

***City of Palco***

***Financial Statements***

***December 31, 2022***

*ATC Accounting*

City of Palco  
Financial Statements  
December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

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

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Palco, Kansas, as of and for the year ended December 31, 2022 and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

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

***Auditors' Responsibility***

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

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

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

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

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

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

### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Palco, Kansas as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Palco, Kansas as of December 31, 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 1.

### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2022 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual, individual fund schedules of regulatory basis receipts and expenditures-actual (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2022 basic financial statement, however are required to be presented under the provision of the Kansas Municipal audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 information has been subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2021 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2021 basic financial statement upon which we rendered as unqualified opinion dated November 30, 2022. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 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 statement 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 2021 basic financial statement as a whole, on the basis of accounting described in Note 1.

### *ATC Accounting*

ATC Accounting

December 20, 2023

City of Palco, Kansas  
 Summary of Cash Receipts, Expenditures, and Encumbered Cash  
 For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances And Accounts Payable	Ending Cash Balance
GENERAL	\$ 166,645	\$ 208,612	\$ 214,934	\$ 160,323	\$ 3,271	\$ 163,594
SPECIAL PURPOSE FUNDS:						
Library	2,692	5,643	5,756	2,579	-	2,579
Employee Benefits	3,853	25,066	28,919	-	496	496
Special Highway	12,832	6,368	-	19,200	-	19,200
BOND AND INTEREST FUND:						
Bond and Interest	1,796	11,920	12,301	1,415	-	1,415
CAPITAL PROJECT FUNDS:						
Water Reserve	9,568	-	-	9,568	-	9,568
Special Equipment Reserve	-	-	-	-	-	-
Capital Improvements	49,761	79,000	8,592	120,169	-	120,169
BUSINESS FUNDS:						
Ambulance	-	-	-	-	-	-
Fire	-	12,000	6,266	5,734	-	5,734
Water	89,140	55,220	40,531	103,829	-	103,829
Sewer	19,564	36,107	31,057	24,614	-	24,614
Solid Waste	34,007	52,201	46,141	40,067	-	40,067
TRUST FUNDS:						
Expendable Trust	23,334	-	-	23,334	-	23,334
McKenna	291,915	114,080	111,954	294,041	5,761	299,802
Customer Deposits	5,130	2,496	1,080	6,546	-	6,546
Total Reporting Entity	<u>\$ 710,237</u>	<u>\$ 608,713</u>	<u>\$ 507,531</u>	<u>\$ 811,419</u>	<u>\$ 9,528</u>	<u>\$ 820,947</u>

Cash on Hand	\$ 75
NOW and Money Market Accounts	521,070
Demand Accounts	38,448
Certificates of Deposit	<u>261,354</u>
Total Reporting Entity	<u>\$ 820,947</u>

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

City of Palco, Kansas  
Notes to the Financial Statements  
December 31, 2022

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Financial Reporting Entity

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

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

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

### (b) Regulatory Basis Fund Types

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

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

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

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

**Business fund** – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

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

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

### (c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

#### **(d) Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted from 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 1<sup>st</sup>
- 2) Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2022.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds and Agency Funds.

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

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Compliance with Kansas Statutes**

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

### 3. DEPOSITS AND INVESTMENTS

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

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

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutes to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$820,872 and the bank balance was \$829,874. The bank balances were held by 1 bank resulting in a concentration of credit risk. Of the bank balance \$292,071 was covered by federal depository insurance and remaining balance was covered by pledged securities.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

### 4. UNCERTAINTIES

As a result of significant disruption in the U.S. economy due to the ongoing Coronavirus "COVID-19" pandemic in 2019, uncertainties have risen which are likely to negatively impact future operation results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

As a result of COVID-19, the State of Kansas has received Coronavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The City received SLFRF in the amount of \$20,373 during 2022. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at <https://home.treasury.gov/>



## 5. LONG-TERM DEBT

Changes in long-term liabilities for the year ended December 31, 2022, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 01/01/2022	Additions	Reductions/ Payments	Ending Balance 12/31/2022	Interest/ Service Fees Pd
General Obligation Bonds: Series 2020			\$ 135,000		\$ 115,000	\$ -	\$ 10,000	\$ 105,000	\$ 2,300
KDHE Loan: Wastewater Loan	2.86%	05/02/2003	\$ 224,307	09/01/2026	38,834	-	12,580	26,254	1,020
Capital Lease: Trash Truck	4.99%	06/14/2018	\$ 109,353	06/14/2025	58,130	-	16,003	42,127	2,537
Total Contractual Indebtedness					<u>\$ 211,964</u>	<u>\$ -</u>	<u>\$ 38,583</u>	<u>\$ 173,381</u>	<u>\$ 5,857</u>

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

Year	General Obligation Bond		KDHE Loan		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 15,000	\$ 2,100	\$ 12,947	\$ 653	\$ 16,819	\$ 1,721	\$ 44,766	\$ 4,474
2024	15,000	1,800	13,307	293	17,678	862	45,985	2,955
2025	15,000	1,500	-	-	7,630	95	22,630	1,595
2026	15,000	1,200	-	-	-	-	15,000	1,200
2027	15,000	900	-	-	-	-	15,000	900
2028-2030	30,000	900	-	-	-	-	30,000	900
	<u>\$ 105,000</u>	<u>\$ 8,400</u>	<u>\$ 26,254</u>	<u>\$ 946</u>	<u>\$ 42,127</u>	<u>\$ 2,678</u>	<u>\$ 173,381</u>	<u>\$ 12,024</u>

## **6. DEFINED BENEFIT PENSION PLAN**

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

Funding Policy. K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depend on whether the employee is a Tier 1, Tier 2, or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009 and Tier 3 members were first employed in a covered position on or after January 1, 2015. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members through December 31, 2014. On January 1, 2015, Kansas law increased the KPERS member-employee contribution rate to 6% of covered salary for Tier 1 members. On that date, the Tier 2 member-employee contribution rate remained at 6% of covered salary, and the Tier 3-member contribution rate was established at 6% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for Tier 1 and Tier 2 be determined annually based on the results of an annual actuarial valuation. Tier 3 Employer credits are established by statute and are based on the member employee's years of service. Tier 1 and Tier 2 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90%, for the fiscal year ended December 31, 2022. Contributions to the pension plan from the city were \$5,568 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 by KPERS was \$60,178. 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 these financial statements.

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

## **7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

### **(a) Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees

because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

(b) Compensated Absences

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

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

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

**8. INTERFUND TRANSFERS**

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Fire	K.S.A. 12-1,118	12,000

**9. SUBSEQUENT EVENTS**

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

**CITY OF PALCO, KANSAS**  
**REGULATORY-REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

City of Palco, Kansas  
 Summary of Expenditures – Actual and Budget  
 For the Year Ended December 31, 2022

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 361,141	\$ -	\$ 361,141	\$ 214,934	\$ (146,207)
SPECIAL PURPOSE FUNDS:					
Library	7,800	-	7,800	5,756	(2,044)
Employee Benefits	32,948	-	32,948	28,919	(4,029)
Special Highway	12,923	-	12,923	-	(12,923)
BOND AND INTEREST FUNDS:					
Bond and Interest	12,401	-	12,401	12,301	(100)
BUSINESS FUNDS:					
Ambulance	-	-	-	-	-
Fire	8,070	-	8,070	6,266	(1,804)
Water	140,347	-	140,347	40,531	(99,816)
Sewer	62,141	-	62,141	31,057	(31,084)
Solid Waste	93,318	-	93,318	46,141	(47,177)

City of Palco, Kansas  
General Fund  
Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Year End December 31, 2022

	2021	2022		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 86,875	\$ 86,998	\$ 94,413	\$ (7,415)
Delinquent Tax	5,125	3,595	3,964	(369)
Motor Vehicle Tax	12,936	11,099	11,681	(582)
Recreational Vehicle Tax	493	312	261	51
16/20M Vehicle Tax	422	472	338	134
Commercial Truck Tax	411	1,817	406	1,411
Watercraft Tax	84	49	73	(24)
Sales Tax	48,111	50,116	53,000	(2,884)
Franchise Fee	12,127	14,064	11,300	2,764
Licenses and Permits	640	223	500	(277)
Interest on Idle Funds	431	603	415	188
Donations/Grants	400	5,000	-	5,000
ARPA Funds	20,373	20,373	-	20,373
Miscellaneous	7,107	16,771	10,000	6,771
Transfer from Ambulance	3,573	-	-	-
Neighborhood Revitalization Program	(3,596)	(2,880)	-	(2,880)
<b>Total Receipts</b>	<b>195,512</b>	<b>208,612</b>	<b>\$ 186,351</b>	<b>\$ 22,261</b>
Expenditures				
Personal Services	20,570	23,701	\$ 22,146	\$ 1,555
General Administration	22,395	26,046	13,775	12,271
Shop	5,994	8,908	3,000	5,908
Street Lights	14,276	10,465	-	10,465
Fees	390	-	19,500	(19,500)
Park	289	9,904	1,500	8,404
Building Repair	624	7,689	1,000	6,689
Equipment Repair	2,408	2,466	8,900	(6,434)
Donations	1,889	3,637	3,000	637
Insurance	22,339	27,945	24,000	3,945
Legal Fees	100	3,079	-	3,079
Street Maintenance	7,371	3,320	15,000	(11,680)
Public Transportation	2,295	2,095	-	2,095
Capital Outlay	24,949	73,679	237,320	(163,641)
Debt Service - Principal	6,490	-	-	-
Transfer to Fire	6,000	12,000	12,000	-
Transfer to Capital Improvements	-	-	-	-
<b>Total Expenditures</b>	<b>138,379</b>	<b>214,934</b>	<b>\$ 361,141</b>	<b>\$ (146,207)</b>
Receipts Over (Under) Expenditures	57,133	(6,322)		
Unencumbered Cash , January 1	109,512	166,645		
Unencumbered Cash, December 31	\$ 166,645	\$ 160,323		

City of Palco, Kansas  
Library Fund  
Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Year End December 31, 2022

	2021	2022		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Ad Valorem Tax	\$ 4,691	\$ 4,891	\$ 5,009	\$ (118)
Delinquent Tax	253	188	210	(22)
Motor Vehicle Tax	645	585	631	(46)
Recreational Vehicle Tax	25	17	14	3
16/20M Vehicle Tax	22	23	18	5
Commercial Truck Tax	20	98	22	76
Watercraft Tax	4	3	4	(1)
Neighborhood Revitalization Program	(194)	(162)	-	(162)
<b>Total Receipts</b>	<b>5,466</b>	<b>5,643</b>	<b>\$ 5,908</b>	<b>\$ (265)</b>
<b>Expenditures</b>				
Appropriation to Palco Public Library	5,466	5,643	\$ 7,100	\$ (1,457)
Commodities	110	113	700	(587)
<b>Total Expenditures</b>	<b>5,576</b>	<b>5,756</b>	<b>\$ 7,800</b>	<b>\$ (2,044)</b>
Receipts Over (Under) Expenditures	(110)	(113)		
Unencumbered Cash , January 1	2,802	2,692		
Unencumbered Cash, December 31	<u>\$ 2,692</u>	<u>\$ 2,579</u>		

City of Palco, Kansas  
Employee Benefits Fund  
Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Year End December 31, 2022

	2021	2022		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Ad Valorem Tax	\$ 30,739	\$ 20,520	\$ 21,014	\$ (494)
Delinquent Tax	913	1,050	882	168
Motor Vehicle Tax	2,480	3,341	4,134	(793)
Recreational Vehicle Tax	87	104	92	12
16/20M Vehicle Tax	114	77	120	(43)
Commercial Truck Tax	67	636	144	492
Watercraft Tax	14	17	26	(9)
Reimbursements	-	-	-	-
Neighborhood Revitalization Program	(1,273)	(679)	-	(679)
<b>Total Receipts</b>	<b>33,141</b>	<b>25,066</b>	<b>\$ 26,412</b>	<b>\$ (1,346)</b>
<b>Expenditures</b>				
Unemployment Insurance	58	67	\$ 60	\$ 7
Social Security/Medicare	4,569	5,189	4,569	620
KPERS	5,394	5,768	6,041	(273)
Medical Insurance	19,267	17,895	22,278	(4,383)
Worker's Compensation Insurance	-	-	-	-
<b>Total Expenditures</b>	<b>29,288</b>	<b>28,919</b>	<b>\$ 32,948</b>	<b>\$ (4,029)</b>
Receipts Over (Under) Expenditures	3,853	(3,853)		
Unencumbered Cash, January 1	-	3,853		
Unencumbered Cash, December 31	\$ 3,853	\$ -		



City of Palco, Kansas  
 Special Highway Fund  
 Statement of Cash Receipts and Expenditures – Actual and Budget  
 For the Year End December 31, 2022

	2021	2022		Variance Over (Under)
	Actual	Actual	Budget	
Receipts				
Special Highway Tax	\$ 7,679	\$ 6,368	\$ 6,900	\$ (532)
Expenditures				
Capital Outlay	-	-	\$ 12,923	\$ (12,923)
Commodities	-	-	-	-
Total Expenditures	-	-	\$ 12,923	\$ (12,923)
Receipts Over (Under) Expenditures	7,679	6,368		
Unencumbered Cash, January 1	5,153	12,832		
Unencumbered Cash, December 31	\$ 12,832	\$ 19,200		

City of Palco, Kansas  
 Bond and Interest Fund  
 Statement of Cash Receipts and Expenditures – Actual and Budget  
 For the Year End December 31, 2022

	2021	2022		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 4,163	\$ 11,512	\$ 11,789	\$ (277)
Delinquent Tax	212	159	495	(336)
Motor Vehicle Tax	380	507	560	(53)
Recreational Vehicle Tax	17	15	13	2
16/20M Vehicle Tax	-	19	16	3
Commercial Truck Tax	16	87	19	68
Watercraft Tax	3	2	4	(2)
Neighborhood Revitalization Program	(172)	(381)	-	(381)
<b>Total Receipts</b>	<b>4,619</b>	<b>11,920</b>	<b>\$ 12,896</b>	<b>\$ (976)</b>
Expenditures				
Principal	3,510	10,000	\$ 10,000	\$ -
Interest	2,501	2,301	2,400	(99)
Reserve	-	-	1	(1)
<b>Total Expenditures</b>	<b>6,011</b>	<b>12,301</b>	<b>\$ 12,401</b>	<b>\$ (100)</b>
Receipts Over (Under) Expenditures	(1,392)	(381)		
Unencumbered Cash, January 1	3,188	1,796		
Unencumbered Cash, December 31	\$ 1,796	\$ 1,415		

City of Palco, Kansas  
 Water Utility Reserve Fund  
 Statement of Cash Receipts and Expenditures – Actual  
 For the Year End December 31, 2022

	2021 Actual	2022 Actual
Receipts		
Transfer from General	\$ -	\$ -
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	9,568	9,568
Unencumbered Cash, December 31	\$ 9,568	\$ 9,568

City of Palco, Kansas  
 Special Equipment Reserve Fund  
 Statement of Cash Receipts and Expenditures – Actual  
 For the Year End December 31, 2022

	2021 Actual	2022 Actual	
Receipts			
Transfer from General	\$ -	\$ -	
Transfer from Expendable Trust	-	-	
Total Receipts	-	-	
Expenditures			
Capital Outlay	-	-	
Receipts Over (Under) Expenditures	-	-	
Unencumbered Cash, January 1	-	-	
Unencumbered Cash, December 31	\$ -	\$ -	

City of Palco, Kansas  
 Capital Improvements Fund  
 Statement of Cash Receipts and Expenditures – Actual  
 For the Year End December 31, 2022

	2021 Actual	2022 Actual
Receipts		
Bond Proceeds	\$ -	\$ -
Grants	-	79,000
Transfer from General	-	-
	-	79,000
Total Receipts		
Expenditures		
Capital Outlay	9,432	8,592
	(9,432)	70,408
Receipts Over (Under) Expenditures		
Unencumbered Cash, January 1	59,193	49,761
	\$ 49,761	\$ 120,169
Unencumbered Cash, December 31		

City of Palco, Kansas  
 Ambulance Fund  
 Statement of Cash Receipts and Expenditures – Actual and Budget  
 For the Year End December 31, 2022

	2021	2022		Variance Over (Under)
	Actual	Actual	Budget	
<b>Receipts</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
County Subsidy	-	-	-	-
<b>Total Receipts</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>				
Personal Services	-	-	\$ -	\$ -
Contractual Services	-	-	-	-
Transfer to General	3,573	-	-	-
<b>Total Expenditures</b>	<u>3,573</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(3,573)	-		
Unencumbered Cash, January 1	<u>3,573</u>	-		
Unencumbered Cash, December 31	<u>\$ -</u>	<u>\$ -</u>		

City of Palco, Kansas  
 Fire Fund  
 Statement of Cash Receipts and Expenditures – Actual and Budget  
 For the Year End December 31, 2022

	2021	2022		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Transfer from General	\$ 6,000	\$ 12,000	\$ 8,000	\$ 4,000
State of Kansas Grant	-	-	-	-
Miscellaneous	26	-	-	-
<b>Total Receipts</b>	<b>6,026</b>	<b>12,000</b>	<b>\$ 8,000</b>	<b>\$ 4,000</b>
<b>Expenditures</b>				
Personal Services	1,800	1,800	\$ 2,900	\$ (1,100)
Contractual Services	-	-	1,200	(1,200)
Commodities	5,196	4,466	3,970	496
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>6,996</b>	<b>6,266</b>	<b>\$ 8,070</b>	<b>\$ (1,804)</b>
Receipts Over (Under) Expenditures	(970)	5,734		
Unencumbered Cash, January 1	970	-		
Unencumbered Cash, December 31	\$ -	\$ 5,734		

City of Palco, Kansas  
 Water Utility Fund  
 Statement of Cash Receipts and Expenditures – Actual and Budget  
 For the Year End December 31, 2022

	2021	2022		Variance Over (Under)
	Actual	Actual	Budget	
<b>Receipts</b>				
Charges for Services	\$ 45,342	\$ 55,220	\$ 46,000	\$ 9,220
Transfer from Customer Deposit	1,334	-	-	-
<b>Total Receipts</b>	<u>46,676</u>	<u>55,220</u>	<u>\$ 46,000</u>	<u>\$ 9,220</u>
<b>Expenditures</b>				
Personal Services	14,825	15,311	\$ 14,498	\$ 813
Contractual Services	-	-	2,500	(2,500)
Commodities	13,341	9,261	12,160	(2,899)
Capital Outlay	5,954	15,959	111,189	(95,230)
Transfer to Water Reserve	-	-	-	-
<b>Total Expenditures</b>	<u>34,120</u>	<u>40,531</u>	<u>\$ 140,347</u>	<u>\$ (99,816)</u>
Receipts Over (Under) Expenditures	12,556	14,689		
Unencumbered Cash, January 1	<u>76,584</u>	<u>89,140</u>		
Unencumbered Cash, December 31	<u>\$ 89,140</u>	<u>\$ 103,829</u>		



City of Palco, Kansas  
 Sewer Utility Fund  
 Statement of Cash Receipts and Expenditures – Actual and Budget  
 For the Year End December 31, 2022

	2021	2022		Variance Over (Under)
	Actual	Actual	Budget	
<b>Receipts</b>				
Charges to Customers	\$ 35,706	\$ 36,107	\$ 40,100	\$ (3,993)
Transfer from Customer Deposit	1,333	-	-	-
	<u>37,039</u>	<u>36,107</u>	<u>\$ 40,100</u>	<u>\$ (3,993)</u>
<b>Expenditures</b>				
Personal Services	14,825	15,311	\$ 14,498	\$ 813
Contractual Services	-	-	-	-
Commodities	2,206	2,235	2,700	(465)
Capital Outlay	-	-	31,343	(31,343)
KDHE Loan Payment	13,480	13,511	13,600	(89)
	<u>30,511</u>	<u>31,057</u>	<u>\$ 62,141</u>	<u>\$ (31,084)</u>
Receipts Over (Under) Expenditures	6,528	5,050		
Unencumbered Cash, January 1	<u>13,036</u>	<u>19,564</u>		
Unencumbered Cash, December 31	<u>\$ 19,564</u>	<u>\$ 24,614</u>		

City of Palco, Kansas  
Solid Waste Fund  
Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Year End December 31, 2022

	2021	2022		Variance Over (Under)
	Actual	Actual	Budget	
<b>Receipts</b>				
Charges to Customers	\$ 47,464	\$ 52,201	\$ 53,491	\$ (1,290)
Transfer from Customer Deposits	1,333	-	-	-
<b>Total Receipts</b>	<b>48,797</b>	<b>52,201</b>	<b>\$ 53,491</b>	<b>\$ (1,290)</b>
<b>Expenditures</b>				
Personal Services	14,825	15,311	\$ 14,498	\$ 813
Contractual Services	5,676	5,863	6,000	(137)
Commodities	7,171	6,427	4,000	2,427
Capital Outlay	18,540	18,540	68,820	(50,280)
<b>Total Expenditures</b>	<b>46,212</b>	<b>46,141</b>	<b>\$ 93,318</b>	<b>\$ (47,177)</b>
Receipts Over (Under) Expenditures	2,585	6,060		
Unencumbered Cash, January 1	31,422	34,007		
Unencumbered Cash, December 31	<u>\$ 34,007</u>	<u>\$ 40,067</u>		

City of Palco, Kansas  
 Expendable Trust Fund  
 Statement of Cash Receipts and Expenditures – Actual  
 For the Year End December 31, 2022

	2021 Actual	2022 Actual
Receipts		
McKenna Fund Reimbursement	\$ -	\$ -
Expenditures		
Personal Services	-	-
Contractual	-	-
Reimbursements	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	23,334	23,334
Unencumbered Cash, December 31	\$ 23,334	\$ 23,334

City of Palco, Kansas  
McKenna Fund  
Statement of Cash Receipts and Expenditures – Actual  
For the Year End December 31, 2022

	2021 Actual	2022 Actual
Receipts		
Membership Sales	\$ 25,000	\$ 27,955
Oil Income	4,619	4,042
Farmland Income	90,309	79,200
Interest on Idle Funds	1,723	2,883
	<u>121,651</u>	<u>114,080</u>
Expenditures		
Personal Services	37,934	35,419
Contractual	50,911	48,001
Commodities	27,321	27,968
Capital Outlay	30,837	566
Reimbursements	-	-
	<u>147,003</u>	<u>111,954</u>
Receipts Over (Under) Expenditures	(25,352)	2,126
Unencumbered Cash, January 1	<u>317,267</u>	<u>291,915</u>
Unencumbered Cash, December 31	<u>\$ 291,915</u>	<u>\$ 294,041</u>

City of Palco, Kansas  
 Customer Deposits Fund  
 Statement of Cash Receipts and Expenditures – Actual  
 For the Year End December 31, 2022

	2021 Actual	2022 Actual
Receipts		
Customer Deposits	\$ 1,441	\$ 2,487
Interest on Idle Funds	9	-
	<hr/>	<hr/>
Total Receipts	1,450	2,496
	<hr/>	<hr/>
Expenditures		
Customer Refunds	1,504	1,080
Transfer to Water	1,334	-
Transfer to Sewer	1,333	-
Transfer to Solid Waste	1,333	-
	<hr/>	<hr/>
Total Expenditures	5,504	1,080
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(4,054)	1,416
	<hr/>	<hr/>
Unencumbered Cash, January 1	9,184	5,130
	<hr/>	<hr/>
Unencumbered Cash, December 31	\$ 5,130	\$ 6,546
	<hr/>	<hr/>