

Research Update:

Concordia, KS Series 2025 GO Bonds Assigned 'A+' Rating; Outlook Stable

August 27, 2025

Overview

- S&P Global Ratings assigned its 'A+' long-term rating to the City of [Concordia](#), Kan.'s approximately \$2.4 million series 2025 general obligation (GO) bonds.
- At the same time, we affirmed our 'SP-1+' short-term rating on Concordia's existing GO temporary notes and 'A+' long-term rating on the city's existing GO bonds.
- The outlook is stable.

Rationale

Security

Concordia's GO bonds and notes are secured by the city's full-faith-and-credit pledge, including an unlimited ad valorem property tax pledge. The short-term rating on the temporary notes reflects our 'A+' long-term rating on the city and low market-risk profile, including the authority to issue takeout debt, as well as the availability of pertinent disclosure information. The series 2025 bonds will fund permanent financing for street, sewer, water, and storm sewer improvements.

Credit highlights

The rating reflects our view of Concordia's relatively stable financial performance, healthy reserves, and moderate debt burden, which are somewhat offset by the city's limited tax base and below-average economic indicators. Despite below-average economic metrics, Concordia has continued to experience assessed valuation growth, supported by modest ongoing residential construction. The city is working with developers to expand affordable housing through its newest subdivision (St. Joseph Housing Subdivision), which should provide incremental growth to the tax base. Nevertheless, we consider the city's economy somewhat limited, given historical population declines and wealth and income levels that lag those of higher-rated peers.

Sales (43.3%) and property (20.8%) taxes remain the city's primary revenue sources and have supported consistent financial performance. Although the general fund has reported mixed

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results in recent years, this has largely reflected a one-time reconstruction project funded through grants, and because grant proceeds were reimbursed the year following expenditures, the timing mismatch temporarily distorted results. This distortion is compounded by intentional spenddowns that management plans to continue in order to align with its formal reserve policy of 20% of expenditures. Overall underlying operations have remained stable. For fiscal 2024, Concordia reported an intentional spenddown of \$417,256, which is consistent with officials' plan to draw down reserves to the city's formal policy target of 20% of expenditures. As of mid-fiscal 2025, officials project a year-end balance of \$1.3 million, or \$110,000 below beginning balances, reflecting additional one-time spending to align reserves with its policy. Despite these intentional drawdowns, we believe Concordia's proactive management and consistent oversight will sustain stable budgetary performance. Officials anticipate adopting a balanced budget for fiscal 2026 that, if realized, should support continued stability in operations; furthermore, the city's debt burden is expected to remain affordable, as there are no immediate plans for additional borrowing.

The rating further reflects our view of the city's:

- Somewhat limited, albeit diverse economy, with a historically declining residential presence with wealth and income indicators that align with those of similarly rated peers within the county (Cloud County), though lag those of similarly rated peers on a national level. However, both gross county product per capita and county per capita personal income are well-below average when compared to the nation.
- Fairly stable operations, with general fund results showing fluctuations in recent years due to mismatched timing of grant reimbursements and intentional spenddowns of reserves. Cash reserves remain healthy relative to the budget, though what we consider nominally low, and management expects they will remain in line with its formal policy of 20% of exp (about \$1 million).
- Management policies and practices that are highlighted by monthly budget monitoring and reporting to city council; a 10-year capital improvement plan; and formal policies not limited to investments, debt, and reserves. However, management lacks long-term financial forecasting. In addition, the city takes measures for cybersecurity mitigation.
- Moderate debt and pension liability profile. In addition, the city's actual pension payments are exceeding our actual minimum funding progress calculations, which we view favorably.
- For more information on Kansas local governments, see "[Institutional Framework Assessment: Kansas Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We view the city as exposed to various acute physical risks, including severe weather-related events such as tornadoes, that could negatively affect its economy and finances. Although these risks appear to be indirect, we assess they could affect spending flexibility as well as create greater need to maintain reserves at high levels. We consider its social and governance factors to be neutral within our credit rating analysis.

Outlook

The stable outlook reflects our view of the city's stable economy and healthy fund balance, which we believe will be sustained over the two-year outlook period given our expectation that its operations will remain structurally balanced.

Downside scenario

We could lower the rating should economic metrics weaken due to ongoing population decline or if Concordia were to experience financial deterioration, in turn, materially reducing available reserves below its policy, to levels no longer comparable with those of similarly rated peers.

Upside scenario

We could raise the rating if the city realizes growth, resulting in economic metrics reaching levels we consider commensurate to those of higher-rated peers, coupled with the stabilization of historical population decreases.

Concordia, Kansas--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.92
Economy	5.0
Financial performance	2
Reserves and liquidity	3
Management	2.35
Debt and liabilities	2.25

Concordia, Kansas--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	77	--	77	69
County PCPI % of U.S.	77	--	77	70
Market value (\$000s)	310,051	294,904	278,195	263,052
Market value per capita (\$)	60,854	57,881	54,784	53,651
Top 10 taxpayers % of taxable value	14.0	14.0	15.8	16.5
County unemployment rate (%)	3.4	3.1	2.5	2.4
Local median household EBI % of U.S.	81	81	73	73
Local per capita EBI % of U.S.	72	72	66	69
Local population	5,095	5,095	5,078	4,903
Financial performance				
Operating fund revenues (\$000s)	--	5,475	5,680	6,116
Operating fund expenditures (\$000s)	--	5,065	4,611	4,412
Net transfers and other adjustments (\$000s)	--	(827)	(812)	(571)
Operating result (\$000s)	--	(417)	257	1,133
Operating result % of revenues	--	(7.6)	4.5	18.5
Operating result three-year average %	--	5.1	5.6	5.0
Reserves and liquidity				
Available reserves % of operating revenues	--	26.2	32.6	26.1
Available reserves (\$000s)	--	1,436	1,853	1,596
Debt and liabilities				
Debt service cost % of revenues	--	6.5	5.7	7.5

Concordia, Kansas--key credit metrics

	Most recent	2024	2023	2022
Net direct debt per capita (\$)	1,872	1,394	1,465	1,320
Net direct debt (\$000s)	9,537	7,102	7,441	6,474
Direct debt 10-year amortization (%)	56	71	68	--
Pension and OPEB cost % of revenues	--	5.0	4.0	4.0
NPLs per capita (\$)	--	774	760	776
Combined NPLs (\$000s)	--	3,942	3,860	3,807

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

US\$2.435 mil GO bnds ser 2025 due 11/01/2048	
Long Term Rating	A+/Stable

Ratings Affirmed

Local Government

Concordia, KS Unlimited Tax General Obligation BAN	SP-1+
Concordia, KS Unlimited Tax General Operating Pledge	A+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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