CITY OF EDWARDSVILLE, KANSAS

Financial Statements

For the Year Ended December 31, 2023

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CITY OF EDWARDSVILLE, KANSAS
Financial Statements
For the Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Edwardsville, Kansas

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 Edwardsville, Kansas, (the City), as of and for the year ended December 31, 2023 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 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 as of December 31, 2023, or the 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 as of December 31, 2023, 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, 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 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 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'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'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'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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (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 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 17, 2024

CITY OF EDWARDSVILLE, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 975,166	$ -	$ 7,229,764	$ 7,329,649	$ 875,281	$ 83,111	$ 958,392
Special Purpose Funds:							
Special Highway	122,449	-	375,450	48,467	449,432	12,530	461,962
Special Parks and Recreation	3,579	-	4,585	-	8,164	-	8,164
Economic Development	338,045	-	-	19,775	318,270	-	318,270
Special Sales Tax	280,571	-	455,973	423,211	313,333	-	313,333
Special Events	2,382	-	14,990	16,944	428	2,479	2,907
Transient Guest Tax	18,476	-	1,752	-	20,228	-	20,228
Technology	37,066	-	123,432	138,899	21,599	3,567	25,166
Law Enforcement Trust	11,376	-	21,467	8,832	24,011	1,108	25,119
Cemetery	28,455	-	15,001	11,884	31,572	[860]	30,712
Governmental Grants	779,609	-	357,394	459,243	677,760	11,560	689,320
Opioid Settlement	-	-	10,431	-	10,431	-	10,431
Community Improvement District	9,477	-	18,010	8,694	18,793	-	18,793
Tax Increment Financing	116,404	-	144,627	45,071	215,960	-	215,960
Municipal Equipment Reserve	-	-	104,082	-	104,082	-	104,082
Bond and Interest Funds:							
Bond and Interest	367,964	-	1,256,914	939,223	685,655	51,030	736,685
Capital Project Funds:							
Capital Improvement Program	62,381	-	5,113,469	5,113,469	62,381	-	62,381
Riverview Crossroads	192,648	-	1,408	-	194,056	-	194,056
Property Acquisitions	442,611	-	2,768	-	445,379	-	445,379
Towne Center	912,942	-	5,580	73,055	845,467	-	845,467
4th Street Improvements	320,607	-	2,006	-	322,613	-	322,613
98th Street Improvements	247,818	-	1,423,739	1,656,368	15,189	2,290	17,479
Street and Drainage Improvements	397,710	-	2,293	283,983	116,020	23,842	139,862
Kansas & Richland Street Improvements	-	-	3,659,438	63,113	3,596,325	19,581	3,615,906
Business Funds:							
Sewer	898,487	-	803,107	1,149,106	552,488	38,198	590,686
Solid Waste	11,031	-	317,880	277,073	51,838	20,606	72,444
Total	$ 6,577,254	$ -	$ 21,465,560	$ 18,066,059	$ 9,976,755	$ 269,042	$ 10,245,797

COMPOSITION OF CASH:	
Petty cash	$ 550
Checking accounts	10,292,095
Money market accounts	13,285
Total Cash	10,305,930
Agency Funds per Schedule 3	[60,133]
Total Reporting Entity (Excluding Agency Funds)	$ 10,245,797

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

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Edwardsville (the City) is a municipal corporation governed by an elected council. The City was incorporated in 1915 and changed to a second-class city in 2008. The City operates under a Mayor-Council form of government with a City Manager and provides the following services as authorized by its charter: public safety (police and fire), highway and street maintenance, sanitation, culture/recreation, public improvements, planning and zoning, and general administrative services. These financial statements present the City (the primary government) and any related municipal entities of which the City is considered to be financially accountable. The City has no separate related municipal entities.

Basis of Accounting

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 balance 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 receipts 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(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2023:

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 regulatory receipt 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 the 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. enterprise and internal service fund etc.)

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

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:

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts 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. Budgets for the Sewer, Solid Waste, Technology and Special Sales Tax funds were amended during the year ended December 31, 2023.

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.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City 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, agency funds and the following special purpose funds:

Law Enforcement Trust Fund	Cemetery Fund
Governmental Grants Fund	Community Improvement District Fund
Tax Increment Financing Fund	Municipal Equipment Reserve Fund
Opioid Settlement Fund	

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

NOTE 2 - Deposits and Investments

Deposits. 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 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.

Investments. 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. As of December 31, 2023, the City held no such investments.

NOTE 2 - Deposits and Investments (Continued)

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.

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%. The City has no designated "peak periods." The City's deposits were fully secured as of December 31, 2023.

As of December 31, 2023, the City's carrying amount of deposits was $10,305,930 and the bank balance was $10,581,597. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and $10,331,597 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 possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 - Compensated Absences

The City's compensated absences policy permits employees to be paid for accumulated sick leave as follows:

Employees who have completed five years of continuous service with the City and resign or retire from the City in good standing will be eligible for a payout of their earned but unused sick leave bank of 20% of the balance up to a maximum of 320 hours.

Police and Fire employees certified by the City Manager on January 1, 2015, as having been employed with the City for fifteen years or more and who retire or resign in good standing will receive sick leave payout of their full accumulated sick leave hours not to exceed 720 hours.

It is the City's policy to recognize the costs of compensated absences when actually paid.

NOTE 4 - Interfund Transfers

Operating transfers during the year ended December 31, 2023, were as follows:

From	To	Amount	Regulatory Authority
General	Technology	$ 15,000	K.S.A. 12-1,118
Sewer	General	25,000	K.S.A 12-825d
Sewer	Solid Waste	60,000	K.S.A 12-825d
Sewer	Bond and Interest	183,525	K.S.A 12-825d
Capital Improvement Program	98th Street Improvements	1,422,576	Bond resolution
Capital Improvement Program	Kansas & Richland Street Improvements	3,657,651	Bond resolution
Governmental Grants	Technology	95,000	Council Resolution
		$ 5,458,752	

NOTE 5 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2023.

NOTE 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 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 required 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 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 a 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 established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for KPERS and 22.86 % for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $77,703 for KPERS and $617,390 for KP&F for the year ended December 31, 2023.

Net Pension Liability. As of December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $802,554 and $6,221,470 for KP&F. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio 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 KPERS website at www.kpers.org or can be obtained as described above.

NOTE 7 - Other Long-term Obligations from Operations

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. Each retiree pays 125% of 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.

NOTE 7 - Other Long-term Obligations from Operations

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.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

NOTE 8 - Long-term Debt

Changes in Long-term Debt. The following table summarizes changes in the City's long-term debt during the year ended December 31, 2023:

	Beginning Principal Outstanding	Additions to Principal	Subtractions from Principal	Ending Principal Outstanding	Interest Paid
Paid by taxes					
General Obligation Bonds	$7,535,000	$ -	$ 680,000	$ 6,855,000	$208,193
General Obligation Temporary Notes	-	5,075,000	-	5,075,000	-
Finance Leases	681,846	-	183,689	498,157	23,681
Totals	$8,216,846	$5,075,000	$ 863,689	$12,428,157	$231,873

General Obligation Bonds. The following table details the City's outstanding general obligation bonds as of December 31, 2023:

Description	Interest Rate	Original Amount	Amount Outstanding at December 31, 2023	Date of Issue	Final Maturity
Series 2013	2.00 - 2.45%	$6,140,000	$ 640,000	5/15/2013	12/1/2028
Series 2015	3.00%	1,535,000	515,000	8/12/2015	12/1/2030
Series 2019	3.00 - 4.00%	3,760,000	3,440,000	7/15/2019	12/1/2039
Series 2020	1.00 - 3.00%	2,475,000	2,260,000	10/15/2020	12/1/2040
			$ 6,855,000		

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest
2024	$ 695,000	$ 188,642
2025	510,000	168,643
2026	440,000	153,143
2027	445,000	138,505
2028	445,000	123,668
2029 - 2033	1,845,000	460,305
2034 - 2038	1,915,000	227,903
2039 - 2040	560,000	15,450
	$ 6,855,000	$ 1,476,259

NOTE 8 - Long-Term Debt (Continued)

General Obligation Temporary Notes. The following table details the City's outstanding general obligation temporary notes:

Description	Interest Rate	Original Amount	Amount Outstanding at December 31, 2023	Date of Issue	Final Maturity
Series 2023	2.00 - 2.45%	$5,075,000	$ 5,075,000	11/14/2023	6/1/2027

On November 14, 2023, the City issues General Obligation Temporary Notes, Series 2023, in the amount of $5,075,000. The proceeds from the temporary notes will be used to fund a portion of the cost to make street improvements. The notes carry an interest rate ranging between 2.00 - 2.45% and are scheduled to mature on June 1, 2027.

Annual debt service requirements to maturity for the general obligation temporary notes are as follows:

Year Ending December 31,	Principal	Interest
2024	$ -	$265,733
2025	-	253,750
2026	-	253,750
2027	5,075,000	126,875
	$5,075,000	$900,108

Finance Leases. The following table details the City's outstanding finance lease obligations:

Description	Interest Rate	Original Amount	Amount Outstanding at December 31, 2023	Date of Issue	Final Maturity
2017 Ferrara Cinder	3.92%	$ 695,565	$ 381,276	10/1/2018	10/1/2028
2021 Ambulance	2.99%	232,636	95,670	4/15/2021	10/1/2025
2022 Copiers	0.00%	32,592	21,211	2/16/2022	5/16/2027
			$ 498,157		

Annual lease payment requirements to maturity for the finance leases is as follows:

Year Ending December 31,	Principal	Interest
2024	$ 123,845	$ 17,807
2025	128,018	13,634
2026	82,351	9,310
2027	81,714	6,325
2028	82,228	3,223
	$ 498,157	$ 50,300

NOTE 9 - Conduit Debt Obligations

The City issued Industrial Revenue Bonds for the capital needs of unrelated parties. The principal and interest payments on the bonds are payable solely from funds generated from leases, etc., from such unrelated parties. Accordingly, the bonds and related leases, etc., are not recorded in the City's accounts. As of December 31, 2023, there were 11 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of approximately $80 million.

NOTE 10 - Risk Management

The City is exposed to various risks of loss to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

NOTE 11 - Litigation

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have a future financial effect, management of the City believes that their ultimate outcome will not be material to the basic financial statements.

NOTE 12 - Statutory Violations

Actual exceeded budgeted expenditures in the Technology and Sewer funds, which is a violation of K.S.A. 79-2935.

Schedule 1

CITY OF EDWARDSVILLE, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over [Under]
General Funds:					
General	$ 8,623,758	$ -	$ 8,623,758	$ 7,329,649	$ [1,294,109]
Special Purpose Funds:					
Special Highway	250,000	-	250,000	48,467	[201,533]
Special Parks and Recreation	-	-	-	-	-
Economic Development	70,000	-	70,000	19,775	[50,225]
Special Sales Tax	428,677	-	428,677	423,211	[5,466]
Special Events	20,000	-	20,000	16,944	[3,056]
Transient Guest Tax	-	-	-	-	-
Technology	134,702	-	134,702	138,899	4,197
Bond and Interest Funds:					
Bond and Interest	1,646,663	-	1,646,663	939,223	[707,440]
Business Funds:					
Sewer	938,399	-	938,399	1,149,106	210,707
Solid Waste	278,069	-	278,069	277,073	[996]

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes:			
Ad valorem	$ 2,795,726	$ 2,848,131	$ [52,405]
Delinquent	35,599	57,906	[22,307]
Motor vehicle	166,068	171,541	[5,473]
Retail sales	2,016,484	1,990,561	25,923
Payment in lieu of	249,270	228,887	20,383
Franchise	557,328	512,000	45,328
Gaming	439,141	435,000	4,141
Licenses and permits:			
Licenses, permits and fees	80,408	89,450	[9,042]
Fines, forfeitures and penalties:			
Municipal court	572,155	589,254	[17,099]
Charges and services:			
Ambulance	129,295	-	129,295
Parks and recreation fees	27,264	38,250	[10,986]
Use of money and property:			
Interest	28,950	-	28,950
Other receipts:			
Intergovernmental	-	317,485	[317,485]
Reimbursed expense	25,984	-	25,984
Miscellaneous	81,092	135,200	[54,108]
Operating transfers from:			
Sewer Fund	25,000	25,000	-
Total Receipts	7,229,764	$ 7,438,665	$ [208,901]
Expenditures			
General administration	1,233,204	$ 1,124,364	$ 108,840
Fire department & emergency medical services	2,268,430	2,492,937	[224,507]
Police department	2,672,716	2,871,834	[199,118]
Municipal court	391,097	298,833	92,264
Public works	407,442	417,067	[9,625]
Parks and recreation	301,745	251,437	50,308
Community center	27,617	20,500	7,117
Operating transfers to:			
Technology Fund	27,398	-	27,398
Contingency reserve	-	1,146,786	[1,146,786]
Total Expenditures	7,329,649	$ 8,623,758	$ [1,294,109]
Receipts Over [Under] Expenditures	[99,885]		
Unencumbered Cash, Beginning	975,166		
Unencumbered Cash, Ending	$ 875,281		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Intergovernmental	$ 227,061	$ 203,250	$ 23,811
Miscellaneous	148,389	-	148,389
Total Receipts	375,450	$ 203,250	$ 172,200
Expenditures			
Highways and streets	48,467	$ 250,000	$ [201,533]
Total Expenditures	48,467	$ 250,000	$ [201,533]
Receipts Over [Under] Expenditures	326,983		
Unencumbered Cash, Beginning	122,449		
Unencumbered Cash, Ending	$ 449,432		

CITY OF EDWARDSVILLE, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Intergovernmental	$ 4,585	$ -	$ 4,585
Total Receipts	4,585	$ -	$ 4,585
Expenditures			
Culture and recreation	-	$ -	$ -
Total Expenditures	-	$ -	$ -
Receipts Over [Under] Expenditures	4,585		
Unencumbered Cash, Beginning	3,579		
Unencumbered Cash, Ending	$ 8,164		

CITY OF EDWARDSVILLE, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Miscellaneous	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Economic development	19,775	$ 70,000	$ [50,225]
Total Expenditures	19,775	$ 70,000	$ [50,225]
Receipts Over [Under] Expenditures	[19,775]		
Unencumbered Cash, Beginning	338,045		
Unencumbered Cash, Ending	$ 318,270		

CITY OF EDWARDSVILLE, KANSAS
Special Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes:			
Retail sales tax	$ 455,973	$ 438,489	$ 17,484
Total Receipts	455,973	$ 438,489	$ 17,484
Expenditures			
Capital outlay			
Fire department	199,529	$ 203,677	$ [4,148]
Public works	133,183	100,000	33,183
Highways and streets	42,876	-	42,876
Parks and recreation	47,623	125,000	[77,377]
Total Expenditures	423,211	$ 428,677	$ [5,466]
Receipts Over [Under] Expenditures	32,762		
Unencumbered Cash, Beginning	280,571		
Unencumbered Cash, Ending	$ 313,333		

CITY OF EDWARDSVILLE, KANSAS
Special Events Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Miscellaneous	$ 14,990	$ 23,500	$ [8,510]
Total Receipts	14,990	$ 23,500	$ [8,510]
Expenditures			
Culture and recreation	16,944	$ 20,000	$ [3,056]
Total Expenditures	16,944	$ 20,000	$ [3,056]
Receipts Over [Under] Expenditures	[1,954]		
Unencumbered Cash, Beginning	2,382		
Unencumbered Cash, Ending	$ 428		

CITY OF EDWARDSVILLE, KANSAS
Transient Guest Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Transient guest tax	$ 1,752	$ -	$ 1,752
Total Receipts	1,752	$ -	$ 1,752
Expenditures			
General administration	-	$ -	$ -
Total Expenditures	-	$ -	$ -
Receipts Over [Under] Expenditures	1,752		
Unencumbered Cash, Beginning	18,476		
Unencumbered Cash, Ending	$ 20,228		

CITY OF EDWARDSVILLE, KANSAS
Technology Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Technology fee	$ 13,432	$ 15,000	$ [1,568]
Operating transfers from:			
General Fund	15,000	15,000	-
Governmental Grants Fund	95,000	-	95,000
Total Receipts	123,432	$ 30,000	$ 93,432
Expenditures			
Purchased services	138,875	$ 134,702	$ 4,173
Capital outlay	24	-	24
Total Expenditures	138,899	$ 134,702	$ 4,197
Receipts Over [Under] Expenditures	[15,467]		
Unencumbered Cash, Beginning	37,066		
Unencumbered Cash, Ending	$ 21,599		

CITY OF EDWARDSVILLE, KANSAS
Law Enforcement Trust Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Intergovernmental	$ 21,467
Total Receipts	21,467
Expenditures	
Public safety	8,832
Total Expenditures	8,832
Receipts Over [Under] Expenditures	12,635
Unencumbered Cash, Beginning	11,376
Unencumbered Cash, Ending	$ 24,011

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Cemetery Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Fees for services	$ 14,985
Interest	16
Total Receipts	15,001
Expenditures	
Operations	11,884
Total Expenditures	11,884
Receipts Over [Under] Expenditures	3,117
Unencumbered Cash, Beginning	28,455
Unencumbered Cash, Ending	$ 31,572

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Governmental Grants Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Intergovernmental	$ 357,394
Total Receipts	357,394
Expenditures	
Public safety	364,243
Operating transfers to:	
Technology Fund	95,000
Total Expenditures	459,243
Receipts Over [Under] Expenditures	[101,849]
Unencumbered Cash, Beginning	779,609
Unencumbered Cash, Ending	$ 677,760

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Opioid Settlement Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Intergovernmental	$ 10,431
Total Receipts	10,431
Expenditures	
Public safety	-
Total Expenditures	-
Receipts Over [Under] Expenditures	10,431
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 10,431

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Community Improvement District Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Taxes:	
Retail sales tax	$ 18,010
Total Receipts	18,010
Expenditures	
Contractual	8,694
Total Expenditures	8,694
Receipts Over [Under] Expenditures	9,316
Unencumbered Cash, Beginning	9,477
Unencumbered Cash, Ending	$ 18,793

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Tax Increment Financing Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Taxes:	
Ad valorem tax	$ 144,627
Total Receipts	144,627
Expenditures	
Capital outlay	45,071
Total Expenditures	45,071
Receipts Over [Under] Expenditures	99,556
Unencumbered Cash, Beginning	116,404
Unencumbered Cash, Ending	$ 215,960

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Reimbursed expense	$ 104,082
Total Receipts	104,082
Expenditures	
Capital outlay	-
Total Expenditures	-
Receipts Over [Under] Expenditures	104,082
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 104,082

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes:			
Ad valorem	$ 924,676	$ 948,805	$ [24,129]
Delinquent	11,489	18,411	[6,922]
Motor vehicle	54,174	56,227	[2,053]
Payment in lieu of	82,947	73,456	9,491
Miscellaneous	103	-	103
Operating transfers from:			-
Sewer Fund	183,525	183,525	-
Total Receipts	1,256,914	$ 1,280,424	$ [23,510]
Expenditures			
Debt service			
Principal	680,000	$ 680,000	$ -
Interest	208,193	208,193	-
Compliance	51,030	28,470	22,560
Contingency reserve	-	730,000	[730,000]
Total Expenditures	939,223	$ 1,646,663	$ [707,440]
Receipts Over [Under] Expenditures	317,691		
Unencumbered Cash, Beginning	367,964		
Unencumbered Cash, Ending	$ 685,655		

CITY OF EDWARDSVILLE, KANSAS
Capital Improvement Program Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Temporary note proceeds	$ 5,113,469
Total Receipts	5,113,469
Expenditures	
Issuance costs	33,242
Operating transfers to:	
Kansas & Richland Street Improvements Fund	3,657,651
98th Street Improvements Fund	1,422,576
Total Expenditures	5,113,469
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	62,381
Unencumbered Cash, Ending	$ 62,381

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Riverview Crossroads Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Interest	$ 1,408
Total Receipts	1,408
Expenditures	
Contractual	-
Total Expenditures	-
Receipts Over [Under] Expenditures	1,408
Unencumbered Cash, Beginning	192,648
Unencumbered Cash, Ending	$ 194,056

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Property Acquisitions Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Interest	$ 2,768
Total Receipts	2,768
Expenditures	
Capital outlay	-
Total Expenditures	-
Receipts Over [Under] Expenditures	2,768
Unencumbered Cash, Beginning	442,611
Unencumbered Cash, Ending	$ 445,379

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Towne Center Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Interest	$ 5,580
Total Receipts	5,580
Expenditures	
Capital outlay	73,055
Total Expenditures	73,055
Receipts Over [Under] Expenditures	[67,475]
Unencumbered Cash, Beginning	912,942
Unencumbered Cash, Ending	$ 845,467

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
4th Street Improvements Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Interest	$ 2,006
Total Receipts	2,006
Expenditures	
Capital outlay	-
Total Expenditures	-
Receipts Over [Under] Expenditures	2,006
Unencumbered Cash, Beginning	320,607
Unencumbered Cash, Ending	$ 322,613

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
98th Street Improvements Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Interest	$ 1,163
Operating transfer from:	
Capital Improvement Program Fund	1,422,576
Total Receipts	1,423,739
Expenditures	
Capital outlay	1,656,368
Total Expenditures	1,656,368
Receipts Over [Under] Expenditures	[232,629]
Unencumbered Cash, Beginning	247,818
Unencumbered Cash, Ending	$ 15,189

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Street and Drainage Improvements Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Interest	$ 2,293
Total Receipts	2,293
Expenditures	
Capital outlay	283,983
Total Expenditures	283,983
Receipts Over [Under] Expenditures	[281,690]
Unencumbered Cash, Beginning	397,710
Unencumbered Cash, Ending	$ 116,020

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Kansas & Richland Street Improvements Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2023

Receipts	
Interest	$ 1,787
Operating transfers from:	
Capital Improvement Program Fund	3,657,651
Total Receipts	3,659,438
Expenditures	
Capital outlay	63,113
Total Expenditures	63,113
Receipts Over [Under] Expenditures	3,596,325
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 3,596,325

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for service	$ 803,107	$ 845,000	$ [41,893]
Total Receipts	803,107	$ 845,000	$ [41,893]
Expenditures			
Personnel	89,646	$ 87,731	$ 1,915
Contractual	689,817	430,000	259,817
Commodities	101,118	152,143	[51,025]
Operating transfers to:			
General Fund	25,000	25,000	-
Solid Waste Fund	60,000	60,000	-
Bond and Interest Fund	183,525	183,525	-
Total Expenditures	1,149,106	$ 938,399	$ 210,707
Receipts Over [Under] Expenditures	[345,999]		
Unencumbered Cash, Beginning	898,487		
Unencumbered Cash, Ending	$ 552,488		

CITY OF EDWARDSVILLE, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for service	$ 257,880	$ 250,500	$ 7,380
Operating transfers from:			
Sewer Fund	60,000	-	60,000
Total Receipts	317,880	$ 250,500	$ 67,380
Expenditures			
Contractual	277,073	$ 278,069	$ [996]
Total Expenditures	277,073	$ 278,069	$ [996]
Receipts Over [Under] Expenditures	40,807		
Unencumbered Cash, Beginning	11,031		
Unencumbered Cash, Ending	$ 51,838		

CITY OF EDWARDSVILLE, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Fire Insurance Proceeds Fund	$ 3,113	$ -	$ -	$ 3,113
Cash Bond Fund	71,797	125,900	140,677	57,020
Total Agency Funds	$ 74,910	$ 125,900	$ 140,677	$ 60,133