

CITY OF EDWARDSVILLE, KANSAS

Financial Statements

For the Year Ended December 31, 2020

This page intentionally left blank.

CITY OF EDWARDSVILLE, KANSAS
 Financial Statements
 For the Year Ended December 31, 2020

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 10
Schedule 1	
Summary of Expenditures - Actual and Budget	11
Schedule 2	
Schedule of Receipts and Expenditures - Actual and Budget and Actual Only	
General Fund	12
Special Highway Fund	13
Special Parks and Recreation Fund	14
Economic Development Fund	15
Special Sales Tax Fund	16
Special Events Fund	17
Transient Guest Tax Fund	18
Law Enforcement Trust Fund	19
Cemetery Fund	20
Governmental Grants Fund	21
Technology Fund	22
Community Improvement District Fund	23
Tax Increment Financing Fund	24
Bond and Interest Fund	25
Capital Improvement Program Fund	26
LTC Sewer Project Fund	27
Riverview Crossroads Fund	28
Property Acquisitions Fund	29
Towne Center Fund	30
4th Street Improvements Fund	31
98th Street Improvements Fund	32
Street and Drainage Improvements Fund	33
Sewer Fund	34
Solid Waste Fund	35
Schedule 3	
Summary of Receipts and Disbursements - Agency Funds	36

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Edwardsville, Kansas

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, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; 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.

Auditor's 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 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 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 as of December 31, 2020, 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 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, 2020, 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.

Other Matters

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, and the summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 4, 2021

CITY OF EDWARDSVILLE, KANSAS
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2020

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General	\$ 978,580	\$ -	\$ 6,044,555	\$ 6,087,316	\$ 935,819	\$ 48,147	\$ 983,966
Special Purpose Funds:							
Special Highway	271,999	-	200,517	183,501	289,015	-	289,015
Special Parks and Recreation	7	-	2,050	-	2,057	-	2,057
Economic Development	374,777	-	48,932	25,760	397,949	1,325	399,274
Special Sales Tax	123,060	-	310,607	177,572	256,095	-	256,095
Special Events	6,660	-	4,750	216	11,194	-	11,194
Transient Guest Tax	7,929	-	3,704	-	11,633	-	11,633
Law Enforcement Trust	717	-	-	595	122	-	122
Cemetery	61,545	-	15,775	7,267	70,053	-	70,053
Governmental Grants	5,846	-	449,409	246,979	208,276	42,232	250,508
Technology	18,215	-	27,934	24,501	21,648	820	22,468
Community Improvement District	920	-	12,514	3,997	9,437	-	9,437
Tax Increment Financing	2	-	125,273	85,981	39,294	-	39,294
Bond and Interest Funds:							
Bond and Interest	25,345	-	1,158,888	1,155,281	28,952	-	28,952
Capital Project Funds:							
Capital Improvement Program	15,332	-	2,588,807	2,599,857	4,282	3,424	7,706
LTC Sewer Project	[175]	-	175	-	-	-	-
Riverview Crossroads	397,722	-	2,504,597	534,974	2,367,345	13,548	2,380,893
Property Acquisitions	433,412	-	4,184	-	437,596	-	437,596
Towne Center	400,436	-	3,319	95,800	307,955	2,100	310,055
4th Street Improvements	322,876	-	3,117	-	325,993	-	325,993
98th Street Improvements	270,003	-	2,607	-	272,610	-	272,610
Street and Drainage Improvements	629,547	-	6,087	-	635,634	-	635,634
Business Funds:							
Sewer	421,188	-	739,576	615,060	545,704	28,320	574,024
Solid Waste	15,414	-	209,262	187,138	37,538	-	37,538
Total	\$ 4,781,357	\$ -	\$ 14,466,639	\$ 12,031,795	\$ 7,216,201	\$ 139,916	\$ 7,356,117

COMPOSITION OF CASH:

Petty cash	\$ 550
Checking accounts	7,341,628
Money market accounts	16,612
Certificates of deposit	32,689
Total Cash	7,391,479
Agency Funds per Schedule 3	[35,362]
Total Reporting Entity (Excluding Agency Funds)	\$ 7,356,117

CITY OF EDWARDSVILLE, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 on June 28, 1915, as a second-class city. The City operates under a Mayor-Council form of government with a City Administrator 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, 2020:

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 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.).

CITY OF EDWARDSVILLE, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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. During the year ended December 31, 2020, the City amended the budget for the Solid Waste and Technology funds.

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, regulatory receipts 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 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

Spending in funds which 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 governing body.

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.

CITY OF EDWARDSVILLE, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 2 - Deposits and Investments (Continued)

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, 2020, the City held no such investments.

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 at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$7,391,479 and the bank balance was \$7,404,279. 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 \$7,154,279 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 - Long-Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2020, were as follows:

	Beginning Principal Outstanding	Additions to Principal	Subtractions from Principal	Ending Principal Outstanding	Interest Paid
Paid by taxes					
General Obligation Bonds	\$ 7,495,000	\$ 2,475,000	\$ 890,000	\$ 9,080,000	\$ 265,281
Capital Leases	<u>945,305</u>	<u>91,004</u>	<u>279,318</u>	<u>756,991</u>	<u>35,210</u>
Totals	<u>\$ 8,440,305</u>	<u>\$ 2,566,004</u>	<u>\$ 1,169,318</u>	<u>\$ 9,836,991</u>	<u>\$ 300,491</u>

General Obligation Bonds. Following is a detailed listing of the City's outstanding general obligation debt:

Description	Interest Rate	Original Amount	Amount Outstanding at December 31, 2020	Date of Issue	Final Maturity
Paid by taxes					
G.O. Bonds issued:					
Series 2013	2.00 - 2.45%	\$6,140,000	\$ 1,915,000	5/15/2013	12/1/2028
Series 2015	3.00%	1,535,000	930,000	8/12/2015	12/1/2030
Series 2019	3.00 - 4.00%	3,760,000	3,760,000	7/15/2019	12/1/2039
Series 2020	1.00 - 3.00%	2,475,000	<u>2,475,000</u>	10/15/2020	12/1/2040
			<u>\$ 9,080,000</u>		

CITY OF EDWARDSVILLE, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 3 - Long-Term Debt (Continued)

On October 15, 2020, the City issued General Obligation Bonds, Series 2020, in the amount of \$2,475,000. The bonds carry an interest rate ranging from 1.00% to 3.00%, with a final maturity of December 1, 2040. Interest on the Series 2020 Bonds is due semi-annually on June 1 and December 1. The net proceeds of the Series 2020 bonds were used finance a portion of the Riverview Crossroads Capital Improvement Project.

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

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 905,000	\$ 252,070
2022	640,000	226,393
2023	680,000	208,193
2024	695,000	188,643
2025	510,000	168,643
2026 - 2030	2,115,000	626,470
2031 - 2035	1,790,000	371,278
2036 - 2040	<u>1,745,000</u>	<u>121,225</u>
	<u>\$ 9,080,000</u>	<u>\$ 2,162,913</u>

Capital Leases. Following is a detailed listing of the City's outstanding capital leases:

<u>Description</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Amount Outstanding at December 31, 2020</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
2015 Pierce Sabre Fire Truck	3.03%	\$ 355,158	\$ 54,646	1/14/2015	7/31/2021
2017 Tractor Boom Mower	2.58%	76,000	15,594	9/20/2017	7/1/2021
2018 Ford F-450	2.74%	58,323	22,404	11/30/2017	4/1/2022
2019 Police Department Vehicles	3.95%	79,570	26,857	10/2/2018	1/31/2021
2017 Ferrara Cinder	3.92%	695,565	577,235	10/1/2018	10/1/2028
2020 Police Department Vehicles	2.75%	91,004	<u>60,254</u>	4/1/2020	7/1/2022
			<u>\$ 756,991</u>		

On April 1, 2020, the City entered into an agreement to lease-purchase 2 vehicles and associated equipment for usage by the police department. The lease carries a 2.75% interest rate with a final maturity of July 1, 2022.

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

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 200,691	\$ 28,017
2022	107,177	21,316
2023	67,847	17,606
2024	70,507	14,946
2025	73,270	12,182
2026 - 2028	<u>237,499</u>	<u>18,859</u>
	<u>\$ 756,991</u>	<u>\$ 112,926</u>

CITY OF EDWARDSVILLE, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 4 - Statutory Violation

The City was in violation of K.S.A. 10-130, which requires bond payments to be remitted to the Office of the State Treasurer no less than 20 days before the redemption of such bonds and the payment of the interest thereon. Three bond payments were received by the Office of the State Treasurer less than 20 days before the redemption date.

NOTE 5 - 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, 2020, there were 14 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$65.6 million.

NOTE 6 - 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 of 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 7 - Interfund Transfers

Operating transfers were as follows:

From	To	Amount	Regulatory Authority
General	Technology	\$ 15,000	K.S.A 12-1,118
Special Highway	Bond and Interest	125,000	Bond ordinance
Sewer	General	21,000	K.S.A 12-825d
Sewer	Bond and Interest	152,802	K.S.A 12-825d
Capital Improvement Program	Bond and Interest	15,332	K.S.A 12-1,118
Capital Improvement Program	Riverview Crossroads	<u>2,500,000</u>	K.S.A 12-1,118
	Total	<u>\$ 2,829,134</u>	

CITY OF EDWARDSVILLE, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 8 - Retirement 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 and KPERS 3 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 8.61% for KPERS and 21.93% for KP&F for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$62,655 for KPERS and \$563,913 for KP&F for the year ended December 31, 2020.

Net Pension Liability. At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$643,584 and \$4,787,593 for KP&F. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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 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 KPERS website at www.kpers.org or can be obtained as described above.

NOTE 9 - 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. 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 premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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. There is no cost to the City under this program.

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, 2020.

CITY OF EDWARDSVILLE, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 future financial effect, management of the City believes that their ultimate outcome will not be material to the basic financial statements.

NOTE 12 - Subsequent Event

In January 2021, the City signed a \$189,224 capital lease agreement to purchase vehicles for the police and fire departments. Terms of the lease call for three years of annual principal and interest payments at a rate of 2.89%.

NOTE 13 - Related Party Transaction

During the year ended December 31, 2020, the City paid \$1,025 for signage to a company owned by the mayor.

CITY OF EDWARDSVILLE, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General	\$ 7,097,004	\$ -	\$ 7,097,004	\$ 6,087,316	\$ 1,009,688
Special Purpose Funds:					
Special Highway	195,000	-	195,000	183,501	11,499
Special Parks and Recreation	-	-	-	-	-
Economic Development	162,000	-	162,000	25,760	136,240
Special Sales Tax	300,207	-	300,207	177,572	122,635
Special Events	25,700	-	25,700	216	25,484
Transient Guest Tax	-	-	-	-	-
Technology	25,000	-	25,000	24,501	499
Bond and Interest Funds:					
Bond and Interest	1,186,467	-	1,186,467	1,155,281	31,186
Business Funds:					
Sewer	758,615	-	758,615	615,060	143,555
Solid Waste	215,000	-	215,000	187,138	27,862

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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Property taxes	\$ 2,415,733	\$ 2,471,280	\$ [55,547]
Delinquent taxes	42,366	-	42,366
Auto ad valorem taxes	166,908	162,150	4,758
Local retail sales taxes	1,492,936	1,507,815	[14,879]
Payment in lieu of taxes	281,153	287,816	[6,663]
Franchise fees	491,512	545,000	[53,488]
Licenses, permits and fees	95,593	82,500	13,093
Gaming revenue	302,352	415,000	[112,648]
Ambulance	167,621	175,000	[7,379]
Municipal court	376,537	358,000	18,537
Fees for services	7,414	-	7,414
Interest	17,691	-	17,691
Miscellaneous	74,735	150,065	[75,330]
Lease proceeds	91,004	-	91,004
Transfers in	<u>21,000</u>	<u>15,000</u>	<u>6,000</u>
Total Receipts	<u>6,044,555</u>	<u>\$ 6,169,626</u>	<u>\$ [125,071]</u>
Expenditures			
General administration	999,556	\$ 928,572	\$ [70,984]
Fire department	1,926,790	1,954,731	27,941
Police department	2,364,363	2,286,089	[78,274]
Court	239,337	237,570	[1,767]
Public works	402,264	474,603	72,339
Parks and recreation	117,868	221,485	103,617
Community center	22,138	26,300	4,162
Transfers out	15,000	15,000	-
Contingency reserve	<u>-</u>	<u>952,654</u>	<u>952,654</u>
Total Expenditures	<u>6,087,316</u>	<u>\$ 7,097,004</u>	<u>\$ 1,009,688</u>
Receipts Over [Under] Expenditures	[42,761]		
Unencumbered Cash, Beginning	<u>978,580</u>		
Unencumbered Cash, Ending	<u>\$ 935,819</u>		

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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Intergovernmental	\$ 200,517	\$ 198,590	\$ 1,927
Total Receipts	<u>200,517</u>	<u>\$ 198,590</u>	<u>\$ 1,927</u>
Expenditures			
Highways and streets	58,501	\$ 70,000	\$ 11,499
Transfers out	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Total Expenditures	<u>183,501</u>	<u>\$ 195,000</u>	<u>\$ 11,499</u>
Receipts Over [Under] Expenditures	17,016		
Unencumbered Cash, Beginning	<u>271,999</u>		
Unencumbered Cash, Ending	<u>\$ 289,015</u>		

See independent auditor's report on the financial statements.

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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Intergovernmental	\$ 2,050	\$ -	\$ [2,050]
Total Receipts	<u>2,050</u>	<u>\$ -</u>	<u>\$ [2,050]</u>
Expenditures			
Culture and recreation	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	2,050		
Unencumbered Cash, Beginning	<u>7</u>		
Unencumbered Cash, Ending	<u>\$ 2,057</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Economic Development Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Miscellaneous	\$ 48,932	\$ -	\$ 48,932
Total Receipts	<u>48,932</u>	<u>\$ -</u>	<u>\$ 48,932</u>
Expenditures			
Economic development	<u>25,760</u>	<u>\$ 162,000</u>	<u>\$ 136,240</u>
Total Expenditures	<u>25,760</u>	<u>\$ 162,000</u>	<u>\$ 136,240</u>
Receipts Over [Under] Expenditures	23,172		
Unencumbered Cash, Beginning	<u>374,777</u>		
Unencumbered Cash, Ending	<u>\$ 397,949</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
Special Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Local retail sales taxes	\$ 310,607	\$ 332,836	\$ [22,229]
Total Receipts	<u>310,607</u>	<u>\$ 332,836</u>	<u>\$ [22,229]</u>
Expenditures			
Capital outlay			
Fire department	175,337	\$ 181,207	\$ 5,870
Public works	-	100,000	100,000
Parks and recreation	<u>2,235</u>	<u>19,000</u>	<u>16,765</u>
Total Expenditures	<u>177,572</u>	<u>\$ 300,207</u>	<u>\$ 122,635</u>
Receipts Over [Under] Expenditures	133,035		
Unencumbered Cash, Beginning	<u>123,060</u>		
Unencumbered Cash, Ending	<u>\$ 256,095</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Special Events Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Miscellaneous	\$ 4,750	\$ 24,110	\$ [19,360]
Total Receipts	<u>4,750</u>	<u>\$ 24,110</u>	<u>\$ [19,360]</u>
Expenditures			
Culture and recreation	<u>216</u>	<u>\$ 25,700</u>	<u>\$ 25,484</u>
Total Expenditures	<u>216</u>	<u>\$ 25,700</u>	<u>\$ 25,484</u>
Receipts Over [Under] Expenditures	4,534		
Unencumbered Cash, Beginning	<u>6,660</u>		
Unencumbered Cash, Ending	<u>\$ 11,194</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Transient Guest Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Transient guest taxes	\$ 3,704	\$ -	\$ 3,704
Total Receipts	<u>3,704</u>	<u>\$ -</u>	<u>\$ 3,704</u>
Expenditures			
General administration	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	3,704		
Unencumbered Cash, Beginning	<u>7,929</u>		
Unencumbered Cash, Ending	<u>\$ 11,633</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Law Enforcement Trust Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2020

Receipts	
Intergovernmental	<u>\$ -</u>
Total Receipts	<u>-</u>
Expenditures	
Public safety	<u>595</u>
Total Expenditures	<u>595</u>
Receipts Over [Under] Expenditures	[595]
Unencumbered Cash, Beginning	<u>717</u>
Unencumbered Cash, Ending	<u><u>\$ 122</u></u>

* - 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, 2020

Receipts	
Fees for services	\$ 15,750
Interest	<u>25</u>
Total Receipts	<u>15,775</u>
Expenditures	
Cemetery	<u>7,267</u>
Total Expenditures	<u>7,267</u>
Receipts Over [Under] Expenditures	8,508
Unencumbered Cash, Beginning	<u>61,545</u>
Unencumbered Cash, Ending	<u><u>\$ 70,053</u></u>

* - 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, 2020

Receipts		
Intergovernmental		<u>\$ 449,409</u>
Total Receipts		<u>449,409</u>
Expenditures		
Public safety		<u>246,979</u>
Total Expenditures		<u>246,979</u>
Receipts Over [Under] Expenditures		202,430
Unencumbered Cash, Beginning		<u>5,846</u>
Unencumbered Cash, Ending		<u><u>\$ 208,276</u></u>

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
 Technology Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Technology fee	\$ 12,934	\$ 10,740	\$ 2,194
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total Receipts	<u>27,934</u>	<u>\$ 25,740</u>	<u>\$ 2,194</u>
Expenditures			
Purchased services	23,464	\$ 24,000	\$ 536
Capital outlay	<u>1,037</u>	<u>1,000</u>	<u>[37]</u>
Total Expenditures	<u>24,501</u>	<u>\$ 25,000</u>	<u>\$ 499</u>
Receipts Over [Under] Expenditures	3,433		
Unencumbered Cash, Beginning	<u>18,215</u>		
Unencumbered Cash, Ending	<u>\$ 21,648</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Community Improvement District Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2020

Receipts		
Special district sales tax		<u>\$ 12,514</u>
Total Receipts		<u>12,514</u>
Expenditures		
Contractual		<u>3,997</u>
Total Expenditures		<u>3,997</u>
Receipts Over [Under] Expenditures		8,517
Unencumbered Cash, Beginning		<u>920</u>
Unencumbered Cash, Ending		<u><u>\$ 9,437</u></u>

* - 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, 2020

Receipts	
Property taxes	<u>\$ 125,273</u>
Total Receipts	<u>125,273</u>
Expenditures	
Capital improvements	<u>85,981</u>
Total Expenditures	<u>85,981</u>
Receipts Over [Under] Expenditures	39,292
Unencumbered Cash, Beginning	<u>2</u>
Unencumbered Cash, Ending	<u><u>\$ 39,294</u></u>

* - 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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Property taxes	\$ 716,303	\$ 740,962	\$ [24,659]
Delinquent taxes	12,922	14,291	[1,369]
Auto ad valorem taxes	51,223	49,762	1,461
Payment in lieu of taxes	84,293	86,290	[1,997]
Benefit district assessments	1,013	-	1,013
Transfers in	<u>293,134</u>	<u>277,802</u>	<u>15,332</u>
Total Receipts	<u>1,158,888</u>	<u>\$ 1,169,107</u>	<u>\$ [10,219]</u>
Expenditures			
Principal	890,000	\$ 890,000	\$ -
Interest and commissions	265,281	265,281	-
Current taxes uncollected	-	2,386	2,386
Contingency reserve	<u>-</u>	<u>28,800</u>	<u>28,800</u>
Total Expenditures	<u>1,155,281</u>	<u>\$ 1,186,467</u>	<u>\$ 31,186</u>
Receipts Over [Under] Expenditures	3,607		
Unencumbered Cash, Beginning	<u>25,345</u>		
Unencumbered Cash, Ending	<u>\$ 28,952</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Capital Improvement Program Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2020

Receipts	
Bond proceeds	\$ 2,475,000
Reoffering premium	<u>113,807</u>
Total Receipts	<u>2,588,807</u>
Expenditures	
Issuance costs	84,525
Transfers out	<u>2,515,332</u>
Total Expenditures	<u>2,599,857</u>
Receipts Over [Under] Expenditures	[11,050]
Unencumbered Cash, Beginning	<u>15,332</u>
Unencumbered Cash, Ending	<u><u>\$ 4,282</u></u>

* - This fund is not required to be budgeted.

CITY OF EDWARDSVILLE, KANSAS
 LTC Sewer Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2020

Receipts		
Miscellaneous		<u>\$ 175</u>
Total Receipts		<u>175</u>
Expenditures		
Capital improvements		<u>-</u>
Total Expenditures		<u>-</u>
Receipts Over [Under] Expenditures		175
Unencumbered Cash, Beginning		<u>[175]</u>
Unencumbered Cash, Ending		<u><u>\$ -</u></u>

* - 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, 2020

Receipts	
Transfers in	\$ 2,500,000
Interest	<u>4,597</u>
Total Receipts	<u>2,504,597</u>
Expenditures	
Capital outlay	249,952
Contractual	<u>285,022</u>
Total Expenditures	<u>534,974</u>
Receipts Over [Under] Expenditures	1,969,623
Unencumbered Cash, Beginning	<u>397,722</u>
Unencumbered Cash, Ending	<u><u>\$ 2,367,345</u></u>

* - 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, 2020

Receipts	
Interest	<u>\$ 4,184</u>
 Total Receipts	 <u>4,184</u>
 Expenditures	
Capital outlay	<u>-</u>
 Total Expenditures	 <u>-</u>
 Receipts Over [Under] Expenditures	 4,184
 Unencumbered Cash, Beginning	 <u>433,412</u>
 Unencumbered Cash, Ending	 <u><u>\$ 437,596</u></u>

* - 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, 2020

Receipts	
Interest	<u>\$ 3,319</u>
Total Receipts	<u>3,319</u>
Expenditures	
Capital outlay	<u>95,800</u>
Total Expenditures	<u>95,800</u>
Receipts Over [Under] Expenditures	[92,481]
Unencumbered Cash, Beginning	<u>400,436</u>
Unencumbered Cash, Ending	<u>\$ 307,955</u>

* - 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, 2020

Receipts	
Interest	<u>\$ 3,117</u>
Total Receipts	<u>3,117</u>
Expenditures	
Capital outlay	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	3,117
Unencumbered Cash, Beginning	<u>322,876</u>
Unencumbered Cash, Ending	<u><u>\$ 325,993</u></u>

* - 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, 2020

Receipts	
Interest	<u>\$ 2,607</u>
Total Receipts	<u>2,607</u>
Expenditures	
Capital outlay	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	2,607
Unencumbered Cash, Beginning	<u>270,003</u>
Unencumbered Cash, Ending	<u><u>\$ 272,610</u></u>

* - 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, 2020

Receipts		
Interest		<u>\$ 6,087</u>
 Total Receipts		 <u>6,087</u>
Expenditures		
Transfers out		<u>-</u>
 Total Expenditures		 <u>-</u>
 Receipts Over [Under] Expenditures		 6,087
 Unencumbered Cash, Beginning		 <u>629,547</u>
 Unencumbered Cash, Ending		 <u><u>\$ 635,634</u></u>

* - 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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Charges to customers	\$ 739,576	\$ 665,834	\$ 73,742
Total Receipts	<u>739,576</u>	<u>\$ 665,834</u>	<u>\$ 73,742</u>
Expenditures			
Salaries, wages and benefits	74,333	\$ 79,231	\$ 4,898
Purchased services	336,376	422,747	86,371
Materials, supplies and repairs	30,549	88,835	58,286
Transfers out	<u>173,802</u>	<u>167,802</u>	<u>[6,000]</u>
Total Expenditures	<u>615,060</u>	<u>\$ 758,615</u>	<u>\$ 143,555</u>
Receipts Over [Under] Expenditures	124,516		
Unencumbered Cash, Beginning	<u>421,188</u>		
Unencumbered Cash, Ending	<u>\$ 545,704</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Solid Waste Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Charges to customers	\$ 209,262	\$ 204,755	\$ 4,507
Total Receipts	<u>209,262</u>	<u>\$ 204,755</u>	<u>\$ 4,507</u>
Expenditures			
Solid waste charges	<u>187,138</u>	<u>\$ 215,000</u>	<u>\$ 27,862</u>
Total Expenditures	<u>187,138</u>	<u>\$ 215,000</u>	<u>\$ 27,862</u>
Receipts Over [Under] Expenditures	22,124		
Unencumbered Cash, Beginning	<u>15,414</u>		
Unencumbered Cash, Ending	<u>\$ 37,538</u>		

See independent auditor's report on the financial statements.

CITY OF EDWARDSVILLE, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2020

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Fire Insurance Proceeds Fund	\$ 7,692	\$ -	\$ 4,579	\$ 3,113
Cash Bond Fund	32,818	19,178	19,747	32,249
Payroll Clearing Fund	<u>[40,395]</u>	<u>40,395</u>	<u>-</u>	<u>-</u>
Total Agency Funds	<u>\$ 115</u>	<u>\$ 59,573</u>	<u>\$ 24,326</u>	<u>\$ 35,362</u>

See independent auditor's report on the financial statements.