



**TOWN OF PALMER LAKE
BOARD OF TRUSTEES - AGENDA MEMO**

DATE: January 22, 2026	ITEM NO.	SUBJECT: Accounting for loan payments from WF to GF
Presented by: Christi Birkeland Management Specialist		

Background

In the 10/24 budget workshop, and again in the 12/11 board meeting, Trustee Moseley questioned why the loan payments from the WF to the GF do not show in the budget.

Staff would like to restate for the record the explanation provided in the 11/6 budget workshop.

You will not see principal repayments in the budget or in the financials because they are balance sheet transactions.

Principal payments on the GF loan are recorded as a credit to the loan receivable (10-00-1230) on the GF's balance sheet, not as revenue. See attached report. Only the interest portion of the payment is recognized as revenue to the General Fund.

Recording the principal as revenue in the budget would overstate income and is not in line with GASB (Governmental Accounting Standards Board) or GAAP (generally accepted accounting principles).

The town's loan payments are paid for and are accounted for properly. If they weren't, there would be a finding in the financial audit.

Journal Entry	Series	TRX Date	Account Number	Account Description
Debit Amount		Credit Amount	Originating Document Number	
Originating Master ID		Originating Master Name	Reference	
Description				
8392	Financial	10/31/2024	10-00-1230-000	Loan Receivable - Enterprise
\$0.00		\$14,374.06	IAJ000001638	
COBANK-CKG 9495		GF Water Loan Payment		GF Water Loan Payment
Bank Transaction Entry				
9793	Financial	4/24/2025	10-00-1230-000	Loan Receivable - Enterprise
\$0.00		\$14,517.80	IAJ000002021	
COBANK-CKG 9495		GF Water Loan Payment		GF Water Loan Payment
Bank Transaction Entry				
11353	Financial	10/29/2025	10-00-1230-000	Loan Receivable - Enterprise
\$0.00		\$14,662.98	IAJ000002415	
COBANK-CKG 9495		GF Loan Payment		GF Loan Payment
Bank Transaction Entry				