City of Palco

Financial Statements

December 31, 2024

ATC Accounting

City of Palco
Financial Statements
December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Palco
Palco, Kansas 67657

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Palco, 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 for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Palco as of December 31, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Palco as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City of Palco, 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.

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.
In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Palco's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Palco's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Palco's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Palco, Kansas as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated September 13, 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 are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accountsreports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (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 statement 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 1.

ATC Accounting
ATC Accounting

August 15, 2025

City of Palco, Kansas
Summary of Cash Receipts, Expenditures, and Encumbered Cash
For the Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances And Accounts Payable	Ending Cash Balance
GENERAL	$ 75,554	$ 229,116	$ 229,203	$ 75,467	$ 3,780	$ 79,247
SPECIAL PURPOSE FUNDS:						
Library	1,749	5,995	6,109	1,635	-	1,635
Employee Benefits	7,422	26,594	34,016	-	5,071	5,071
Special Highway	24,810	5,544	5,865	24,489	-	24,489
BOND AND INTEREST FUND:						
Bond and Interest	-	15,900	15,900	-	-	-
CAPITAL PROJECT FUNDS:						
Water Reserve	9,568	-	-	9,568	-	9,568
Special Equipment Reserve	-	-	-	-	-	-
Capital Improvements	78,850	463,393	467,564	74,679	-	74,679
BUSINESS FUNDS:						
Ambulance	-	-	-	-	-	-
Fire	12,706	12,000	4,361	20,345	-	20,345
Water	126,374	81,996	73,087	135,283	1,304	136,587
Sewer	27,013	36,928	54,814	9,127	1,138	10,265
Solid Waste	41,580	56,723	74,018	24,285	1,138	25,423
TRUST FUNDS:						
Expendable Trust	23,334	-	-	23,334	-	23,334
McKenna	249,829	151,734	131,306	270,257	3,025	273,282
Customer Deposits	7,793	1,931	627	9,097	-	9,097
Total Reporting Entity	$ 686,582	$ 1,087,854	$ 1,096,870	$ 677,566	$ 15,456	$ 693,022

Cash on Hand	$ 239
NOW and Money Market Accounts	415,953
Demand Accounts	46,932
Certificates of Deposit	229,898
Total Reporting Entity	$ 693,022

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

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

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

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

(b) Regulatory Basis Fund Types

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.
Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.
Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.
Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.
Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).
Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).
Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

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

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.
The City has approved a resolution that is in compliance with K.S.A. 75-1120a, waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

(d) **Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted fro the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1) Preparation of the budget for the succeeding calendar year on or before August 1st
2) Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3) Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4) Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2024.

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, 2024.

At December 31, 2024, the City's carrying amount of deposits was $692,783 and the bank balance was $702,114. The bank balances were held by 2 banks resulting in a concentration of credit risk. Of the bank balance $384,211 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. LONG-TERM DEBT

Changes in long-term liabilities for the year ended December 31, 2024, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 01/01/2024	Additions	Reductions/ Payments	E 12
General Obligation Bonds:								
Series 2020			$ 135,000		$ 90,000	$ -	$ 15,000	$
KDHE Loan:								
Wastewater Loan	2.86%	05/02/2003	$ 224,307	09/01/2026	13,313	-	13,313	
Kansas Public Water Supply	2.49%	04/17/2023	$2,118,353	08/01/2055	66,185	72,013	-	
Capital Lease:								
Trash Truck	4.99%	06/14/2018	$ 109,353	06/14/2025	25,308	-	17,678	
Bobcat	5.32%	10/15/2024	$ 26,052	10/31/2025	-	26,052	13,338	
Total Contractual Indebtedness					$ 194,806	$ 98,065	$ 59,329	$

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

	General Obligation Bond		KS Public Water Supply Loan		Capital Lease		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principa
2025	$ 15,000	$ 1,500	$ -	$ -	$ 20,344	$ 781	$ 35
2026	15,000	1,200	-	-	-	-	15
2027	15,000	900	-	-	-	-	15
2028	15,000	600	-	-	-	-	15
2029	15,000	300	-	-	-	-	15
2030-2030			-	-	-	-	
	$ 75,000	$ 4,500	$ -	$ -	$ 20,344	$ 781	$ 95

The Kansas Public Water Supply loan advances of $138,198 are to be included in a total loan of $2,118,353 that is estir
2026 when the project is completed. No future maturities have been included in the chart above. These payments wi
loan funding is completed and payments commence.

5. DEFINED BENEFIT PENSION PLAN

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

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

State law provides that the employer contribution rates for Tier 1 and Tier 2 be determined annually based on the results of an annual actuarial valuation. Tier 3 Employer credits are established by statute and are based on the member employee's years of service. Tier 1 and Tier 2 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.46%, for the fiscal year ended December 31, 2024. Contributions to the pension plan from the city were $12,663 for the year ended December 31, 2024

Net Pension Liability. At December 31, 2024, the city's proportionate share of the collective net pension liability reported by KPERS was $96,801. 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 these financial statements.

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

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

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

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

(b) Compensated Absences

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

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

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

7. INTERFUND TRANSFERS

Operating transfers were as follows:

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

8. 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, 2024

City of Palco, Kansas
Summary of Expenditures – Actual and Budget
For the Year Ended December 31, 2024

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison
GENERAL	$ 341,583	$ -	$ 341,583
SPECIAL PURPOSE FUNDS:			
Library	8,665	-	8,665
Employee Benefits	34,275	-	34,275
Special Highway	24,769	-	24,769
BOND AND INTEREST FUNDS:			
Bond and Interest	16,950	-	16,950
BUSINESS FUNDS:			
Ambulance	-	-	-
Fire	15,609	-	15,609
Water	189,142	-	189,142
Sewer	69,547	-	69,547
Solid Waste	99,310	-	99,310

City of Palco, Kansas
General Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 87,279	$ 91,746	$ 102,631	$ (10,885)
Delinquent Tax	3,773	8,878	-	8,878
Motor Vehicle Tax	12,472	12,504	9,771	2,733
Recreational Vehicle Tax	358	617	318	299
16/20M Vehicle Tax	539	460	512	(52)
Commercial Truck Tax	470	682	1,705	(1,023)
Watercraft Tax	45	59	40	19
Sales Tax	55,854	66,172	63,000	3,172
Franchise Fee	13,540	12,971	17,103	(4,132)
Licenses and Permits	120	355	-	355
Interest on Idle Funds	1,360	4,209	1,375	2,834
Donations/Grants	-	-	-	-
Lease Proceeds	-	26,052	-	26,052
Reimbursements	30,054	4,583	-	4,583
Miscellaneous	1,945	1,791	1,000	791
Sale of Assets	12,500	-	-	-
Neighborhood Revitalization Program	(2,314)	(1,963)	-	(1,963)
Total Receipts	217,995	229,116	$ 197,455	$ 31,661
Expenditures				
Personal Services	47,237	51,457	$ 23,708	$ 27,749
General Administration	53,839	37,538	15,400	22,138
Shop	9,985	18,420	4,300	14,120
Street Lights	8,469	3,055	17,000	(13,945)
Fees	-	9,852	19,500	(9,648)
Park	23,698	1,801	2,300	(499)
Building Repair	2,203	862	7,800	(6,938)
Equipment Repair	7,689	5,343	5,300	43
Donations	2,575	5,286	3,000	2,286
Insurance	33,092	30,397	25,000	5,397
Legal Fees	1,153	4,303	-	4,303
Street Maintenance	4,297	175	-	175
Public Transportation	2,377	2,821	3,000	(179)
Capital Outlay	87,287	44,992	203,275	(158,283)
Debt Service - Principal	6,863	901	-	901
Transfer to Fire	12,000	12,000	12,000	-
Total Expenditures	302,764	229,203	$ 341,583	$ (112,380)
Receipts Over (Under) Expenditures	(84,769)	(87)		
Unencumbered Cash , January 1	160,323	75,554		
Unencumbered Cash, December 31	$ 75,554	$ 75,467		

City of Palco, Kansas
Library Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 4,668	$ 4,850	$ 5,426	$ (576)
Delinquent Tax	200	473	-	473
Motor Vehicle Tax	696	677	523	154
Recreational Vehicle Tax	20	34	17	17
16/20M Vehicle Tax	29	26	27	(1)
Commercial Truck Tax	26	36	91	(55)
Watercraft Tax	2	3	2	1
Neighborhood Revitalization Program	(124)	(104)	-	(104)
Total Receipts	5,517	5,995	$ 6,086	$ (91)
Expenditures				
Appropriation to Palco Public Library	5,517	6,109	$ 8,665	$ (2,556)
Commodities	830	-	-	-
Total Expenditures	6,347	6,109	$ 8,665	$ (2,556)
Receipts Over (Under) Expenditures	(830)	(114)		
Unencumbered Cash , January 1	2,579	1,749		
Unencumbered Cash, December 31	$ 1,749	$ 1,635		

City of Palco, Kansas
Employee Benefits Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 29,034	$ 20,140	$ 22,529	$ (2,389)
Delinquent Tax	870	2,471	-	2,471
Motor Vehicle Tax	3,232	3,866	3,216	650
Recreational Vehicle Tax	92	197	105	92
16/20M Vehicle Tax	191	108	169	(61)
Commercial Truck Tax	111	224	561	(337)
Watercraft Tax	10	19	13	6
Reimbursements	10	-	-	-
Neighborhood Revitalization Program	(762)	(431)	-	(431)
Total Receipts	32,788	26,594	$ 26,593	$ 1
Expenditures				
Unemployment Insurance	96	124	$ 72	$ 52
Social Security/Medicare	7,912	8,789	7,987	802
KPERS	7,103	14,004	8,216	5,788
Medical Insurance	10,255	11,099	18,000	(6,901)
Worker's Compensation Insurance	-	-	-	-
Total Expenditures	25,366	34,016	$ 34,275	$ (259)
Receipts Over (Under) Expenditures	7,422	(7,422)		
Unencumbered Cash, January 1	-	7,422		
Unencumbered Cash, December 31	$ 7,422	$ -		

City of Palco, Kansas
Special Highway Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Special Highway Tax	$ 5,610	$ 5,544	$ 7,220	$ (1,676)
Expenditures				
Capital Outlay	-	5,865	$ 24,769	$ (18,904)
Commodities	-	-	-	-
Total Expenditures	-	5,865	$ 24,769	$ (18,904)
Receipts Over (Under) Expenditures	5,610	(321)		
Unencumbered Cash, January 1	19,200	24,810		
Unencumbered Cash, December 31	$ 24,810	$ 24,489		

City of Palco, Kansas
Bond and Interest Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 7,149	$ 14,228	$ 15,916	$ (1,688)
Delinquent Tax	289	621	-	621
Motor Vehicle Tax	1,443	1,177	818	359
Recreational Vehicle Tax	42	55	27	28
16/20M Vehicle Tax	26	61	43	18
Commercial Truck Tax	62	57	143	(86)
Watercraft Tax	6	5	3	2
Neighborhood Revitalization Program	(194)	(304)	-	(304)
Total Receipts	8,823	15,900	$ 16,950	$ (1,050)
Expenditures				
Principal	9,188	14,999	$ 15,000	$ (1)
Interest	1,050	901	1,950	(1,049)
Total Expenditures	10,238	15,900	$ 16,950	$ (1,050)
Receipts Over (Under) Expenditures	(1,415)	-		
Unencumbered Cash, January 1	1,415	-		
Unencumbered Cash, December 31	$ -	$ -		

SCHEDULE 2-6

City of Palco, Kansas
Water Utility Reserve Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2024

	2023 Actual	2024 Actual
Receipts		
Transfer from General	$ -	$ -
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	9,568	9,568
Unencumbered Cash, December 31	$ 9,568	$ 9,568

SCHEDULE 2-7

City of Palco, Kansas
Special Equipment Reserve Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2024

	2023 Actual	2024 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	$ -	$ -

SCHEDULE 2-8

City of Palco, Kansas
Capital Improvements Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2024

	2023 Actual	2024 Actual
Receipts		
Bond Proceeds	$ -	$ -
Grants	78,051	463,393
Transfer from General	-	-
Total Receipts	78,051	463,393
Expenditures		
Capital Outlay	119,370	467,564
Receipts Over (Under) Expenditures	(41,319)	(4,171)
Unencumbered Cash, January 1	120,169	78,850
Unencumbered Cash, December 31	$ 78,850	$ 74,679

City of Palco, Kansas
Ambulance Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	$ -	$ -	$ -	$ -
County Subsidy	-	-	-	-
Total Receipts	-	-	$ -	$ -
Expenditures				
Personal Services	-	-	$ -	$ -
Contractual Services	-	-	-	-
Transfer to General	-	-	-	-
Total Expenditures	-	-	$ -	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, January 1	-	-		
Unencumbered Cash, December 31	$ -	$ -		

City of Palco, Kansas
Fire Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfer from General	$ 12,000	$ 12,000	$ 12,000	$ -
State of Kansas Grant	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	12,000	12,000	$ 12,000	$ -
Expenditures				
Personal Services	1,800	2,210	$ 2,900	$ (690)
Contractual Services	-	-	-	-
Commodities	3,228	2,151	12,709	(10,558)
Capital Outlay	-	-	-	-
Total Expenditures	5,028	4,361	$ 15,609	$ (11,248)
Receipts Over (Under) Expenditures	6,972	7,639		
Unencumbered Cash, January 1	5,734	12,706		
Unencumbered Cash, December 31	$ 12,706	$ 20,345		

City of Palco, Kansas
Water Utility Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	$ 82,552	$ 81,996	$ 57,225	$ 24,771
Transfer from Customer Deposit	-	-	-	-
Total Receipts	82,552	81,996	$ 57,225	$ 24,771
Expenditures				
Personal Services	22,962	29,422	$ 16,625	$ 12,797
Contractual Services	-	-	-	-
Commodities	12,359	8,730	13,600	(4,870)
Capital Outlay	24,686	34,935	158,917	(123,982)
Transfer to Water Reserve	-	-	-	-
Total Expenditures	60,007	73,087	$ 189,142	$ (116,055)
Receipts Over (Under) Expenditures	22,545	8,909		
Unencumbered Cash, January 1	103,829	126,374		
Unencumbered Cash, December 31	$ 126,374	$ 135,283		

SCHEDULE 2-12

City of Palco, Kansas
Sewer Utility Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges to Customers	$ 35,330	$ 36,928	$ 39,425	$ (2,497)
Transfer from Customer Deposit	-	-	-	-
	35,330	36,928	$ 39,425	$ (2,497)
Expenditures				
Personal Services	12,671	29,422	$ 16,750	$ 12,672
Contractual Services	-	-	-	-
Commodities	2,274	1,962	5,600	(3,638)
Capital Outlay	4,444	9,863	33,597	(23,734)
KDHE Loan Payment	13,542	13,567	13,600	(33)
Total Expenditures	32,931	54,814	$ 69,547	$ (14,733)
Receipts Over (Under) Expenditures	2,399	(17,886)		
Unencumbered Cash, January 1	24,614	27,013		
Unencumbered Cash, December 31	$ 27,013	$ 9,127		

City of Palco, Kansas
Solid Waste Fund
Statement of Cash Receipts and Expenditures – Actual and Budget
For the Year End December 31, 2024

	2023	2024		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges to Customers	$ 55,166	$ 56,723	$ 54,000	$ 2,723
Transfer from Customer Deposits	-	-	-	-
Total Receipts	55,166	56,723	$ 54,000	$ 2,723
Expenditures				
Personal Services	22,962	29,472	$ 16,850	$ 12,622
Contractual Services	8,174	8,401	6,200	2,201
Commodities	5,522	7,743	9,100	(1,357)
Capital Outlay	16,995	28,402	67,160	(38,758)
Total Expenditures	53,653	74,018	$ 99,310	$ (25,292)
Receipts Over (Under) Expenditures	1,513	(17,295)		
Unencumbered Cash, January 1	40,067	41,580		
Unencumbered Cash, December 31	$ 41,580	$ 24,285		

City of Palco, Kansas
Expendable Trust Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2024

	2023 Actual	2024 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, 2024

	2023 Actual	2024 Actual
Receipts		
Membership Sales	$ 29,411	$ 41,190
Oil Income	5,460	5,455
Farmland Income	88,274	94,408
Interest on Idle Funds	4,925	10,681
	128,070	151,734
Expenditures		
Personal Services	37,519	45,622
Contractual	44,337	52,570
Commodities	43,053	24,097
Capital Outlay	47,373	9,017
Reimbursements	-	-
Total Expenditures	172,282	131,306
Receipts Over (Under) Expenditures	(44,212)	20,428
Unencumbered Cash, January 1	294,041	249,829
Unencumbered Cash, December 31	$ 249,829	$ 270,257

City of Palco, Kansas
Customer Deposits Fund
Statement of Cash Receipts and Expenditures – Actual
For the Year End December 31, 2024

	2023 Actual	2024 Actual
Receipts		
Customer Deposits	$ 1,406	$ 1,921
Interest on Idle Funds	18	10
Reimbursements	75	-
Total Receipts	1,499	1,931
Expenditures		
Customer Refunds	252	627
Transfer to Water	-	-
Transfer to Sewer	-	-
Transfer to Solid Waste	-	-
Total Expenditures	252	627
Receipts Over (Under) Expenditures	1,247	1,304
Unencumbered Cash, January 1	6,546	7,793
Unencumbered Cash, December 31	$ 7,793	$ 9,097