,585	21,000	(415)
Community fisheries program	6,489	4,867	6,400	(1,533)
Total Intergovernmental	27,815	25,452	27,400	(1,948)
Licenses, fees and permits				
Franchise tax	497,864	466,162	440,000	26,162
Pet licenses	761	25	1,200	(1,175)
General licenses	43,175	49,375	35,000	14,375
Lake permits	79,962	90,194	45,000	45,194
Zoning/planning	4,027	2,126	1,000	1,126
Building permits	131,815	52,406	80,000	(27,594)
Total Licenses, Fees & Permits	757,604	660,288	602,200	58,088
Charges for services				
Rural fire	97,573	128,474	95,000	33,474
Fines, forfeitures, penalties				
Fines and fees	175,327	191,142	220,000	(28,858)
Court costs	34,440	34,350	0	34,350
Total Fines, Forfeitures, Penalties	209,767	225,492	220,000	5,492
Use of money and property				
Rentals	60,791	55,213	53,000	2,213
Cemetery	14,110	17,600	15,000	2,600
Interest on investments	60,140	205,723	10,000	195,723
Total Use of Money & Property	135,041	278,536	78,000	200,536

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Other				
Reimbursed expense	$ 154,453	$ 179,493	$ 178,900	$ 593
Reimbursed NSF Checks	5,808	6,596	0	6,596
Miscellaneous	10,861	2,973	3,000	(27)
Total Other	171,122	189,062	181,900	7,162
Operating Transfers	0	0	25,000	(25,000)
Total Cash Receipts	5,661,985	6,088,225	$ 5,390,020	$ 698,205
Expenditures				
Administration				
Full time salaries	454,962	448,049	$ 528,700	$ (80,651)
Part time help	16,795	17,195	18,200	(1,005)
Overtime	274	157	100	57
Other personal services	9,593	23,217	22,000	1,217
Professional services	1,450	0	5,000	(5,000)
Legal service	8,911	4,188	13,000	(8,812)
Telephone	5,414	6,364	9,000	(2,636)
Credit card transaction fees	41,175	16,047	30,000	(13,953)
Training, travel and dues	5,814	7,273	10,000	(2,727)
Legal printing	2,420	1,250	2,000	(750)
Advertising	1,086	1,258	1,400	(142)
Insurance	12,409	12,984	13,700	(716)
Utility charges	8,154	7,251	11,000	(3,749)
Other contractual	67,946	65,817	63,000	2,817
Civil defense sirens	1,664	1,627	8,000	(6,373)
Street lights	147,010	126,900	165,000	(38,100)
Chamber of commerce dues	5,000	5,000	5,000	0
General office supplies	4,182	6,834	7,000	(166)
Postage	4,811	4,384	4,000	384
Gifts and memorials	275	152	500	(348)
Operational supplies	3,888	3,948	3,000	948
Building and maintenance supplies	3,890	3,844	3,500	344
Cleaning supplies	446	55	300	(245)
Non sufficient funds checks	6,166	7,321	4,000	3,321
Miscellaneous	8,809	715	500	215
Office equipment/furniture	0	60	1,000	(940)
Computer equip. & software	1,728	70	500	(430)
Refunds	205	24	100	(76)
Sales tax	1,733	1,892	2,500	(608)
Total Administration	826,210	773,876	932,000	(158,124)

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Expenditures - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Police Department				
Full time salaries	$ 958,373	$ 971,223	$ 1,132,000	$ (160,777)
Part time help	4,907	5,195	7,500	(2,305)
Overtime	132,071	130,454	90,000	40,454
Holiday overtime	31,500	35,214	35,000	214
Legal services	20	0	0	0
Communications equipment	1,428	0	0	0
Telephone	19,488	20,999	20,000	999
Training, travel and dues	19,535	17,880	18,000	(120)
Training T&D Command Staff	4,499	4,499	4,500	(1)
Advertising	439	945	750	195
Insurance	33,779	34,820	37,950	(3,130)
Lease payments	40,870	40,966	42,000	(1,034)
Animal care	5,919	1,210	16,000	(14,790)
Utilities	25,151	26,885	27,000	(115)
Other services	145,584	76,249	80,000	(3,751)
Office supplies	3,555	3,153	4,200	(1,047)
Postage	1,463	805	1,000	(195)
Operational supplies	12,450	15,028	13,000	2,028
DARE supplies	1,825	1,552	1,700	(148)
Vehicle maintenance	12,788	18,941	13,000	5,941
Equipment maintenance	4,917	6,187	5,500	687
Building maintenance	15,224	20,612	17,000	3,612
Cleaning supplies	866	1,395	2,000	(605)
Motor fuel and lubrication	36,882	42,069	40,000	2,069
Uniforms	9,864	10,665	11,000	(335)
Enforcement equip. & supplies	19,817	19,558	20,000	(442)
Miscellaneous supplies	0	0	500	(500)
Office equipment	1,366	1,940	2,000	(60)
Computer equip. & software	37,344	78,765	26,000	52,765
Body cameras	0	0	13,700	(13,700)
Equipment, bldg. & grounds	4,967	10,606	9,000	1,606
Motor vehicles	9,064	8,504	10,000	(1,496)
Total Police Department	1,595,955	1,606,319	1,700,300	(93,981)
Fire Department				
Full time salaries	269,964	337,730	342,000	(4,270)
Telephone	4,710	5,355	5,000	355
Travel, dues and tags	8,434	7,090	8,500	(1,410)
Insurance	17,597	19,090	19,400	(310)

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Expenditures - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Fire Department - continued				
Utilities	$ 19,848	$ 17,417	$ 25,000	$ (7,583)
Other contractual	13,182	21,185	42,000	(20,815)
General office supplies	746	3,456	1,000	2,456
Postage	85	52	500	(448)
Advertising	50	0	0	0
Gifts/memorials	0	188	500	(312)
Operational supplies	16,240	19,879	21,000	(1,121)
Vehicle maintenance	1,204	1,553	6,000	(4,447)
Equipment maintenance	10,435	10,528	8,000	2,528
Comm. equip. & maint.	2,477	6,295	5,000	1,295
Building maintenance	19,607	16,782	18,000	(1,218)
Cleaning supplies	482	54	1,200	(1,146)
Motor fuel and lubrication	2,615	2,565	4,000	(1,435)
Rural fuel	2,758	2,716	4,000	(1,284)
Uniforms	8,078	9,516	8,000	1,516
Protective clothing	19,751	20,054	20,000	54
Office equipment/furniture	0	209	0	209
Equip/Bldg. & Grounds	115	0	0	0
Computer equip. & software	2,601	5,190	5,000	190
Total Fire Department	420,979	506,904	544,100	(37,196)
Municipal Court				
Full time salaries	71,897	92,995	98,000	(5,005)
Part time help	38,247	42,679	42,500	179
Legal services	86,132	97,098	90,000	7,098
Training, travel and dues	1,206	722	1,000	(278)
Legal printing expense	0	392	0	392
Prisoner care	28,205	48,099	68,000	(19,901)
Other contract	9,471	10,017	16,000	(5,983)
Office supplies	1,556	897	1,500	(603)
Postage	1,250	850	850	0
Operational supplies	544	1,026	1,000	26
Refunds	0	90	0	90
Non sufficient funds checks	212	703	0	703
Miscellaneous	0	20	0	20
Office Equip - Furniture	240	328	500	(172)
Computer equip. &software	708	475	1,000	(525)
Total Municipal Court	239,668	296,391	320,350	(23,959)

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Expenditures - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Street Department				
Full time salaries	$ 421,280	$ 491,077	$ 502,000	$ (10,923)
Part time help	0	0	6,500	(6,500)
Overtime	3,057	2,810	0	2,810
Telephone	4,130	4,322	4,400	(78)
Training, travel, dues	376	894	1,800	(906)
Advertising	0	0	500	(500)
Insurance	14,454	19,008	16,000	3,008
Utility charges	13,503	13,163	15,000	(1,837)
Other services	13,240	17,531	12,000	5,531
Tree care	1,248	2,500	2,500	0
General office supplies	781	772	1,000	(228)
Operational supplies	21,636	26,313	27,000	(687)
Vehicle maintenance	3,692	3,092	8,000	(4,908)
Snow/Ice Control	0	14,514	14,000	514
Equipment maintenance	22,949	25,758	26,000	(242)
Traffic	12,753	9,327	10,000	(673)
Building maintenance	3,599	2,797	3,500	(703)
Construction material	33,174	35,074	35,000	74
Motor fuel and lubrication	20,041	17,949	28,000	(10,051)
Uniforms	4,052	3,658	5,000	(1,342)
Miscellaneous supplies	0	0	300	(300)
Office equipment furniture	79	500	500	0
Computer equipment/ software	1,456	1,419	1,000	419
Motor vehicle/equipment	0	31	0	31
Miscellaneous capital items	24,656	31,657	30,000	1,657
Total Street Department	620,156	724,166	750,000	(25,834)
Park and Recreation				
Full time salaries	192,050	264,661	208,000	56,661
Part time help	14,800	33,248	25,000	8,248
Overtime	1,250	3,908	2,000	1,908
Telephone	3,822	4,168	2,500	1,668
Training, travel and dues	1,068	777	1,000	(223)
Advertising	0	112	1,200	(1,088)
Insurance	13,521	14,278	11,000	3,278
Utility charges	36,630	39,960	37,000	2,960
Other services	39,493	48,513	32,000	16,513

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Expenditures - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Park and Recreation - continued				
Tree care	$ 5,468	$ 5,806	$ 6,000	$ (194)
General office supplies	379	213	500	(287)
Operational supplies	12,813	12,396	12,000	396
Chemicals and fertilizer	1,691	4,856	6,500	(1,644)
Plant materials	5,972	2,080	4,000	(1,920)
Consumables	1,574	1,348	1,500	(152)
Vehicle maintenance	3,460	1,024	3,000	(1,976)
Equipment maintenance	11,553	9,024	10,000	(976)
Building maintenance	3,759	6,340	9,000	(2,660)
Construction material	1,802	949	2,500	(1,551)
Motor fuel and lubrication	16,355	20,095	19,000	1,095
Uniforms	1,121	1,390	2,000	(610)
Miscellaneous	1,223	0	500	(500)
Refunds	20	0	300	(300)
Computer Equip/Software	1,493	1,305	1,000	305
Equipment/building & grounds	13,937	20,000	20,000	0
Total Park & Recreation	385,254	496,451	417,500	78,951
Cemetery				
Full time salaries	48,003	50,955	51,000	(45)
Overtime	997	2,172	2,000	172
Training, travel and dues	0	0	200	(200)
Advertising	76	0	100	(100)
Insurance	2,213	2,296	1,000	1,296
Lease Payments	24,799	24,821	32,000	(7,179)
Other Contractual	1,835	925	3,500	(2,575)
Operational supplies	363	1,005	1,500	(495)
Vehicle maintenance	47	98	500	(402)
Equipment maintenance	379	691	1,200	(509)
Building maintenance	0	1,505	2,500	(995)
Construction materials	0	0	3,000	(3,000)
Motor fuel and lube	2,732	3,248	3,200	48
Refunds	10	50	0	50
Uniforms	727	415	500	(85)
Total Cemetery	82,181	88,181	102,200	(14,019)

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Expenditures - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Community Development				
Full time salaries	$ 164,657	$ 176,281	$ 190,000	$ (13,719)
Overtime	0	0	300	(300)
Professional services	1,726	600	10,000	(9,400)
Legal services	0	0	1,000	(1,000)
Telephone	2,927	3,119	4,000	(881)
Training, travel and dues	2,100	1,224	3,500	(2,276)
Legal printing	1,579	641	2,000	(1,359)
Advertising	0	369	100	269
Insurance	2,749	3,062	2,900	162
Other contractual	7,377	7,884	27,500	(19,616)
General office supplies	1,121	1,601	2,500	(899)
Postage	833	1,039	1,000	39
Operational supplies	60	636	1,600	(964)
Vehicle maintenance	764	218	1,000	(782)
Motor fuel and lubrication	1,593	807	2,500	(1,693)
Uniforms	100	320	325	(5)
Miscellaneous	0	457	500	(43)
Computer equipment & software	3,295	4,371	4,400	(29)
Motor Vehicle/Equipment	0	32	100	(68)
Refunds	0	0	1,000	(1,000)
Miscellaneous	2,500	0	500	(500)
Total Community Development	193,381	202,661	256,725	(54,064)
Economic Development				
Miscellaneous	0	0	2,500	(2,500)
Total Economic Development			2,500	(2,500)
Operating transfers	837,480	953,000	953,000	0
Appropriated reserve	0	0	82	(82)
Total expenditures and transfers subject to budget	5,201,264	5,647,949	$ 5,978,757	$ (330,808)
Receipts over (under) expenditures	460,721	440,276		
Unencumbered cash, January 1	1,196,212	1,656,933		
Unencumbered cash, December 31	$ 1,656,933	$ 2,097,209		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Ad valorem property tax	$ 273,589	$ 293,242	$ 299,000	$ (5,758)
Back tax collections	4,166	4,531	2,500	2,031
Motor vehicle tax	23,522	21,925	19,800	2,125
Total taxes	301,277	319,698	321,300	(1,602)
Intergovernmental				
State aid and grants	28,087	24,193	28,000	(3,807)
Use of money and property				
Interest on investments	1,698	2,837	300	2,537
Fines and fees	699	967	400	567
Other				
Miscellaneous	7,307	8,484	3,500	4,984
Total cash receipts	339,068	356,179	$ 353,500	$ 2,679
Expenditures				
Regular salaries	122,950	119,665	$ 133,400	$ (13,735)
Temporary help	54,856	65,035	60,000	5,035
Library pages	31,272	26,331	28,900	(2,569)
Overtime	1,242	423	400	23
Unemployment benefits	209	152	0	152
Telephone services	2,130	2,756	4,000	(1,244)
Training	1,407	1,571	900	671
Advertising	829	693	1,000	(307)
Insurance and bond premiums	8,558	8,572	9,200	(628)
Utility charges	11,281	10,794	11,300	(506)
Other services	18,366	21,153	19,000	2,153
Office supplies	1,678	1,381	2,000	(619)
Postage	342	369	250	119
Operation supplies	3,910	5,046	4,500	546
Building maintenance supplies	9,437	5,506	9,000	(3,494)
Cleaning supplies	732	891	650	241
Library media	19,382	17,521	20,000	(2,479)
Library materials	1,681	1,740	2,000	(260)
Children's programming	1,014	1,020	1,100	(80)
Miscellaneous	0	26	0	26
Finance charges	0	143	0	143

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures - continued				
Computer equipment & software	$ 5,068	$ 1,567	$ 5,200	$ (3,633)
Library books	8,509	8,286	8,600	(314)
Total expenditures	304,853	300,641	321,400	(20,759)
Operating transfers	58,360	68,000	68,000	0
Appropriated reserve	0	0	11,264	(11,264)
Total expenditures and transfers subject to budget	363,213	368,641	$ 400,664	$ (32,023)
Receipts over (under) expenditures	(24,145)	(12,462)		
Unencumbered cash, January 1	92,505	68,360		
Unencumbered cash, December 31	$ 68,360	$ 55,898		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Ad valorem property tax	$ 294,896	$ 358,023	$ 365,000	$ (6,977)
Back tax collections	3,284	4,543	4,000	543
Motor vehicle tax	10,331	20,317	21,000	(683)
Total taxes	308,511	382,883	390,000	(7,117)
Use of money and property				
Interest on investments	6,356	12,101	1,000	11,101
Other				
Reimbursements	46,531	64,398	45,000	19,398
Operating transfers	830,160	953,000	953,000	0
Total cash receipts	1,191,558	1,412,382	$ 1,389,000	$ 23,382
Expenditures				
Final Benefits Payout	47,859	97,787	$ 150,000	$ (52,213)
HRA	19,276	16,918	35,000	(18,082)
Health Premiums	342,462	387,391	450,000	(62,609)
Cobra Insurance Premiums	40,164	0	15,000	(15,000)
Worker's compensation	54,472	99,558	60,000	39,558
FICA employer's contributions	261,251	277,128	300,000	(22,872)
KPERS employer's contributions	420,013	459,477	500,000	(40,523)
Section 125 payments	16,486	23,276	36,000	(12,724)
Unemployment	3,340	2,582	6,500	(3,918)
Training, travel, dues	316	329	1,500	(1,171)
Insurance	7,151	7,754	7,900	(146)
Employee assistance	9,066	8,641	12,000	(3,359)
Other contractual	2,004	2,265	2,000	265
Operational supplies	0	0	500	(500)
Miscellaneous	0	34,924	2,000	32,924
Employee development	5,966	6,864	27,000	(20,136)
Total expenditures	1,229,826	1,424,894	1,605,400	(180,506)
Appropriated reserve	0	0	92,503	(92,503)
Total expenditures subject to budget	1,229,826	1,424,894	$ 1,697,903	$ (273,009)
Receipts over (under) expenditures	(38,268)	(12,512)		
Unencumbered cash, January 1	569,479	531,211		
Unencumbered cash, December 31	$ 531,211	$ 518,699		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Sales Tax	$ 1,159	$ 1,804	$ 1,100	$ 704
Charges for services				
Season passes	12,757	14,375	13,000	1,375
Gate receipts	19,503	25,726	20,000	5,726
Coupon books	3,160	6,150	3,000	3,150
Concessions	12,525	19,582	10,000	9,582
Lessons	3,146	3,530	3,000	530
Total charges for services	51,091	69,363	49,000	20,363
Use of money and property				
Rentals	4,800	5,600	3,000	2,600
Interest on investments	640	1,515	200	1,315
Total use of money & property	5,440	7,115	3,200	3,915
Operating transfers	100,000	100,000	150,000	(50,000)
Total cash receipts	157,690	178,282	$ 203,300	$ (25,018)
Expenditures				
Regular Salaries	0	9,286	$ 0	$ 9,286
Temporary help	61,461	68,033	95,891	(27,858)
Overtime	4,792	7,490	3,000	4,490
Professional services	0	0	500	(500)
Telephone	1,426	1,626	1,300	326
Training, travel, dues	2,160	0	2,400	(2,400)
Advertising	1,593	1,286	2,000	(714)
Insurance	5,548	5,889	6,100	(211)
Utilities	11,319	15,229	11,000	4,229
Other contractual	5,404	5,506	4,000	1,506
General office supplies	0	0	200	(200)
Operational supplies	13,607	17,608	15,000	2,608
Equipment maintenance	460	277	1,000	(723)
Building & maintenance	250	0	1,000	(1,000)
Cleaning	137	264	300	(36)
Uniforms	1,452	3,005	2,000	1,005
Concession supplies	7,953	9,958	10,000	(42)
Equipment and plant	261	2,386	10,000	(7,614)

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures - continued				
Miscellaneous	$ 0	$ 88	$ 0	$ 88
Sales tax	1,167	1,908	1,100	808
Total expenditures	118,990	149,839	166,791	(16,952)
Operating transfers	25,000	25,000	25,000	0
Appropriated reserve	0	0	118,455	(118,455)
Total expenditures and transfers subject to budget	143,990	174,839	$ 310,246	$ (135,407)
Receipts over (under) expenditures	13,700	3,443		
Unencumbered cash, January 1	90,346	104,046		
Unencumbered cash, December 31	$ 104,046	$ 107,489		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Rentals	$ 32,928	$ 21,331	$ 33,000	$ (11,669)
Concessions	324	591	500	91
Ticket sales	16	2,513	2,000	513
Program and events	104	3,995	2,000	1,995
Total charges for services	33,372	28,430	37,500	(9,070)
Intergovernmental				
Grants	0	0	7,000	(7,000)
Use of money and property				
Interest on investments	30	296	100	196
Fines and fees	0	193	0	193
Other				
Reimbursed expenses	280	922	0	922
Miscellaneous	46	50	0	50
Sales Tax	24	288	100	188
Total other	350	1,260	100	1,160
Operating transfers	100,000	83,000	83,000	0
Total cash receipts	133,752	113,179	$ 127,700	$ (14,521)
Expenditures				
Full time salaries	57,111	45,803	$ 74,154	$ (28,351)
Part time help	2,839	0	0	0
Overtime	0	0	0	0
Telephone	3,398	2,718	2,000	718
Training and travel	672	285	600	(315)
Advertising	951	186	1,000	(814)
Insurance	14,347	15,943	14,500	1,443
Utilities	12,958	11,042	14,200	(3,158)
Other contractual	9,285	7,629	3,000	4,629
Event and program costs	731	5,434	1,000	4,434
General office supplies	49	244	300	(56)
Postage	0	0	200	(200)

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures - continued				
Gifts/memorials	$ 0	$ 0	$ 100	$ (100)
Operating supplies	1,402	839	1,000	(161)
Building maintenance	2,125	5,304	6,000	(696)
Cleaning supplies	151	147	500	(353)
Non Sufficient Funds Checks	0	0	100	(100)
Concession supplies	323	354	300	54
Office Equip. Furniture	0	0	100	(100)
Miscellaneous	0	0	50	(50)
Computer equipment and software	70	59	100	(41)
Equip/Bldg. and Grounds	1,538	0	0	0
Sales tax	19	281	100	181
Real Estate taxes	271	142	1,000	(858)
Refunds	150	108	0	108
Total expenditures	108,390	96,518	120,304	(23,786)
Operating transfers	20,800	5,000	5,000	0
Appropriated reserve	0	0	7,573	(7,573)
Total expenditures and transfers subject to budget	129,190	101,518	$ 132,877	$ (31,359)
Receipts over (under) expenditures	4,562	11,661		
Unencumbered cash, January 1	5,152	9,714		
Unencumbered cash, December 31	$ 9,714	$ 21,375		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Storm water management fees	$ 87,217	$ 88,781	$ 85,000	$ 3,781
Use of money and property				
Interest on investments	3,060	6,395	0	6,395
Total cash receipts	90,277	95,176	$ 85,000	$ 10,176
Expenditures				
Lease payments	7,350	7,350	$ 7,500	$ (150)
Construction materials	0	0	5,000	(5,000)
Professional Services	0	0	20,000	(20,000)
Other contractual	0	0	5,000	(5,000)
Construction materials	17,791	20,857	25,000	(4,143)
Equipment/plant	0	0	2,500	(2,500)
Storm water construction	24,973	49,409	25,000	24,409
Total expenditures	50,114	77,616	90,000	(12,384)
Appropriated reserve	0	0	288,622	(288,622)
Total expenditures and transfers subject to budget	50,114	77,616	$ 378,622	$ (301,006)
Receipts over (under) expenditures	40,163	17,560		
Unencumbered cash, January 1	297,021	337,184		
Unencumbered cash, December 31	$ 337,184	$ 354,744		

See Independent Auditor's Report.

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Intergovernmental				
Local liquor tax	$ 21,326	$ 20,585	$ 21,000	$ (415)
Use of money and property				
Interest on investment	19	64	0	64
Total cash receipts	21,345	20,649	$ 21,000	$ (351)
Expenditures				
Other contractual	8,039	4,657	$ 8,000	$ (3,343)
Operational supplies	3,999	992	1,500	(508)
Equip/Bldg. & Grounds	13,937	14,185	16,000	(1,815)
Total expenditures	25,975	19,834	25,500	(5,666)
Appropriated reserve	0	0	2,791	(2,791)
Total expenditures subject to budget	25,975	19,834	$ 28,291	$ (8,457)
Receipts over (under) expenditures	(4,630)	815		
Unencumbered cash, January 1	11,489	6,859		
Unencumbered cash, December 31	$ 6,859	$ 7,674		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Gas tax	$ 155,812	$ 156,563	$ 154,740	$ 1,823
Use of money and property				
Interest on investments	1,661	3,278	0	3,278
Total cash receipts	157,473	159,841	$ 154,740	$ 5,101
Expenditures				
Construction material	149,900	150,000	$ 150,000	$ 0
Total expenditures	149,900	150,000	150,000	0
Appropriated reserve	0	0	198,171	(198,171)
Total expenditures subject to budget	149,900	150,000	$ 348,171	$ (198,171)
Receipts over (under) expenditures	7,573	9,841		
Unencumbered cash, January 1	187,532	195,105		
Unencumbered cash, December 31	$ 195,105	$ 204,946		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Use of money and property		
Interest on investment	$ 48	$ 86
Total cash receipts	48	86
Expenditures		
Miscellaneous	3,000	0
Total expenditures	3,000	0
Receipts over (under) expenditures	(2,952)	86
Unencumbered cash, January 1	7,536	4,584
Unencumbered cash, December 31	$ 4,584	$ 4,670

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Transient guest tax	$ 39,346	$ 40,011	$ 25,000	$ 15,011
Use of money and property				
Interest on investment	508	714	0	714
Total cash receipts	39,854	40,725	$ 25,000	$ 15,725
Expenditures				
Advertising	0	175	$ 200	$ (25)
Economic Development Chamber	10,000	15,000	15,000	0
Promotional campaigns	39,050	39,100	30,000	9,100
Other	1,351	934	0	934
Total expenditures	50,401	55,209	45,200	10,009
Appropriated reserve	0	0	13,669	(13,669)
Total expenditures and transfers subject to budget	50,401	55,209	$ 58,869	$ (3,660)
Receipts over (under) expenditures	(10,547)	(14,484)		
Unencumbered cash, January 1	62,919	52,372		
Unencumbered cash, December 31	$ 52,372	$ 37,888		

See Independent Auditor's Report.

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Taxes		
City Sales Tax	$ 137,500	$ 137,500
Use of money and property		
Interest on investments	1,214	3,500
Operating transfers	100,118	0
Total cash receipts	238,832	141,000
Expenditures		
Operating transfers	100,000	100,000
Total expenditures and transfers	100,000	100,000
Receipts over (under) expenditures	138,832	41,000
Unencumbered cash, January 1	(118)	138,714
Unencumbered cash, December 31	$ 138,714	$ 179,714

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2I

SPECIAL PURPOSE FUNDS
COVID-19 - 26
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Intergovernmental		
State Grants	$ 0	$ 0
Total cash receipts	0	0
Expenditures		
Professional Services	10,000	0
Advertising	0	140
Other contractual	16,537	315,181
Operating supplies	40,053	11,162
Construction materials	74,823	99,118
Other	13,965	2,008
Total expenditures	155,378	427,609
Receipts over (under) expenditures	(155,378)	(427,609)
Unencumbered cash, January 1	662,987	507,609
Unencumbered cash, December 31	$ 507,609	$ 80,000

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
BOND ISSUE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Use of money and property		
Bond proceeds	$ 7,570,000	$ 0
Bond Premium	588,918	0
Other		
Interest Income	80,647	79,650
Reimbursed expense	0	177
Total cash receipts	8,239,565	79,827
Expenditures		
Professional services	57,496	0
Other contractual	742,642	1,487,637
Construction materials	2,075,015	0
Miscellaneous	3,380	74
Underwriting discount	75,700	0
Principal Payments	3,110,000	0
Interest expense	17,969	0
Bond Insurance	19,430	0
Total expenditures	6,101,632	1,487,711
Operating transfers	5,000	0
Total expenditures and transfers	6,106,632	1,487,711
Receipts over (under) expenditures	2,132,933	(1,407,884)
Unencumbered cash, January 1	607,598	2,740,531
Unencumbered cash, December 31	$ 2,740,531	$ 1,332,647

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Escrow receipts	$ 1,979	$ 36,367
Total cash receipts	1,979	36,367
Expenditures		
Interest Expense	6	0
Escrow disbursements	2,279	460
Total expenditures	2,285	460
Receipts over (under) expenditures	(306)	35,907
Unencumbered cash, January 1	3,276	2,970
Unencumbered cash, December 31	$ 2,970	$ 38,877

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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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Use of money and property		
Interest on investment	$ 23	$ 44
Total cash receipts	23	44
Expenditures		
Other Contractual	0	0
Total expenditures	0	0
Receipts over (under) expenditures	23	44
Unencumbered cash, January 1	2,298	2,321
Unencumbered cash, December 31	$ 2,321	$ 2,365

See Independent Auditor's Report.

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Intergovernmental		
Grants	$ 94,998	$ 51,057
Use of money and property		
Donations / Gifts / Miscellaneous	3,200	2,618
Total cash receipts	98,198	53,675
Expenditures		
Library materials	54,727	54,107
Children's programming	400	400
Other contractual	25,630	370
Equipment	9,387	4,450
Other	15,350	1,908
Total expenditures	105,494	61,235
Receipts over (under) expenditures	(7,296)	(7,560)
Unencumbered cash, January 1	23,828	16,532
Unencumbered cash, December 31	$ 16,532	$ 8,972

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Other		
Reimbursement	$ 4,100	$ 0
Expenditures		
Other services	4,856	0
Receipts over (under) expenditures	(756)	0
Unencumbered cash, January 1	2,091	1,335
Unencumbered cash, December 31	$ 1,335	$ 1,335

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Ad valorem property tax	$ 393,297	$ 392,244	$ 400,000	$ (7,756)
Back tax collections	4,860	5,803	3,000	2,803
Motor vehicle tax	24,209	29,413	24,525	4,888
Special assessments	21,854	8,241	10,000	(1,759)
Total taxes	444,220	435,701	437,525	(1,824)
Use of money and property				
Interest on investments	17,273	43,994	3,000	40,994
Total use of money and property	17,273	43,994	3,000	40,994
Operating transfers	456,750	1,102,450	451,750	650,700
Total cash receipts	918,243	1,582,145	$ 892,275	$ 689,870
Expenditures				
Bond principal	780,000	1,065,000	$ 780,000	$ 285,000
Interest expense	150,412	449,187	150,413	298,774
Total expenditures	930,412	1,514,187	930,413	583,774
Appropriated reserve	0	0	239,240	(239,240)
Total expenditures subject to budget	930,412	1,514,187	$ 1,169,653	$ 344,534
Receipts over (under) expenditures	(12,169)	67,958		
Unencumbered cash, January 1	366,690	354,521		
Unencumbered cash, December 31	$ 354,521	$ 422,479		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2s

CAPITAL PROJECTS FUNDS
EQUIPMENT REPLACEMENT - 80
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Intergovernmental		
Grants	$ 0	$ 0
Other		
Sale of surplus equipment	6,400	13,050
Miscellaneous	3,227	2,080
Total other	9,627	15,130
Operating Transfers	202,000	90,000
Total cash receipts	211,627	105,130
Expenditures		
Miscellaneous	0	3,600
Equipment/plant	300	119,422
Motor vehicle	24,980	0
Total expenditures	25,280	123,022
Receipts over (under) expenditures	186,347	(17,892)
Unencumbered cash, January 1	128,754	315,101
Unencumbered cash, December 31	$ 315,101	$ 297,209

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2t

CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS - 90
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Taxes and shared revenues		
City sales tax	$ 1,594,552	$ 1,563,784
Other		
Interest	18,212	31,571
Miscellaneous/rentals	35,290	1,470
Reimbursements	15,943	15,677
Grants	70,295	71,823
Donations and gifts	132	1,301
Total other	139,872	121,842
Operating transfers	10,000	55,000
Total cash receipts	1,744,424	1,740,626
Expenditures		
Construction materials	248,711	223,261
Other contractual	417,046	58,997
Motor Vehicle/Equipment	615,900	8,123
Equip/Bldg. & Grounds	6,100	4,149
Capital improvements	19,164	32,576
Professional services	7,500	17,214
Principal Payment	455,000	0
Interest Payment	171,825	0
Other	62,780	339,673
Total expenditures	2,004,026	683,993
Operating transfers	100,118	640,900
Total expenditures and transfers	2,104,144	1,324,893
Receipts over (under) expenditures	(359,720)	415,733
Unencumbered cash, January 1	3,214,048	2,854,328
Unencumbered cash, December 31	$ 2,854,328	$ 3,270,061

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2u

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Connect & disconnect	$ 194,018	$ 0	$ 0	$ 0
Inspection charges	3,200	700	1,000	(300)
Sewer service charges	1,291,665	1,319,875	1,300,000	19,875
Total charges for services	1,488,883	1,320,575	1,301,000	19,575
Use of money and property				
Interest on investments	8,554	18,460	1,000	17,460
Other				
Reimbursed expenses	2,672	5,377	3,000	2,377
Total cash receipts	1,500,109	1,344,412	$ 1,305,000	$ 39,412
Expenditures				
Administration				
Salaries	0	0	$ 407,305	$ (407,305)
Overtime	0	0	15,000	(15,000)
Telephone services	521	2,088	1,200	888
Insurance	40,518	39,705	43,400	(3,695)
Other contractual	5,604	6,469	5,000	1,469
General office supplies	872	932	600	332
Postage	6,032	5,907	5,000	907
Total administration	53,547	55,101	477,505	(422,404)
Production				
Full time salaries	49,892	28,425	0	28,425
Overtime	4,310	1,115	0	1,115
Telephone services	1,137	1,603	1,300	303
Training, travel, dues	364	365	1,000	(635)
Advertising	0	375	0	375
Utilities	91,309	88,338	103,000	(14,662)
Testing and analytical	5,520	5,562	10,000	(4,438)
Other contractual	21,385	21,249	34,000	(12,751)
General office supplies	334	227	250	(23)
Operational supplies	14,636	11,970	20,000	(8,030)
Vehicle maintenance	228	76	1,500	(1,424)
Equipment maintenance	1,672	1,790	2,000	(210)
Building maintenance	142	997	2,500	(1,503)
Motor fuel and lubricants	4,231	2,120	3,000	(880)
Uniforms	548	148	700	(552)

City of Paola, Kansas

Schedule 2u

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Expenditures - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Production - continued				
Miscellaneous	$ 0	$ 159	$ 10,000	$ (9,841)
Computer Equipment and Software	3,837	1,151	6,000	(4,849)
Equipment, Plant	29,827	36,668	30,000	6,668
Equipment, building and grounds	2,678	1,468	8,000	(6,532)
Total production	232,050	203,806	233,250	(29,444)
Distribution				
Full time salaries	268,056	168,415	0	168,415
Overtime	15,227	10,391	0	10,391
Telephone services	4,424	3,089	2,000	1,089
Training, travel, dues	238	695	1,500	(805)
Advertising	0	744	500	244
Utilities	6,421	6,137	12,000	(5,863)
Other contractual	14,499	19,535	18,000	1,535
General office supplies	445	196	400	(204)
Operational supplies	16,359	11,672	14,000	(2,328)
Vehicle maintenance	2,916	243	2,000	(1,757)
Equipment maintenance	9,774	9,839	15,000	(5,161)
Building maintenance	1,479	2,293	2,500	(207)
Construction materials	2,807	5,428	5,000	428
Motor fuel and lubricants	12,400	12,808	13,500	(692)
Uniforms	935	625	1,200	(575)
Computer equipment and software	1,134	1,305	600	705
Motor vehicle/equipment	17,028	20,000	20,000	0
Equipment, building and grounds	825	2,615	8,500	(5,885)
Distribution lines	33,555	43,019	50,000	(6,981)
Total distribution	408,522	319,049	166,700	152,349
Operating transfers	652,270	591,550	591,500	50
Appropriated reserve	0	0	461,498	(461,498)
Total expenditures and transfers subject to budget	1,346,389	1,169,506	$ 1,930,453	$ (760,947)
Receipts over (under) expenditures	153,720	174,906		
Unencumbered cash, January 1	781,803	935,523		
Unencumbered cash, December 31	$ 935,523	$ 1,110,429		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Sale of water	$ 2,308,552	$ 2,376,383	$ 2,000,000	$ 376,383
Water for resale	2,169	972	45,000	(44,028)
Sales tax	37,543	40,018	30,000	10,018
Tank sales	7,934	10,495	7,000	3,495
Installation charges	94,592	15,950	10,000	5,950
Connection fees	8,257	9,590	8,000	1,590
Total charges for services	2,459,047	2,453,408	2,100,000	353,408
Use of money and property				
Rentals	0	75	0	75
Interest on investments	3,128	13,463	500	12,963
Total use of money and property	3,128	13,538	500	13,038
Other				
Reimbursed expenses	13,414	19,420	4,000	15,420
KS setoff reimbursement	3,865	3,310	4,000	(690)
Miscellaneous	350	0	350	(350)
Long/short	6	5	0	5
	17,635	22,735	8,350	14,385
Total cash receipts	2,479,810	2,489,681	$ 2,108,850	$ 380,831
Expenditures				
Administration				
Telephone services	521	663	$ 500	$ 163
Insurance and bonds	14,636	15,374	15,600	(226)
Other contractual	5,663	6,256	5,000	1,256
General office supplies	872	932	700	232
Postage	6,133	5,907	5,000	907
Operational supplies	0	1,313	1,000	313
Miscellaneous	0	55	0	55
Refunds	5,944	286	0	286
Sales tax remittance	53,678	53,908	50,000	3,908
Total administration	87,447	84,694	77,800	6,894

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Expenditures - continued	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Production				
Training, travel, dues	$ 179	$ 0	$ 200	$ (200)
Utilities	8,303	8,065	7,500	565
Water purchase	1,737,041	1,825,618	1,800,000	25,618
Total production	1,745,523	1,833,683	1,807,700	25,983
Distribution				
Full time salaries	0	0	0	0
Overtime	0	0	0	0
Tank maintenance	10,686	10,686	10,700	(14)
Legal	0	0	0	0
Telephone services	2,817	3,480	3,000	480
Training, travel, dues	2,130	2,120	2,500	(380)
Advertising	112	0	500	(500)
Insurance	0	0	0	0
Utilities	1,447	1,113	3,000	(1,887)
Testing analytical	2,288	2,872	3,500	(628)
Other contractual	17,313	23,876	18,000	5,876
General office supplies	417	179	500	(321)
Postage	10	0	600	(600)
Operational supplies	43,437	42,505	35,000	7,505
Vehicle maintenance	3,232	271	3,500	(3,229)
Equipment maintenance	4,086	6,267	9,000	(2,733)
Building and maintenance	861	2,989	3,000	(11)
Construction materials	27,264	23,654	30,000	(6,346)
Motor fuel and lubrication	12,639	3,448	12,000	(8,552)
Uniforms	743	307	1,600	(1,293)
Office equipment/furniture	0	159	0	159
Computer equipment and software	1,408	1,305	1,000	305
Motor vehicle/equipment	17,060	20,000	20,000	0
Equip/Bldg. & Grounds	4,382	0	0	0
Total distribution	152,332	145,231	157,400	(12,169)

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual	2024 Budget	2024 Variance Over (Under)
Expenditures - continued				
Operating transfers	$ 0	$ 7,000	$ 7,000	$ 0
Appropriated reserve	0	0	214,405	(214,405)
Total expenditures and transfers subject to budget	1,985,302	2,070,608	$ 2,264,305	$ (193,697)
Receipts over (under) expenditures	494,508	419,073		
Unencumbered cash, January 1	68,504	563,012		
Unencumbered cash, December 31	$ 563,012	$ 982,085		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
HEALTH AND SANITATION FUND - 13
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
Cash receipts	**2023 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Charges for services				
Haulers' permits	$ 1,650	$ 1,800	$ 1,500	$ 300
Landfill charges and collections	438,847	483,288	455,000	28,288
Total charges for services	440,497	485,088	456,500	28,588
Use of money and property				
KS setoff reimbursement	147	197	0	197
Interest on investments	746	1,836	0	1,836
Total use of money & property	893	2,033	0	2,033
Fees	630	743	0	743
Total cash receipts	442,020	487,864	$ 456,500	$ 31,167
Expenditures				
Advertising	465	465	$ 500	$ (35)
Insurance	1,499	1,617	1,700	(83)
Other contractual	442,636	453,050	445,000	8,050
General office supplies	842	932	600	332
Total expenditures	445,442	456,064	447,800	8,264
Operating transfers	0	0	25,000	(25,000)
Appropriated reserve	0	0	17,074	(17,074)
Total expenditures and transfers subject to budget	445,442	456,064	$ 489,874	$ (33,810)
Receipts over (under) expenditures	(3,422)	31,800		
Unencumbered cash, January 1	95,575	92,153		
Unencumbered cash, December 31	$ 92,153	$ 123,953		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2x

BUSINESS FUNDS
WATER TREATMENT PLANT FUND - 15
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Charges for services		
Miscellaneous	$ 0	$ 7,106
Use of money and property		
Interest	2,074	4,104
Operating transfers	0	7,000
Total cash receipts	2,074	18,210
Expenditures		
Miscellaneous	0	3,757
Capital improvement	0	7,106
Total expenditures and transfers	0	10,863
Receipts over (under) expenditures	2,074	7,347
Unencumbered cash, January 1	208,790	210,864
Unencumbered cash, December 31	$ 210,864	$ 218,211

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2y

BUSINESS FUNDS
WASTEWATER TREATMENT PLANT - 16
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Cash receipts		
Charges for services		
Connection & disconnect fees	$ 0	$ 19,313
Use of money and property		
Interest income	8,662	12,645
Other		
Reimbursed expense	4,021	10,467
Miscellaneous	0	38,495
Total cash receipts	12,683	80,920
Expenditures		
Operational supplies	0	7,316
Construction materials	0	1,741
Equipment/Plant	136,983	273,368
Total expenditures	136,983	282,425
Operating transfer	0	0
Total expenditures and transfers	136,983	282,425
Receipts over (under) expenditures	(124,300)	(201,505)
Unencumbered cash, January 1	913,135	788,835
Unencumbered cash, December 31	$ 788,835	$ 587,330

City of Paola, Kansas

Schedule 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2024

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Police bond	$ 17,810	$ 543,084	$ 545,713	$ 15,181
Payroll withholding	7,174	369,756	370,499	6,431
TIF/CID	300,525	326,512	0	627,037
TIF/Taxes	31,501	24,143	0	55,644
	$ 357,010	$ 1,263,495	$ 916,212	$ 704,293

See Independent Auditor's Report.