

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 12, 2026**

**NEW ISSUE – BOOK-ENTRY ONLY**

**RATING: S&P: “AA-”  
See “Bond Rating” herein**

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”): (1) the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Bonds is exempt from income taxation by the State of Kansas; and (3) the Bonds are not “qualified tax-exempt obligations” within the meaning of Code §265(b)(3). Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS – Opinion of Bond Counsel” in this Official Statement.*

**\$13,315,000\***  
**CITY OF EMPORIA, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2026**

**Dated: Date of Delivery**

**Due: September 1, As shown on the inside cover**

The General Obligation Bonds, Series 2026 (the “Bonds”) will be issued by the City of Emporia, Kansas (the “Issuer” or the “City”), as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Bonds. Principal will be payable annually on September 1, beginning in 2027, and semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2027 (the “Interest Payment Dates”). Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and bond registrar (the “Paying Agent” and “Bond Registrar”). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner, or in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Bonds and the interest thereon will constitute general obligations of the Issuer, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due. See “THE BONDS – Security for the Bonds” herein.

The Bonds maturing on September 1, 2036 and thereafter will be subject to redemption and payment prior to maturity at the option of the Issuer on September 1, 2035 and any date thereafter, in whole or in part, at the redemption price of par, plus accrued interest to the date of redemption as more fully described herein. See “THE BONDS – Redemption Provisions” herein.

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about April 23, 2026.

*THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. “APPENDIX C – SUMMARY OF FINANCING DOCUMENTS” CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.*

The date of this Official Statement is April \_\_, 2026.

*\*Preliminary, subject to change.*

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of this date, this Preliminary Official Statement has been deemed “final” by the City for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

**\$13,315,000\***  
**CITY OF EMPORIA, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2026**

**MATURITY SCHEDULE**

**SERIAL BONDS**

<b><u>Stated Maturity</u> <u>September 1</u></b>	<b><u>Principal</u> <u>Amount*</u></b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>(1)</sup></u></b>
2027	\$515,000			292281 P48
2028	695,000			292281 P55
2029	710,000			292281 P63
2030	730,000			292281 P71
2031	750,000			292281 P89
2032	680,000			292281 P97
2033	695,000			292281 Q21
2034	720,000			292281 Q39
2035	745,000			292281 Q47
2036	770,000			292281 Q54
2037	535,000			292281 Q62
2038	545,000			292281 Q70
2039	565,000			292281 Q88
2040	590,000			292281 Q96
2041	610,000			292281 R20
2042	635,000			292281 R38
2043	660,000			292281 R46
2044	690,000			292281 R53
2045	725,000			292281 R61
2046	750,000			292281 R79

**[TERM BONDS**

<b><u>Stated Maturity</u> <u>September 1</u></b>	<b><u>Principal</u> <u>Amount*</u></b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>(1)</sup></u></b>
				]

(All plus accrued interest, if any)

<sup>(1)</sup> CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., Inc. and is included solely for the convenience of the Owners of the Bonds. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

\*Preliminary, subject to change.

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**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**THIS OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “INTEND,” “EXPECT” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

**THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.**

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.**

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**CITY OF EMPORIA, KANSAS  
111 EAST 6<sup>th</sup> AVENUE  
EMPORIA, KANSAS 66801**

**CITY COMMISSION**

Becky Smith, Mayor  
Tammi Ogle, Vice Mayor  
Kurt Steinkuhler, City Commissioner  
Monica Duncan, City Commissioner  
Erren Harter, City Commissioner

**CITY STAFF**

Trey Cocking, City Manager  
Mark Detter, Deputy City Manager  
Tayler Wash, Assistant City Manager  
Janet Harrouff, Director of Finance  
Kerry Sull, City Clerk  
Christina Montgomery, City Attorney

**CERTIFIED PUBLIC ACCOUNTANT**

Hood and Associates, CPAs, P.C.  
Overland Park, Kansas

**BOND COUNSEL**

Gilmore & Bell, P.C.  
Wichita, Kansas

**MUNICIPAL ADVISOR**

Raymond James & Associates, Inc.  
Leawood, Kansas

**UNDERWRITER**

No dealer, broker, salesman or other person has been authorized by the Issuer, Municipal Advisor or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein concerning the Issuer has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds.

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## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
THE BONDS.....	2
THE DEPOSITORY TRUST COMPANY .....	7
THE PROJECT.....	8
SOURCES AND USES OF FUNDS .....	9
RISK FACTORS AND INVESTMENT CONSIDERATIONS.....	9
BOND RATING .....	11
ABSENCE OF LITIGATION .....	12
LEGAL MATTERS .....	12
TAX MATTERS .....	12
MUNICIPAL ADVISOR.....	14
UNDERWRITING.....	14
AUTHORIZATION OF OFFICIAL STATEMENT .....	14
<b><i>APPENDIX A</i></b> INFORMATION CONCERNING THE ISSUER.....	A-1
<b><i>APPENDIX B</i></b> FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS (FOR THE FISCAL YEAR ENDED 12/31/2024) .....	B-1
<b><i>APPENDIX C</i></b> SUMMARY OF FINANCING DOCUMENTS.....	C-1
<b><i>APPENDIX D</i></b> FORM OF DISCLOSURE UNDERTAKING.....	D-1

# OFFICIAL STATEMENT

**\$13,315,000\***  
**CITY OF EMPORIA, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2026**

## INTRODUCTION

### General Matters

The purpose of this Official Statement is to furnish information relating to the City of Emporia, Kansas (the “Issuer” or the “City”), and the General Obligation Bonds, Series 2026 (the “Bonds”), of the Issuer, dated as of April 23, 2026 (the “Dated Date”).

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a municipal corporation duly organized and existing under the laws of the State of Kansas (the “State”). Additional information regarding the Issuer is contained in *APPENDIX A* to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. All financial and other information presented herein has been compiled by Raymond James & Associates, Inc. (the “Municipal Advisor”). Except for the information expressly attributed to other sources deemed to be reliable, all information has been provided by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Except to the extent described under the section captioned “LEGAL MATTERS,” Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

### Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*”

### Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. In connection with the issuance of the Bonds, the City will enter into a continuing disclosure undertaking (the “Disclosure Undertaking”) wherein the City covenants to provide annually certain financial information and operating data (collectively, the “Annual Report”) and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. Pursuant to the Disclosure Undertaking, the City has agreed to file its Annual Report with the national repository (“EMMA”) not later than September 15<sup>th</sup> immediately following the end of the Issuer’s fiscal year commencing with the year ending December 31, 2025. In the Bond Resolution, hereinafter defined, the City covenants with the Underwriter and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Bonds. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Bonds.

The City has previously entered into continuing disclosure undertakings required by Rule 15c2-12 in connection with bonds previously issued (the “Prior Undertakings”). For the past five years the City has filed its Annual Report within the time period prescribed by the Disclosure Undertaking and the Prior Undertakings. The City’s filings under the Rule for the past five years are set forth in the table below:

*\* Preliminary, subject to change*

<b><u>Fiscal Year</u></b> <b><u>Ending December 31</u></b>	<b><u>Filing Time</u></b> <b><u>Period</u></b>	<b><u>Financial Information</u></b> <b><u>Filing Date</u></b>	<b><u>Operating Data</u></b> <b><u>Filing Date</u></b>
2020	September 15 <sup>th</sup>	7/16/2021	7/16/2021
2021	September 15 <sup>th</sup>	6/29/2022	6/29/2022
2022	September 15 <sup>th</sup>	6/23/2023	6/23/2023
2023	September 15 <sup>th</sup>	6/28/2024	6/28/2024
2024	September 15 <sup>th</sup>	7/03/2025	7/03/2025
2025	September 15 <sup>th</sup>	Not Due Yet	Not Due Yet

During the past five years, the City may not have separately made timely filings of event notices on EMMA relating to all bond calls, defeasances or rating changes. The City believes this information was disseminated or available through other sources.

For more information regarding the County's continuing disclosure undertaking, see “*APPENDIX D – FORM OF DISCLOSURE UNDERTAKING.*”

**Additional Information**

Additional information regarding the Issuer or the Bonds may be obtained from the Clerk of the Issuer at the address set forth in the preface to this Official Statement, or from the Municipal Advisor, Raymond James & Associates, Inc., 11551 Ash Street, Suite 250, Leawood, Kansas 66211 (816) 391-4120.

**THE BONDS**

**Authority for the Bonds**

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 13-1024a, as amended by Charter Ordinance No. 41, and K.S.A. 12-685 *et seq.*, all as amended and supplemented from time to time (collectively, the “Act”), an ordinance passed by the governing body of the Issuer and a resolution adopted by the governing body of the Issuer (collectively the “Bond Resolution”).

**Security for the Bonds**

The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

**Levy and Collection of Annual Tax, Transfer to Debt Service Account**

The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

**Description of the Bonds**

The Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall

bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

### **Designation of Paying Agent and Bond Registrar**

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar” and “Paying Agent”) has been designated by the Issuer as paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

### **Method and Place of Payment of the Bonds**

The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Bond shall be paid at Maturity or at the Redemption Date to the Person in whose name such Bond is registered on the Bond Register at the Maturity or at the Redemption Date thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice not less than 10 days prior to such Special Record Date.

**SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES.** See “THE BONDS – Book-Entry Bonds; Securities Depository.”

### **Payments Due on Saturdays, Sundays and Holidays**

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

## **Book-Entry Bonds; Securities Depository**

The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of the Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Bond Resolution.

## **Registration, Transfer and Exchange of Bonds**

As long as any of the Bonds remain Outstanding, each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with

guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

### **Mutilated, Lost, Stolen or Destroyed Bonds**

If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond. Upon the issuance of any new Bond, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

### **Nonpresentation of Bonds**

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

### **Redemption Provisions**

***Optional Redemption.*** At the option of the Issuer, the Bonds maturing September 1, 2036 and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2035, and thereafter as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

***[Mandatory Redemption.*** (a) \_\_\_\_\_ Term Bonds. The \_\_\_\_\_ Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such \_\_\_\_\_ Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	*

\*Final Maturity]

***Selection of Bonds to be Redeemed.*** Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denomination in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

***Notice and Effect of Call for Redemption.*** Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar and the Underwriter. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

## THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the Bonds, and will be deposited with DTC.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings’ rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant’s interest in the Bonds, on DTC’s records, to the Paying Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC’s records and followed by a book-entry credit of tendered Bonds to the Paying Agent’s DTC account.

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

## THE PROJECT

The Bonds are being issued to finance certain improvements (collectively, the “Improvements”), more specifically described as follows:

<u>Project Description</u>	<u>Ord./Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Fire Station #2	Res No. 3785	13-1024a/Charter Ord. 41	\$7,100,000
Flint Hills Crossing Infrastructure Improvements – Streets, Sanitary Sewer, Water and Storm Sewer Improvements	Res No. 3741	13-1024a/Charter Ord. 41 and K.S.A. 12-685 et seq.	2,850,000
Overlander Road – Main Trafficway	Res No. 3771	12-685 et seq.	1,150,000
Street Sweeper	Res No. 3788	13-1024a/Charter Ord. 41	400,000
Aerial Fire Truck	Res No. 3785	13-1024a/Charter Ord. 41	<u>2,200,000</u>
<b>Total:</b>			<b><u>\$13,700,000</u></b>

A portion of the costs of the Improvements will be financed from the proceeds of the Bonds, with the balance paid from available funds of the City.

## SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Bonds:

### Sources of Funds:

Principal Amount of the Bonds	\$13,315,000.00*
Original Issue Premium	
Available Funds of the Issuer	<u>500,000.00</u>

### *Total*

### Uses of Funds:

Deposit to Improvement Fund	\$13,700,000.00
Deposit to Costs of Issuance Account	
Underwriter's Discount	

### *Total*

\* Preliminary, subject to Change.

## RISK FACTORS AND INVESTMENT CONSIDERATIONS

***A PROSPECTIVE PURCHASER OF THE BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE UNDERWRITER.***

### Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

### Market for the Bonds

***Bond Rating.*** The Bonds have been assigned the financial rating set forth in the section hereof entitled "RATING." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Bonds.

***Secondary Market.*** There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal Bonds which the Underwriter distributes. The Underwriter intends to continue this practice with respect to the Bonds, but is not obligated to do so. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary for the Underwriter to suspend

indefinitely secondary market trading in the Bonds as a result of the financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Bonds are in default as to principal and interest payments, and other factors which in the opinion of the Underwriter may give rise to uncertainty concerning prudent secondary market practices.

### **Premium on Bonds**

[The initial offering price of the Bonds that are subject to optional redemption are in excess of the principal amount thereof]. Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to redemption at par under the various circumstances described under "THE BONDS – Redemption Provisions."

### **Legal Matters**

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

### **Limitations on Remedies Available to Owners of Bonds**

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

### **No Additional Interest or Mandatory Redemption upon Event of Taxability**

The Bond Resolution does not provide for the payment of additional interest or penalty on the Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Bond Resolution does not provide for the payment of any additional interest or penalty on the Bonds if the interest thereon becomes subject to income taxation by the State.

### **Suitability of Investment**

The tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

### **Debt Service Source**

The Bonds are general obligations of the Issuer payable as to both principal and interest, if necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation. See "**APPENDIX A – FINANCIAL INFORMATION – Property Valuations and Property Tax Levies and Collections.**"

## **Kansas Public Employees Retirement System**

As described in “*APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans*,” the Issuer participates in the Kansas Public Employees Retirement System (“KPERs”), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERs administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen’s Retirement System (“KP&F”) and the Public Employees Retirement System – Local Group (the “Plan”). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability (“UAAL”). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERs’ Valuation Reports, the Local Group had an UAAL of approximately \$2.173 billion in calendar year 2024 and KP&F had an UAAL of approximately \$1.521 billion.

## **Cybersecurity Risks**

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the Issuer may incur significant costs to remediate possible injury to the affected persons, and the Issuer may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the Issuer’s operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

## **Natural Disasters, Terrorist or Cyber Attacks**

The occurrence of a terrorist attack or cyber security breach in the Issuer, or natural disasters, such as fires, tornadoes, winter storms, extreme cold, earthquakes, floods or droughts, could damage the Issuer and its systems and infrastructure, and interrupt services or otherwise impair operations of the Issuer.

## **Potential Impacts Resulting from Epidemics or Pandemics**

The City’s finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the local, State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment and debt service on the Bonds.

## **BOND RATING**

The Issuer has applied to S&P Global Ratings, a division of S&P Global Inc., for a rating on the Bonds. S&P Global Ratings, a division of the S&P Global Inc. has assigned an independent rating of "AA-" to the Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any bonds, including the Bonds, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

## ABSENCE OF LITIGATION

The Issuer, in the ordinary course of business, is a party to various legal proceedings. In the opinion of management of the Issuer, any judgment rendered against the Issuer in such proceedings would not materially adversely affect the financial position of the Issuer.

The Issuer certifies that there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of said Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

## LEGAL MATTERS

### Approval of Bonds

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas (“Bond Counsel”), bond counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned “THE BONDS,” “LEGAL MATTERS,” “TAX MATTERS” and “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*” Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds.

## TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

### Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Bonds:

***Federal Tax Exemption.*** The interest on the Bonds is excludable from gross income for federal income tax purposes.

***Alternative Minimum Tax.*** Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

***Bank Qualification.*** The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b).

***Kansas Tax Exemption.*** The interest on the Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order

that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

## **Other Tax Consequences**

**Original Issue Discount.** For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount, if any.

**Original Issue Premium.** For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium, if any.

**Sale, Exchange or Retirement of Bonds.** Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

**Reporting Requirements.** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Bonds, and to the proceeds paid on the sale of Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

**Collateral Federal Income Tax Consequences.** Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

### **MUNICIPAL ADVISOR**

Raymond James & Associates, Inc., Leawood, Kansas has acted as a Municipal Advisor to the Issuer in connection with the sale of the Bonds. The Municipal Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Municipal Advisor has assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The fees of the Municipal Advisor are contingent upon the issuance of the Bonds. The Municipal Advisor will not be a manager or a member of any underwriting group submitting a proposal for the purchase of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23.

### **UNDERWRITING**

The Bonds have been sold at public sale by the Issuer to \_\_\_\_\_ (the "Underwriter") on the basis of the lowest true interest cost. \_\_\_\_\_ bids were received by the Issuer. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to the principal amount of the Bonds, plus accrued interest from the Dated Date to the Issue Date, plus a premium of \$ \_\_\_\_\_, less an underwriting discount of \$ \_\_\_\_\_.

The Bonds will be offered to the public initially at the prices determined to produce the yields set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

### **AUTHORIZATION OF OFFICIAL STATEMENT**

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof. This Official Statement is submitted in connection with the issuance of the Bonds and may not be reproduced or used as a whole or in part for any other purpose. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds.

### **CITY OF EMPORIA, KANSAS**

By: \_\_\_\_\_  
Mayor

*APPENDIX A*

**INFORMATION CONCERNING THE ISSUER**

## *APPENDIX A*

### INFORMATION CONCERNING THE ISSUER

#### GENERAL

##### **Size and Location**

The City of Emporia, Kansas (the “City”) is the county seat of Lyon County, Kansas (the “County”). The City is located approximately 110 miles southwest of Kansas City, Missouri, 50 miles south of Topeka, Kansas and 85 miles northeast of Wichita, Kansas. The City encompasses approximately 11.61 square miles and has a current estimated population of 24,418 persons. The City is located on the eastern edge of the Flint Hills region at the intersection of the Kansas Turnpike and Interstate Highway 35.

##### **Government and Organization of the Issuer**

The City was established in 1857 and is a city of the first class. The City operates under the Commission-Manager form of government. The five Commission members are elected at large and serve two or four year terms. The Mayor presides over Commission meetings and appoints certain City officials, subject to Commission approval. The City Manager is appointed by the Commission and is charged with the efficient and effective administration of the City.

##### **Municipal Services and Utilities**

Retail electric power is provided in the City by Evergy and natural gas service is provided by Kansas Gas Service. Treated water is distributed from the City-owned facilities. The City’s water treatment plant currently produces 11.19 million gallons of water daily with a capacity of 20 million gallons daily. Sewage treatment is provided by City-owned facilities. The wastewater treatment plant currently treats 4.6 million gallons per day with a capacity of 8 million gallons daily. Refuse services are provided by the City.

##### **Transportation and Communication Facilities**

The City is intersected by Interstate Highway I-35, U.S. Highway 50 and Kansas Highways 57 and 99, in addition to the Kansas Turnpike. Emporia’s motor freight service is provided by several freight companies with direct and connecting schedules to all major cities in the United States.

The Burlington Northern Santa Fe Railroad provides rail service with daily package-care service in and out of Emporia, with lines radiating in three directions. The existing terminals have adequate capacity to handle present and future needs. The City’s location is also beneficial to bus service with transportation available at regular intervals in all directions.

Emporia Municipal Airport is located within seven miles of the City and provides service for small and private aircraft and has a 5,000-foot paved and lighted runway. Dwight D. Eisenhower National Airport in Wichita, Kansas and Kansas City International Airport in Kansas City, Missouri provide commercial air service through the major airline companies.

##### **Educational Institutions and Facilities**

The City is home to a complete educational system from primary level to higher education institutions. Unified School District No. 253 provides public education through its six elementary schools, two intermediate schools, one middle school and one senior high school. Total enrollment for the Unified School District No. 253 is approximately 4,593. The City also has three private elementary schools.

Emporia State University, a state-supported university, offers 72 undergraduate and 37 graduate fields of study and awards 17 different degrees. The University was founded in 1863 as the state’s first school for training teachers and is governed by the Board of Regents of Kansas Universities. The campus has 18 buildings and encompasses nearly 200 acres. In September, 2022, Emporia State University announced plans to reduce its workforce by seven percent, including tenured faculty members.

The Flint Hills Technical College located in the City provides technical skilled training needed by local industry. The Technical College has received top ratings as one of the finest in the country by educational agencies.

##### **Medical and Health Facilities**

Newman Regional Health, which is owned by Lyon County, is a 25-bed critical access hospital serving the City and surrounding area. Newman Regional Health has more than 70 specialty and primary care physicians and advanced practice providers that work in the hospital and outpatient clinic. Approximately 600 clinical, professional and support services employees and 225

volunteers support the medical staff at Newman Regional Health. In addition, there are two medical clinics in the City and approximately 34 doctors and 20 dentists practice in the City. There are also nursing homes or assisted living facilities in the City.

**Recreational and Cultural Facilities**

The City has 18 parks comprising approximately 323 acres, an 18-hole municipal golf course, swimming pools, community center, municipal library, municipal gymnasium and fitness center and tennis courts. Emporia State University provides additional cultural and recreational opportunities for the students and community members. The Emporia Arts Council provides quality cultural opportunities through performances in music and theater as well as fine art exhibitions. The Lyon County Historical Museum has preserved the history of the County. The Emporia Zoo’s natural appearing exhibits contain nearly 400 specimens of birds, mammals, and reptiles.

**ECONOMIC INFORMATION**

The City’s location at the junction of Interstate Highway I-35 and the Kansas Turnpike has attracted numerous national and regional companies to open manufacturing or distribution centers in the City. The City is home to over 15 manufacturing and processing companies producing a wide variety of goods including bakery products, graphic arts equipment, automobile parts, pet food, processed beef, and steel products. These companies include Bunge Corporation, Hostess Brands, Norfolk Iron & Metal, Simmons Pet Food, Hills Pet Nutrition and Michelin, among others. In order to attract additional industrial growth the City has approximately 218 acres of available industrial sites located in two industrial parks.

Over the last decade, the City has developed numerous programs to promote economic development activity. Incentives for potential economic development projects include industrial revenue bonds, loans from an Economic Development Trust Fund, property tax exemption, retailers’ sales tax exemptions, state provided Community Development Block Grants, and grants from the City’s Job Creation Incentive Program.

**Major Employers**

Listed below are the major employers located in the City and the number employed by each:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full-&amp; Part-time Employees</u>
Simmons Pet Food	Pet Food	1,613
Unified School District No. 253	Education	928
Emporia State University	Higher Education	644
Hostess Brands, LLC	Cake Products	630
Newman Regional Health Hospital	Healthcare	482
Michelin	Rubber Products	316
Lyon County	County Government	260
City of Emporia	City Government	236
Wal-Mart Super Center	Retail	213
Hill’s Pet Nutrition	Pet Food	143
Evco Wholesale Food Corporation	Wholesale Food Distributor	126
Norfolk Iron & Metal Company	Steel Distribution Center	124
ValuNet FIBER	Internet Service	108
Holman Distribution	Warehousing, Shipping, Transportation	100
VekteK, Inc.	Hydraulic Clamping Equipment	91
Fanestil Meats	Wholesale Meat Processing	83
Flint Hills Technical College	Technical College	83
Cargill Animal Nutrition	Dry Pet Food	68
Dynamic Discs/Distribution	Disc Golf Equipment	67
Glendo Corporation	Specialized Tools for Engraving	67
Better Life Technologies	Plastic Home Products	66
Sauder Custom Fabrication	Custom Pressure Vessel Columns	61
Bunge Corporation	Processors of Soybeans and Meal	57
Redline Trucking	Transportation	49
Pratt Industrial	Industrial Valves and Actuators	21
W.A. Moyer, L.C.	Glass Level Vials	11
BPE, Inc.	Archery Products	6

*\* On February 23, 2026 Hopkins Manufacturing Corporation notified its employees of an immediate closure given the failed sale of the company. Hopkins Manufacturing Corporation is a wholly-owned subsidiary of First Brands Group LLC, which is currently in bankruptcy proceedings. An unnamed buyer backed out of a proposed purchase after learning that key intellectual property consisting of patents, trademarks and brand names would be excluded from the sale. While the facility is in the process of winding down operations, the exact date of final shutdown was not formally announced as of February 24, 2026.*

**Source:** Emporia Chamber of Commerce

## Labor Force and Employment

The following table sets forth the labor force and employment figures for Lyon County and the State of Kansas:

### LYON COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2015	16,729	16,010	719	4.3%
2016	17,691	17,005	686	3.9%
2017	17,639	17,009	630	3.6%
2018	17,446	16,874	572	3.3%
2019	17,622	17,061	561	3.2%
2020	17,466	16,701	765	4.4%
2021	17,729	17,229	500	2.8%
2022	17,961	17,532	429	2.4%
2023	17,838	17,370	468	2.6%
2024	17,748	17,158	590	3.3%

### STATE OF KANSAS

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2015	1,498,032	1,435,515	62,517	4.2%
2016	1,498,060	1,437,436	60,624	4.0%
2017	1,490,478	1,436,329	54,149	3.6%
2018	1,491,449	1,442,061	49,388	3.3%
2019	1,502,265	1,454,669	47,596	3.2%
2020	1,501,633	1,414,277	87,356	5.8%
2021	1,499,635	1,448,835	50,800	3.4%
2022	1,507,842	1,466,588	41,254	2.7%
2023	1,524,404	1,480,579	43,825	2.9%
2024	1,545,790	1,490,553	55,237	3.6%

*Source:* Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor

## Sales Tax Collections

In 1984, voters in the City approved a continual one-half cent citywide local option sales tax. In 1994, voters in the City approved an additional one-half cent citywide local option sales tax for a period of ten years, which was most recently renewed and extended to 2039 by voters at an election held in 2020. The total sales tax for goods and services in the City is now 8.5%, which consists of 6.5% imposed by the State of Kansas, 1.0% imposed by Lyon County and a 1% citywide local option sales tax.

Sales tax collections are the responsibility of the Kansas Department of Revenue. The Department of Revenue distributes the local option countywide and citywide sales taxes on a monthly basis. Countywide sales taxes are distributed between the levying county and the cities within the county based on population and relative tax levies. Citywide local option sales taxes are distributed solely to the City.

The City uses sales tax receipts from the 1984 one-half cent local option citywide sales tax to fund infrastructure improvements. Receipts from the additional one-half cent local option citywide sales are used to provide property tax relief and for economic development. During 2000, the City conducted an election during which the voters approved the use of a portion of the sales tax for purposes of constructing an aquatic center.

The voters in Lyon County approved a 1% countywide sales tax at an election held in August, 2008. This sales tax is shared with cities in Lyon County. The County began collecting the sales tax during 2009. The City expects to receive approximately 48% of the countywide general sales tax collections.

The following table lists the total local option sales tax receipts of the City of Emporia in the years indicated:

**CITY SALES TAX COLLECTIONS**

<u>Year</u>	<u>½ Cent City Sales Tax Receipts</u>	<u>Additional ½ Cent City Sales Tax Receipts</u>	<u>Total City Sales Tax</u>
2016	\$2,305,720	\$2,305,720	\$4,611,441
2017	2,324,761	2,324,761	4,649,522
2018	2,421,680	2,421,680	4,843,361
2019	2,480,468	2,480,468	4,960,937
2020	2,495,797	2,495,797	4,991,594
2021	2,719,833	2,719,833	5,439,666
2022	3,042,597	3,042,597	6,085,194
2023	3,207,428	3,207,428	6,414,856
2024	3,236,771	3,236,771	6,473,541
2025	3,313,711	3,313,711	6,627,422

**Source:** City Clerk

**CITY PORTION OF COUNTYWIDE SALES TAX**

<u>Year</u>	<u>City Portion of Countywide Sales Tax Receipts</u>
2016	\$2,278,050
2017	2,271,487
2018	2,385,756
2019	2,463,818
2020	2,535,236
2021	2,822,749
2022	3,112,240
2023	3,371,272
2024	3,316,346
2025	3,457,388

**Source:** City Clerk

The following table lists the sales tax collections for the State of Kansas portion of the total sales tax in Lyon County during the years as indicated:

**LYON COUNTY - STATE SALES TAX COLLECTIONS**

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Per Capita Sales Tax</u>
2015	\$38,766,815	\$471.37
2016	41,138,552	503.40
2017	42,435,739	521.37
2018	52,328,415	557.41
2019	55,704,010	649.89
2020	60,783,796	705.91
2021	67,785,307	785.28
2022	74,771,687	853.10
2023	72,956,507	900.17
2024	70,786,764	-

**Source:** Kansas Statistical Abstract

## Financial and Banking Institutions

There are currently 9 banks with 13 banking locations in Lyon County. For the years listed, deposits of the banks located in Lyon County are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2016	\$520,018,000
2017	538,880,000
2018	564,434,000
2019	569,603,000
2020	639,188,000
2021	725,471,000
2022	763,257,000
2023	710,973,000
2024	746,694,000
2025	770,554,000

*Source:* FDIC

## Building Permits

The following table indicates the total valuation of building permits issued within the City in the years indicated. These numbers reflect permits issued either for new construction or for major renovation.

<u>Year</u>	<u>New Single Family Dwellings</u>	<u>Total Value New Single Family Dwellings</u>	<u>Total Permits</u>	<u>Total Construction Value</u>
2016	20	\$3,264,781	431	\$19,080,680
2017	32	7,561,767	429	39,861,843
2018	23	4,341,300	705	37,007,253
2019	12	1,447,993	731	23,364,363
2020	17	3,192,895	531	21,094,280
2021	16	3,481,781	755	62,810,742
2022	10	2,250,530	1,434	70,132,430
2023	10	2,260,968	767	45,598,879
2024	11	1,510,672	692	48,442,653
2025	11	1,492,200	639	51,925,601

*Source:* City Clerk

## Population

The following table shows the approximate population of the City and Lyon County in the years indicated:

<u>Year</u>	<u>City of Emporia Population</u>	<u>Lyon County Population</u>
1960	18,190	26,928
1970	23,116	32,071
1980	25,287	35,108
1990	25,512	34,732
2000	26,760	33,920
2010	24,916	33,371
2020	24,139	33,195
2025	24,418	32,454

*Source:* U.S. Bureau of the Census; Kansas Statistical Abstract

## Personal Income

The Lyon County personal and per capita personal income and State of Kansas per capita personal income are listed for the years indicated in the following table:

<u>Year</u>	<u>Lyon County Total Personal Income</u>	<u>Lyon County Per Capita Personal Income</u>	<u>State of Kansas Per Capita Personal Income</u>
2014	\$1,096,824	\$33,485	\$46,290
2015	1,130,214	34,608	46,597
2016	1,174,522	35,821	46,718
2017	1,207,934	37,076	48,272
2018	,1263,809	38,834	50,283
2019	1,284,054	39,656	52,156
2020	1,412,352	43,981	55,101
2021	1,520,270	46,905	59,021
2022	1,517,458	47,375	62,326
2023	1,593,432	49,529	66,115

*Source:* U.S. Bureau of Economic Analysis

## FINANCIAL INFORMATION OF THE ISSUER

### Accounting, Budgeting and Auditing Procedures

The City has established a uniform system of accounting maintained in accordance with the laws of the State of Kansas and generally accepted accounting principles. The accounts are maintained on the modified accrual basis for all budgetary funds and on the accrual basis for all other funds.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the City prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted by a majority vote of the governing body of the City prior to August 25 of each year (or September 20 if the City must conduct a public hearing to levy taxes in excess of its revenue neutral rate described below). Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79-2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the City) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body. The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing

subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a resolution or ordinance, and thereafter the taxing subdivisions will hold the public hearing and adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

The City cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Notes, or the general rating of the City. A change in the rating on the Notes or a change in the general rating of the City may adversely impact the market price of the Notes in the secondary market.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by Hood and Associates, CPAs, PC, Certified Public Accountants, Overland Park, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2024 is attached hereto as *Appendix B*. The financial information contained in the Appendices to this Official Statement are an integral part of this document and are intended to be read in conjunction herewith.

## **Property Valuations**

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The County Appraiser's office determines the assessed valuation that is to be used as a basis for the mill levy on property located in the City.

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Section 501 of the Internal Revenue Code, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The 2006 Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation.

**Assessed Valuation**

The following table shows the assessed value of the taxable tangible property of the City by category in the years as indicated:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Assessed Valuation</u>
2016	\$131,455,041	\$5,769,153	\$9,831,192	\$20,379,614	\$167,435,000
2017	138,600,594	5,535,440	10,316,325	20,630,111	175,082,470
2018	144,232,409	5,267,883	11,351,626	20,972,334	181,824,252
2019	153,856,995	4,843,288	12,160,955	21,636,964	192,498,202
2020	158,688,533	3,940,329	12,912,607	21,939,568	197,481,037
2021	168,566,680	3,770,470	14,014,075	22,838,681	209,189,906
2022	183,076,993	3,697,834	13,822,054	21,836,515	222,433,396
2023	207,591,187	3,701,436	14,393,526	21,836,515	247,522,664
2024	216,670,240	3,433,926	15,754,078	22,343,810	258,202,054
2025	231,330,544	3,318,013	16,392,760	22,171,319	273,212,636

*Source:* County Clerk

**Estimated Actual Valuation**

Based on an average assessment percentage of 19%, the following table provides estimated actual valuation figures for the taxable tangible property, including motor vehicles, for the City in the years indicated.

<u>Year</u>	<u>Estimated Actual Valuation</u>	<u>Year</u>	<u>Estimated Actual Valuation</u>
2016	\$881,236,842	2021	\$1,100,999,505
2017	921,486,684	2022	1,170,702,084
2018	956,969,747	2023	1,302,750,863
2019	1,013,148,432	2024	1,358,958,179
2020	1,039,373,879	2025	1,437,961,242

**Property Tax Levies and Collections**

**Tax Collections**

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at the rate of 12% per annum until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

## Special Assessments and Collections

The City has pursued a policy of utilizing special benefit districts to assign the cost of certain internal improvement projects to the property which was directly benefited from the construction thereof. Kansas statutes allow for the creation of special benefit districts to pay for the cost of a variety of improvements including street construction, storm water drains, sanitary sewer system improvements, street lighting, water system improvements, recreational facilities, flood control projects, bridges and parking facilities.

The City has typically utilized special benefit districts to pay for the costs associated with constructing streets, sidewalks, water lines, sewers, curbs, gutters and lighting in new residential developments within the City.

The creation of special benefit districts, the determination of property benefited and the method of allocating the cost of the improvements is at the discretion of the City. Property owners have the ability to suggest improvement to be made through a petition process and to comment on the final amount of their assessment. The City may or may not be included as part of the special benefit district. All property owners have the option to pay their portion of the improvement cost with a one-time payment during an assessment prepayment period or pay in annual installments with interest over a certain number of years.

Upon completion of the special benefit district improvement projects and a prepayment period, the City issues general obligation bonds to provide for permanent project financing. The payment of the principal of and interest on such bonds is paid from the special assessments levied annually on the benefited property owners. Special assessments are paid at the same time and in the same manner as ad valorem property taxes. If at any time the special assessments received from the property owners are insufficient to provide for the payment of the principal of and interest on the bonds, the City is obligated to provide for the balance of such payments through its ability to levy unlimited ad valorem property taxes.

## Tax Levies

Property tax levies are determined by the County Clerk based upon the assessed valuations provided by the County Appraiser. The following table provides the mill levy per \$1,000 of assessed valuation of the City for the years indicated:

<u>Levy Year</u>	<u>General</u>	<u>Special Revenue</u>	<u>Bond and Interest</u>	<u>Total</u>
2016/17	25.060	5.047	12.840	42.947
2017/18	27.167	5.003	10.405	42.575
2018/19	27.508	5.034	10.312	42.854
2019/20	27.608	5.064	10.427	43.099
2020/21	27.858	5.002	10.002	42.862
2021/22	27.817	4.895	9.988	42.800
2022/23	29.210	5.073	10.143	44.426
2023/24	29.731	5.132	9.741	44.604
2024/25	31.799	5.118	9.202	46.119
2025/26	32.115	5.000	8.892	46.007

*Source:* County Clerk

## Aggregate Tax Levies

The following table sets forth the aggregate tax levies of jurisdictions with boundaries overlapping the City:

<u>Levy Year</u>	<u>Budget Year</u>	<u>State/County</u>	<u>City</u>	<u>School</u>	<u>Total</u>
2016	2017	60.896	42.947	63.059	166.902
2017	2018	60.826	42.575	63.349	166.450
2018	2019	60.088	42.854	63.184	166.126
2019	2020	59.303	43.099	63.333	165.535
2020	2021	56.923	42.862	63.187	162.972
2021	2022	54.781	42.800	62.931	160.512
2022	2023	54.476	44.426	64.400	163.301
2023	2024	59.012	44.604	64.766	168.382
2024	2025	58.119	46.119	64.770	169.008
2025	2026	57.948	46.007	66.956	170.908

*Source:* County Clerk

## Tax Collection Record

The following table sets forth the property tax collection information for the City for the years indicated:

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% Current Tax Collected</u>	<u>Prior Years Tax Collected</u>	<u>Total Tax Collections</u>	<u>Ratio of Collections versus Levy</u>
2015/16	\$6,384,574	\$6,174,797	96.71%	\$13,920	\$6,188,767	96.93%
2016/17	6,547,585	6,339,949	96.83%	12,231	6,352,162	97.01%
2017/18	6,782,067	6,608,840	97.45%	92,888	6,701,728	98.82%
2018/19	7,089,369	6,936,700	97.85%	27,598	6,964,298	98.24%
2019/20	7,502,534	7,248,617	97.38%	34,055	7,282,672	97.81%
2020/21	7,653,671	7,366,096	98.77%	96,153	7,462,249	97.50%
2021/22	8,085,317	8,018,802	99.18%	146,094	8,164,896	100.98%
2022/23	9,452,048	8,935,610	94.54%	8,652	8,944,262	94.63%
2023/24	10,157,883	9,801,554	96.49%	45,747	9,847,301	96.94%
2024/25	10,938,893	10,595,933	97.57%	64,887	10,660,820	97.46%
2025/26	11,597,985	1,501,509	In Process	In Process	In process	In process

*Source:* County Clerk

## Major Taxpayers

The following table sets forth the largest taxpayers in the City for 2025:

<u>Business</u>	<u>Assessed Valuation</u>	<u>Total Tax Paid</u>
Everyy Kansas Central, Inc.	\$10,970,968	\$1,875,026.28
Hill's Pet Nutrition, Inc.	6,351,351	1,085,496.70
Simmons Pet Food KS, Inc.	5,264,591	930,321.88
Agree Limited Partnership	2,873,253	491,061.96
Kansas Gas Service	2,672,103	456,683.80
Iowa Beef Processors, Inc. / Tyson*	1,812,050	309,693.84
Wal-Mart Real Estate Business Trust	1,793,639	306,547.26
BNSF Railroad	1,741,429	297,624.16
Bunge Corporation	1,706,008	291,570.42
Hostess Brands, Inc.	1,347,646	230,323.48

\* In June 2022, Tyson permanently closed its beef and pork processing plant in Emporia, but continues to pay property tax.

*Source:* County Clerk

## Pension and Employee Retirement Plans

The Issuer participates in the Kansas Public Employees Retirement System ("KPERs") established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERs is governed by a board of trustees consisting of nine members each of whom serve four-year terms. The board of trustees appoints an executive director to serve as the managing officer of KPERs and manage a staff to carry out daily operations of the system.

As of December 31, 2024, KPERs serves approximately 350,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERs administers the following three statewide, defined benefit retirement plans for public employees:

- (a) Kansas Public Employees Retirement System;
- (b) Kansas Police and Firemen's Retirement System; and
- (c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

- (a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-

technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan’s qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a “contributory” defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The Issuer's employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009), KPERS Tier 2 members (covered employment on or after July 1, 2009), or KPERS Tier 3 members (covered employment on or after January 1, 2015).

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERS to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling \$1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. For more information about the Legislature’s actions related to KPERS, please see the 2022 Valuation Report referenced below.

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 9.26% of the employee’s gross salary for calendar year 2024, and is projected to change to 9.71% of the employee’s gross salary for calendar year 2025. In addition, the Issuer contributes 1% of the employee’s gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2024 (the “2024 Valuation Report”) the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability (“UAAL”) of approximately \$2.17 billion at the end of 2024. The amount of the UAAL in 2024 changed from the previous year’s amount due to the factors discussed in the 2024 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2024 Valuation Report is available on the KPERS website at [kpers.org/about/reports](http://kpers.org/about/reports). The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2024 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2023 Valuation Report sets the employer contribution rate for the period beginning January 1, 2026, for the KPERS Local Group, and KPERS’ actuaries identified that an employer contribution rate of 9.6% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2024 Valuation Report. The statutory contribution rate of employers currently equals the 2024 Valuation Report’s actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

## DEBT STRUCTURE

The following table summarizes certain key statistics with respect to the City's general obligation debt:

	<u>Gross Debt</u>	<u>Net of Self-Supporting Debt</u>
Assessed Valuation <sup>(2)</sup> .....	\$273,212,636	\$273,212,636
Appraised Valuation.....	\$1,437,961,242	\$1,437,961,242
Outstanding General Obligation Debt <sup>(1)</sup> .....	\$35,190,000	\$4,700,000
Net Overlapping Debt.....	\$51,147,598	\$51,147,598
Population.....	24,418	24,418
Direct Debt Per Capita.....	\$1,441.15	\$192.48
Direct and Overlapping Debt Per Capita.....	\$3,535.82	\$2,287.15
Direct Debt as a Percentage of Assessed Valuation.....	12.88%	1.72%
Direct and Overlapping Debt as a Percentage of Assessed Valuation.....	31.60%	20.44%
Direct Debt as a Percentage of Appraised Valuation.....	2.45%	0.33%
Direct and Overlapping Debt as a Percentage of Appraised Valuation.....	6.00%	3.88%

<sup>(1)</sup> Outstanding General Obligation Bonds as of December 31, 2024. Gross Debt includes any self-supporting bonds which are payable from revenues of the Water System and, if not so paid, from ad valorem taxes or bonds which are payable from revenues of the Sewer System and, if not so paid, from ad valorem taxes. Net of Self-Supporting Debt excludes any self-supporting bonds which are primarily payable from revenues of the Water System or Sewer System and, if not so paid, from ad valorem taxes.

## Current Indebtedness of the City

The following tables set forth as of the date of issuance of the Bonds all of the outstanding obligations of the City and the Issuer, including the Bonds:

### Tax and Assessment Supported General Obligation Bonds

<u>Series</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Currently Outstanding</u>
2016	\$2,620,000	9/1/2029	\$65,000
2018	1,000,000	9/1/2028	160,000
2020	4,055,000	9/1/2035	2,065,000
2022	3,540,000	9/1/2037	2,410,000
2026	13,315,000	9/1/2046	<u>13,315,000</u>
Subtotal of Tax and Assessment Supported General Obligation Bonds =			<u>\$18,015,000</u>

In addition to the above-referenced bonds, the City also has issued general obligation bonds to refund certain utility system revenue bonds and provide funding for certain utility system improvements. The City intends to provide for the payment of such general obligation bonds with the net revenues derived from the operation of its water system and sewer system. If, however, such net revenues are not sufficient to make the required payments, the City is obligated to provide for the payment through its ability to levy unlimited ad valorem taxes. The following is a list of the revenue-supported general obligation bonds of the City:

### Utility System Revenue Supported General Obligation Bonds

<u>Series</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Currently Outstanding</u>
2015 (Water)	\$3,775,000	9/1/2030	\$1,475,000
2016 (Water)	2,220,000	9/1/2026	255,000
2018 (Water, Sewer, Solid Waste)	6,190,000	9/1/2033	3,290,000
2020 (Water & Sewer)	2,885,000	9/1/2035	905,000
2022 (Water & Sewer)	3,365,000	9/1/2037	2,555,000
2023 (Water & Sewer)	9,505,000	9/1/2043	<u>8,695,000</u>
Subtotal of Utility Revenue Supported General Obligation Bonds =			<u>\$17,175,000</u>
Total Outstanding General Obligation Bonds =			<u>\$35,190,000</u>

### Public Building Commission Revenue Bonds

<u>Series</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Currently Outstanding</u>
2025A (Fire Station)	\$12,210,000	9/1/2044	\$12,210,000

## History of Indebtedness

The following table sets forth general obligation debt information pertaining to the City as of the years set forth below:

<u>Year</u>	<u>Population</u>	<u>Assessed Valuation</u>	<u>General Obligation Bonds<sup>(1)</sup></u>	<u>Debt to Assessed</u>	<u>Debt Per Capita</u>
2016	24,649	\$167,435,000	\$9,190,000	5.49%	\$372.83
2017	24,649	175,082,470	6,720,000	3.84%	272.62
2018	24,816	181,824,252	6,105,000	3.35%	246.01
2019	24,598	192,498,202	4,475,000	2.32%	181.92
2020	24,343	197,481,037	7,650,000	3.80%	314.26
2021	24,343	209,189,906	6,240,000	2.90%	256.34
2022	23,343	222,433,396	8,325,000	3.74%	356.63
2023	24,105	247,522,664	6,430,000	2.60%	266.74
2024	24,105	258,202,054	5,555,000	2.15%	230.45
2025	24,418	275,198,371	4,700,000	1.71%	192.48

<sup>(1)</sup> Excludes the general obligation debt that is payable primarily from the net revenues of the City's Sewer System and Water System.

## Vehicle and Equipment Lease Obligations

In addition to the foregoing debt obligations, the City has entered into the following lease obligations. Lease obligations of the City constitute valid and binding obligations of the City in accordance with their terms subject to funds budgeted and appropriated for that purpose during the City's current budget year or funds made available from any lawfully operated revenue producing source as per K.S.A. 10-1116b. The City has entered into the following leases, but does not expect to purchase the equipment at the end of the lease term. The lease obligations outstanding as of December 31, 2025 are as follows:

<u>Purpose of Indebtedness</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Vehicles	\$770,900	\$676,000

## State Loans

In addition to the foregoing, the City has entered into the following State Loans for Water and Wastewater System improvement projects as of December 31, 2025:

<u>Purpose of Indebtedness</u>	<u>Dated Date</u>	<u>Final Payment Date</u>	<u>Original Loan Amount</u>	<u>Amount Outstanding</u> <sup>(1)</sup>
Wastewater Plant Improvements	11/7/2017	9/1/2038	\$32,285,000	\$22,327,032
Water Infrastructure Improvements	9/3/2019	8/1/2046	4,000,000	3,555,686
Total				<u>\$25,882,718</u>

## Debt Payment Record

The City has never in its history defaulted on the payment of any of its debt obligations.

## Overlapping Indebtedness

The following table sets forth the overlapping general obligation indebtedness as of December 31, 2025 and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Gross Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable To Issuer</u>	<u>Gross Amount Applicable To Issuer</u>	<u>Net Amount Applicable To Issuer</u> <sup>(1)(2)</sup>
Lyon County	\$ -0-	54%	\$ -0-	\$ -0-
U.S.D. No. 253	70,860,000	79%	<u>56,206,152</u>	<u>51,147,598</u>
		Total =	<u>\$56,206,152</u>	<u>\$51,147,598</u>

<sup>(1)</sup> Excludes the Lyon County, Kansas Public Building Commission bonds for a hospital project which are payable from payments made by the Newman Regional Health System.

<sup>(2)</sup> For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 64% of the debt service on bonds issued by Unified School District No. 253. For bonds approved by voters after July 1, 2015, but before July 1, 2022, the State of Kansas will pay 9% of debt service for Unified School District No. 253. For bonds approved by voters after July 1, 2022, the State of Kansas will pay 18% of debt service for Unified School District No. 253.

## Future Indebtedness

The City anticipates that it may issue temporary notes, general obligation bonds or public building commission revenue bonds to finance certain improvements, including a soccer complex, golf course building, fire and EMS apparatus, public works equipment, recreation center and residential housing infrastructure improvement projects. However, the City does not have any immediate plans to issue additional indebtedness in the near future.

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*APPENDIX B*

**FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
(FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024)**

# CITY OF EMPORIA, KANSAS

Annual Comprehensive Financial Report

Year Ended December 31, 2024

CITY OF EMPORIA, KANSAS  
Annual Comprehensive Financial Report  
Year Ended December 31, 2024

Prepared by  
Janet Harrouff  
Director of Administrative Services

**CITY OF EMPORIA, KANSAS**  
**TABLE OF CONTENTS**  
December 31, 2024

	<u>Page</u>	
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal	i - iii	
City Organizational Chart	iv	
List of Principal Officials	v	
GFOA Certificate of Achievement	vi	
 <b>FINANCIAL SECTION</b>		
Independent Auditor's Report	1 - 3	
Management's Discussion and Analysis	4 - 11	
 <b>Basic Financial Statements</b>		
	<u>Exhibit</u>	
 <b>Government-wide Financial Statements</b>		
Statement of Net Position	A	12
Statement of Activities	B	13
 <b>Fund Financial Statements</b>		
Balance Sheet - Governmental Funds	C	14
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position		15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	D	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		17
Statement of Net Position - Proprietary Funds	E	18
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	F	19
Statement of Cash Flows - Proprietary Funds	G	20
 <b>Notes to the Basic Financial Statements</b>		 21-56
	<u>Schedule</u>	<u>Page</u>
 <b>Required Supplementary Information (RSI)</b>		
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget - General Fund	1	57
Schedule of the City's Proportionate Share of the Net Pension Liability	2	58
Schedule of Contributions	2	58
Schedule of changes in Net OPEB Liability and Related Ratios	3	59
 <b>OTHER FINANCIAL INFORMATION</b>		
Combining Balance Sheet - Non-Major Governmental Funds	4	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	5	61
Combining Balance Sheet - Non-Major Special Revenue Funds	6	62-64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Special Revenue Funds	7	65-67
Combining Balance Sheet - Non-Major Capital Project Funds	8	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Capital Project Funds	9	69

**CITY OF EMPORIA, KANSAS**  
**TABLE OF CONTENTS (CONTINUED)**

December 31, 2024

<b>OTHER FINANCIAL INFORMATION (Continued)</b>	<b>Schedule</b>	<b>Page</b>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget		
Library Fund	10	70
Convention and Tourism Promotion Fund	11	71
Industrial Fund	12	72
Special Alcohol Program Fund	13	73
Special Park and Recreation Fund	14	74
Special Street Fund	15	75
Drug Money Forfeiture Fund	16	76
Industrial Development Sales Tax Fund	17	77
Multi-Year Improvement Fund	18	78
Debt Service Fund	19	79
Combining Statement of Net Position - Internal Service Funds	20	80
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	21	81
Combining Statement of Cash Flows - Internal Service Funds	22	82
<b>STATISTICAL SECTION</b>	<b>Table</b>	
Statistical Summary		83
Net Position by Component - Last Ten Fiscal Years	1	84
Changes in Net Position - Last Ten Fiscal Years	2	85-86
Fund Balances of Governmental Funds - Last Ten Fiscal Years	3	87
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	4	88
Governmental Activities Tax Revenues by Source - Last Ten Fiscal Years	5	89
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	6	90
Direct and Overlapping Property Tax Levy Rates - Last Ten Fiscal Years	7	91
Principal Property Taxpayers	8	92
Property Tax Levies and Collections - Last Ten Fiscal Years	9	93
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	10	94
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	11	95
Direct and Overlapping Governmental Activities Debt	12	96
Legal Debt Margin Information - Last Ten Fiscal Years	13	97
Demographic and Economic Statistics - Last Ten Fiscal Years	14	98
Principal Employers - Current year and nine years ago	15	99
Full-Time Equivalent City Employees by Function - Last Ten Fiscal Years	16	100
Operating Indicators by Function - Last Ten Fiscal Years	17	101
Capital Asset Statistics by Function - Last Ten Fiscal Years	18	102

## **INTRODUCTORY SECTION**



June 25, 2025

Citizens of the City of Emporia, Kansas  
Honorable Mayor and  
City Commissioners

Citizens, Honorable Mayor and City Commissioners:

The Annual Comprehensive Financial Report of the City of Emporia, Kansas (the City) for the year ended December 31, 2024 is submitted herewith.

This report was prepared by the City's Finance Department. The report is published to provide to the Commission, representatives of financial institutions, and to our citizens and other interested persons detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

#### **GENERAL INFORMATION – CITY OF EMPORIA**

The City of Emporia lies 110 miles southwest of Kansas City and 85 miles northeast of Wichita on the eastern edge of the Flint Hills area of Kansas. Emporia has a population of 24,105 based on the 2022 census. There are 12.38 square miles of land in the City's corporate boundary.

The City of Emporia was incorporated in 1857. The City has Commission – City Manager form of government. The Commission is comprised of five members elected at large for terms of two and four years, with three Commissioners being elected each odd-numbered year. The Mayor is elected by the Commission.

The City Manager is appointed by the Governing Body and acts as its primary agent in accordance with state statute. Other City officers and employees are appointed by the City Manager. The Governing Body is responsible for policy determination and the City Manager is responsible for the administration of the City.

This report includes all funds of the City. The City is financially accountable for the Emporia Public Library, and the Library is included in the City's financial statements. The City Commission appoints all members of the seven member Library Board. Because the Library is not a separate taxing entity by applicable state statutes, the City levies taxes for the Library's operations, which represent approximately 91 percent of total revenues. The operations of the Emporia Public Library are reported as a discretely presented component unit in the City's financial statements.

The City provides a full range of municipal services. The Public Safety program includes police and fire protection; an aquatic center, golf course, tennis courts, pickleball courts, neighborhood parks, zoo and a community center provide a well-rounded, active recreation program; the Engineering Department provides essential street and highway construction and maintenance, surveying services and other technical assistance to the City; the Public Utilities provide water, sewer and refuse collection services. Additional services provided include building inspection, planning and zoning, as well as general administrative services.

In developing and altering the City's accounting system, consideration is given to the adequacy of the internal controls. The internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

State law requires an annual audit of the books of account, financial record and transactions of all administrative departments of the City by independent Certified Public Accountants or Licensed Municipal Public Accounts selected by the City Commission. This requirement has been complied with and the auditor's opinion has been included in this report.

## **LOCAL ECONOMY**

Emporia is very fortunate to have a diversified economy. This diversity provides a cushion when one particular sector of the economy suffers during an economic downturn. One major source of employment is the field of food processing, which serves as an important link to the state's agricultural base. It is also somewhat insulated from the periodic downturns associated with other sectors of the economy. Strong employment in the food processing sector is maintained at Simmons Pet Food, who employ more than 1,600 people. Hostess Brands, LLC opened the Emporia facility in 2012 and currently employs 650 employees. Hill's Pet Nutrition employs 141 employees. Fanestil Meats employs 110 employees. Tyson Fresh Meats announced the closure of their plant at the end of June 2025. Previously they had employed over 800 employees.

Apart from the food processing sector, other major employment opportunities come from manufacturing and warehousing/distribution. Michelin completed a multi-million dollar expansion and employs 316 people. Hopkins Manufacturing has 161 employees and Vektex also contributes to the local economy by employing 93 employees. The Emporia Chamber of Commerce and the Regional Development Association of East Central Kansas (RDA) continuously work to attract potential employees to the community.

Emporia State University relies on state funding, and the fiscal condition of the state has affected the operations of the Kansas Board of Regents in recent years. In response, Emporia State University actively seeks new students to increase enrollment. Flint Hills Technical College has experienced high enrollment in recent years and continues to play a crucial role in serving the business community. Additionally, the trucking industry holds significant importance in the local economy due to Emporia's access to the confluence of three highway systems and its geographical location in Kansas and the United States.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

Unassigned fund balance in the general fund at year end was 36.89 percent of total general fund revenues. This amount was above the 15 percent policy guidelines set by the Commission for budgetary and planning purposes. The Water Utility Fund unrestricted fund balance deficit 23.36 percent, the Sewer fund unrestricted fund balance was 61.57 percent, and the Solid Waste fund unrestricted fund balance was 37.11 percent. The Water Utility is below the 20 percent reserve policy set by the City Commission. Solid Waste and Sewer's unrestricted balance is above the 20 percent reserve policy set by the City Commission.

The City of Emporia collects approximately 3 million dollars a year from a 1 cent county wide sales tax. The City Commission has stated these dollars are to be spent on city infrastructure. During 2024, \$24,400 was spent on traffic signal updates, \$3,106 million street maintenance, \$559,000 on building updates and repairs and \$453,000 on parking lot improvements. This sales tax is set to expire in 2039.

A five-year capital improvement plan is maintained which serves as its planning document to ensure that facilities, equipment and infrastructure are well maintained and operating in good condition. Property owners can participate in the Neighborhood Revitalization Program for property in the center part of Emporia. The downtown district received Historical district certification in 2013 to provide additional grant opportunities to maintain the buildings. The City of Emporia has recently created two Resident Housing Incentive District that are projected to create 80 residential housing units.

## **RELEVANT FINANCIAL POLICIES**

The adopted budgets are an integral part of the accounting system providing management control over expenditures in the general fund, special revenue funds, debt service fund and enterprise funds. Kansas statutes require that cash be on hand before expenditure can be authorized, that all expenditures be budgeted, and that the budget not exceed anticipated revenues including carry-forward balances. The adopted budget for any fund may be amended, using the same procedures as for adoption, if the increased expenditures are financed with non-tax revenues.

Formal budgetary integration is not used for the capital projects funds because budgetary control is achieved through the resolution of authorization and funding. Encumbrance accounting is used for outstanding purchase orders, contracts and other commitments. Encumbrances outstanding at year end are reported as assigned fund balance since they are not expenditures or liabilities.

Cash temporarily idle during the year was invested in time deposits in banks ranging from 30 to 180 days in maturity and in U.S. Government obligations with variable maturities and in the Kansas Municipal Investment Pool. At December 31, 2024, the City's cash resources were divided between demand deposits and investments as follows: in demand deposits and cash on hand, 3 percent; and in interest bearing investments, 97 percent.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized.

The City performs limited risk management operations intended to maintain coverage at appropriate levels; manage claims; and monitor carrier performance. The City was self-insured for its workers' compensation insurance for the year ended December 31, 2024.

### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Emporia for its annual comprehensive financial report for the year ended December 31, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such annual comprehensive financial reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Emporia, Kansas, has received a Certificate of Achievement for the last thirty-nine consecutive years (fiscal years 1985-2023). We believe our current financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

### **ACKNOWLEDGMENTS**

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I should like to express my appreciation to all members of the department who assisted and contributed to its preparation. I should also like to thank the Mayor and City Commissioners for their interest and support in planning and conducting the financial operations of the City in a reasonable and progressive manner.

Respectfully submitted,

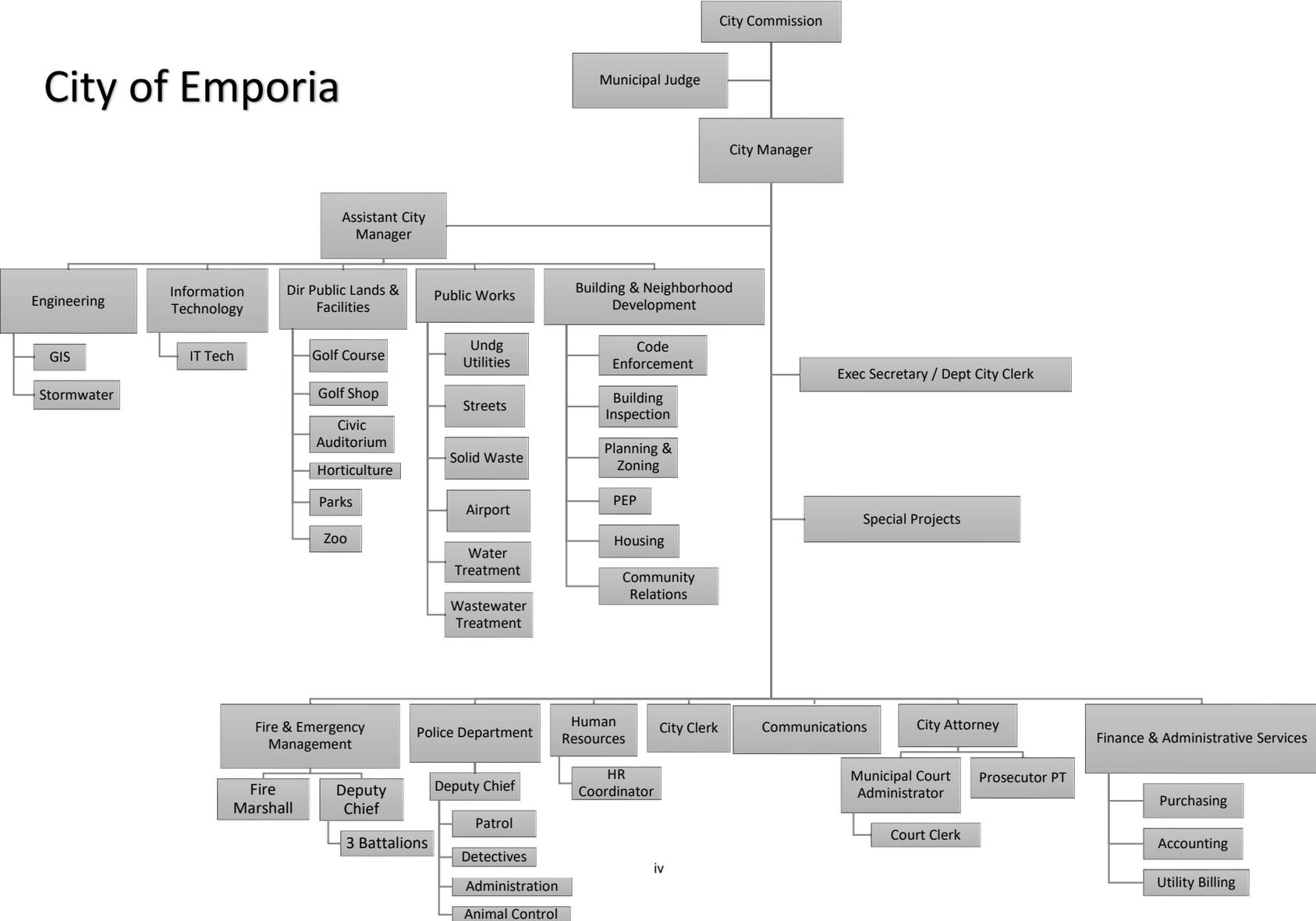


Janet Harrouff  
City Treasurer



Trey Cocking  
City Manager

# City of Emporia



City of Emporia, Kansas

GOVERNING BODY

2024

MAYOR

ERREN HARTER

VICE-MAYOR

SUSAN BRINKMAN

COMMISSIONER

TYLER CURTIS

COMMISSIONER

JAMIE SAUDER

COMMISSIONER

BECKY SMITH

ADMINISTRATIVE OFFICIALS

CITY MANAGER

TREY COCKING

DEPUTY CITY MANAGER

MARK DETTER

ASSISTANT CITY MANAGER

TAYLOR WASH

CITY CLERK

KERRY SULL

CITY TREASURER

JANET HARROUFF

CITY ATTORNEY

CHRISTINA MONTGOMERY

DEPARTMENT HEADS

PUBLIC WORKS DIRECTOR

DEAN GRANT

CITY ENGINEER

JIM UBERT

FIRE CHIEF

BRANDON BECK

POLICE CHIEF

ED OWENS



Government Finance Officers Association

Certificate of  
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for Excellence  
in Financial  
Reporting

Presented to

**City of Emporia  
Kansas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners  
City of Emporia, Kansas

### Report on the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Emporia Public Library, which represent 100 percent of the assets, net position, and revenues of discretely presented component unit as of December 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit is based solely on the report of the other auditors.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 audit opinion.

#### Change in Accounting Principle

As described in Note 13 to the financial statements, in 2024, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards, Kansas Municipal Audit and Accounting Guide, and *Government Auditing Standards* 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, including omissions, 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 statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 statements.
- 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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hood and Associates CPAs PC*

Kansas City, Missouri  
June 25, 2025

**City of Emporia, Kansas**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2024**

As management of the City of Emporia, Kansas (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2024. We encourage readers to consider the information presented here, in conjunction with the transmittal letter at the beginning of this report, and the City's financial statements, which follow this section.

**Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of December 31, 2024, by \$80,843,302 (net position). Of this amount \$9,164,942 is unrestricted and may be used to meet future obligations of the City.
- The City's total net position decreased by \$1,870,617 during the fiscal year as a result of current year activities. The City's governmental activities decreased by \$249,225 and the City's business-type activities decreased \$1,621,392 for the year.
- The City's General Fund's unassigned fund balance totaled \$9,987,068 at December 31, 2024 or 43.4% of total 2024 General Fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are a broad overview of the City's finances presented in a manner similar to a private business. These statements provide both long-term and short-term information about the City's overall financial status.

The *statement of net position* presents all the City's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for certain items that will result in cash flows in future fiscal periods.

The government-wide financial statements report governmental activities of the City, which are principally supported by taxes and intergovernmental revenues, and business-type activities of the City, which are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities for the City include general government, public safety, highway and streets, culture and recreation, health and environment, building maintenance, planning and development, and airport operations. The business-type activities for the City include solid waste disposal, sewer utility, and water utility. The City includes the Emporia Public Library as a component unit.

**Fund financial statements.** *Fund financial statements* focus on individual parts of the City's government. These statements report the City's operations in more detail than the government-wide financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**City of Emporia, Kansas**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2024**

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, thus it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds.** The City has two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its worker's compensation and health insurance risk management activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

**Notes to the basic financial statements.** The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* that further explains and supports the information in the financial statements. This report also contains *other supplementary information* that provides certain combining and individual fund statements and schedules.

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024**

**Government-Wide Financial Analysis**

Our analysis below focuses on net position (Figure 1) and changes in net position (Figure 2) of the governmental and business-type activities.

**Figure 1 – Statement of Net Position**

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 42,940,568	\$ 48,578,763	\$ 8,277,139	\$ 16,631,708	\$ 51,217,707	\$ 55,322,313
Capital assets	41,085,340	37,432,694	85,278,352	77,515,845	126,363,692	98,595,858
Total assets	<u>84,025,908</u>	<u>86,011,457</u>	<u>93,555,491</u>	<u>94,147,553</u>	<u>177,581,399</u>	<u>153,918,171</u>
Deferred outflow s - pension and opeb	5,483,583	6,219,174	1,135,686	1,262,020	6,619,269	6,877,939
Total deferred outflow s of resources	<u>5,483,583</u>	<u>6,219,174</u>	<u>1,135,686</u>	<u>1,262,020</u>	<u>6,619,269</u>	<u>6,877,939</u>
Long-term debt	30,852,216	30,475,679	57,108,748	55,145,081	87,960,964	75,783,614
Other liabilities	2,327,944	5,956,738	2,004,330	3,063,852	4,332,274	6,535,975
Total liabilities	<u>33,180,160</u>	<u>36,432,417</u>	<u>59,113,078</u>	<u>58,208,933</u>	<u>92,293,238</u>	<u>82,319,589</u>
Deferred inflow s - taxes and leases	10,511,078	9,762,985	-	-	10,511,078	8,773,907
Deferred inflow s - pension and opeb	483,764	658,176	69,286	90,709	553,050	642,642
Total deferred inflow s of resources	<u>10,994,842</u>	<u>10,421,161</u>	<u>69,286</u>	<u>90,709</u>	<u>11,064,128</u>	<u>9,416,549</u>
Net position:						
Net investment in capital assets	33,233,314	29,015,042	31,522,765	31,058,261	64,756,079	45,748,322
Restricted	6,922,281	6,819,982	-	-	6,922,281	6,291,015
Unrestricted	5,178,894	9,542,029	3,986,048	6,051,670	9,164,942	17,020,635
Total net position	<u>\$ 45,334,489</u>	<u>\$ 45,377,053</u>	<u>\$ 35,508,813</u>	<u>\$ 37,109,931</u>	<u>\$ 80,843,302</u>	<u>\$ 69,059,972</u>

As indicated earlier, net position may serve as a useful indicator of the City's financial position. As of December 31, 2024, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$80,843,302, the largest portion of the City's net position, \$64,756,079 (80.10 percent), reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, vehicles, machinery and equipment, and infrastructure) less any related outstanding debt that was used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. An additional portion of the City's net position, \$6,922,281 (8.56 percent), represents resources that are subject to external restrictions on their uses. The remaining balance of the City's net position, \$9,164,942, represents the unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Emporia, Kansas**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2024**

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 6,287,675	\$ 5,920,279	\$ 21,823,978	\$ 19,775,087	\$ 28,111,653	\$ 34,031,932
Operating grants and contributions	2,726,180	4,646,321	-	-	2,726,180	4,646,321
Capital grants and contributions	6,292,238	10,724,262	612,210	1,973,740	6,904,448	12,698,002
General revenues:						
Property taxes:						
General purposes	8,252,071	7,433,069	-	-	8,252,071	7,433,069
Debt service	2,247,224	2,090,286	-	-	2,247,224	2,090,286
Sales taxes	9,875,366	9,765,670	-	-	9,875,366	9,765,670
Franchise taxes	2,838,093	2,838,191	-	-	2,838,093	2,838,191
Gasoline taxes	653,077	648,358	-	-	653,077	648,358
Use of money and property	1,791,202	1,899,990	531,058	542,668	2,322,260	2,442,658
Other	250,146	284,693	196,149	-	446,295	284,693
Total revenues	<u>41,213,272</u>	<u>46,251,119</u>	<u>23,163,395</u>	<u>22,291,495</u>	<u>64,376,667</u>	<u>48,605,707</u>
Expenses:						
General government	3,798,620	2,954,038	-	-	3,798,620	2,954,038
Public safety	16,218,667	15,476,511	-	-	16,218,667	15,476,511
Highway and streets	5,971,292	4,594,214	-	-	5,971,292	4,594,214
Culture and recreation	6,411,742	5,254,557	-	-	6,411,742	5,254,557
Health and environment	112,200	97,200	-	-	112,200	97,200
Building maintenance	1,961,527	1,814,794	-	-	1,961,527	1,814,794
Planning and development	5,248,404	748,302	-	-	5,248,404	748,302
Airport operations	1,010,188	972,208	-	-	1,010,188	972,208
Interest on long-term debt	287,988	265,048	-	-	287,988	265,048
Solid waste disposal	-	-	6,520,576	6,348,387	6,520,576	6,348,387
Sewer utility	-	-	7,316,032	6,923,483	7,316,032	6,923,483
Water utility	-	-	11,390,048	9,666,860	11,390,048	9,666,860
Total expenses	<u>41,020,628</u>	<u>32,176,872</u>	<u>25,226,656</u>	<u>22,938,730</u>	<u>66,247,284</u>	<u>45,600,552</u>
Change in net position before transfers	192,644	14,074,247	(2,063,261)	(647,235)	(1,870,617)	3,005,155
Transfers	(441,869)	(758,782)	441,869	758,782	-	-
Change in net position	(249,225)	13,315,465	(1,621,392)	111,547	(1,870,617)	3,005,155
Net position, beginning, as restated **	45,583,714	32,061,588	37,130,205	36,998,384	82,713,919	61,475,216
Net position, ending	<u>\$ 45,334,489</u>	<u>\$ 45,377,053</u>	<u>\$ 35,508,813</u>	<u>\$ 37,109,931</u>	<u>\$ 80,843,302</u>	<u>\$ 64,480,371</u>

\*\* In 2024, the City implemented GASB Statement 100 Compensated Absences (see Note 13)

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024**

Governmental Activities

Governmental activities decreased net position of the City by \$249,225. Revenue decreased \$5,037,847 from 2023 primarily from decreases in capital grants and contributions of approximately \$4.4 million (\$2.5 million related to contributed infrastructure in 2023). Tax revenues for the City were \$23,865,831, which represents 57.91% of the funding of these activities. Program revenues for the functions totaled \$15,306,093 or 37.14% of the funding. Expenses increased \$8,843,756 from 2023 primarily due to the increases to planning and development expenses of \$4.5 million related development projects for Simon Pet Foods of \$3.0 million and Norfolk Iron & Metal of \$1.0 million. Funding for these development projects was received from the State of Kansas. Payroll and related benefits increased across all functions by approximately \$2,2 million. The following table shows the cost of the City's programs as well as each programs' net cost (total costs less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

**NET COST OF THE CITY'S GOVERNMENTAL ACTIVITIES**

	Total Cost of Services	Net Cost of Services
General government	\$ 3,798,620	\$ (62,771)
Public safety	16,218,667	(14,283,230)
Highway and streets	5,971,292	(3,626,802)
Culture and recreation	6,411,742	(1,175,811)
Health and environment	112,200	(112,200)
Building maintenance	1,961,527	(1,961,527)
Planning and development	5,248,404	(3,894,563)
Airport operations	1,010,188	(309,643)
Interest on long-term debt	287,988	(287,988)
	\$ 41,020,628	\$ (25,714,535)

As previously noted, expenses from governmental activities total \$41,020,628. However, the net costs of these services were \$25,714,535. The difference represents direct revenues received from charges for services of \$6,287,675 operating grants and contributions of \$2,726,180 and capital grants and contributions of \$6,292,238. Taxes and other revenues of \$25,907,179 were used to cover these net costs.

**Business-Type Activities**

Business-type activities decreased the City's net position by \$1,621,392. Total charges for services revenues increased \$2,048,891 over 2023 primarily from increased water rates and usage. Expenses increased by \$2,287,926 over the fiscal year primarily due to higher costs for water utility maintenance, personal services, and contractual services.

**Financial Analysis of the City's Funds**

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance-related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,457,706, a decrease of \$2,222,142 in comparison with the prior year. The ending fund balance amounts were as follows: \$37,531 nonspendable; \$6,922,281 restricted for various City functions and services; \$8,660,455 assigned primarily for capital outlay; and \$9,837,439 available for spending at the City's discretion.

**City of Emporia, Kansas**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2024**

Fund balance of the City's General Fund increased \$390,722 from December 31, 2023. Revenues increased \$1,066,017, largely due to increases in property taxes of \$705,686 from increases in valuation. Expenditures increased \$1,668,115, predominantly from increases in personnel costs and related benefits across all functions. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,987,068.

The Multi-Year Improvement Fund was established to receive funding for the purpose of making improvements to the City over an extended period of time. The fund balance at December 31, 2024 was \$2,744,285 a decrease of \$757,478 from 2023 as capital outlay expenditures and transfers out exceeded transfers in during 2024. All of the fund balance is assigned for future capital outlay.

The Internal Improvements Fund has a total fund balance of \$4,309,228, a decrease of \$484,807 from 2023. The decrease is primarily due increases in capital outlay improvement projects expenditures of \$536,750 over 2023.

The Debt Service Fund increased \$1,615,585 as revenues exceeded schedule debt service expenditures. The ending fund balance of \$3,993,697 is restricted for the payment of debt service.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The City's Enterprise Funds net position decreased by \$1,621,392 as the Solid Waste, Sewer funds, and Water funds reported decreases in net position of \$638,610, \$260,489, \$722,293, respectively. The factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

*General Fund Budgetary Highlights*

The City's General Fund actual revenues were \$259,841 under the final budget, mainly because due to actual taxes fines and fees, and administrative fees being less than budgeted amounts. The General Fund's actual expenditures and transfers out totaled \$27,262,641 compared to the final budgeted total of \$32,464,988 for a positive variance of \$4,453,057. This favorable variance includes a budget carryover of funds of \$4,310,309.

*Capital Asset and Debt Administration*

Capital assets of the governmental activities were \$41,085,340 (net of accumulated depreciation) as of December 31, 2024. This represents a \$3,652,646 increase from the prior year. Capital assets for business-type activities were \$85,278,352 as of December 31, 2024. This represents an increase of \$7,762,507 from the prior year.

During the fiscal year, the City of Emporia was involved in several large capital projects that affected the financial statements. Significant governmental additions include Zoo Education Center renovations \$2.9 million, Road F \$2.2 million, airport runway lighting \$741 thousand, and vehicles \$1.1 million. Significant business-type additions include various water projects of \$11.4 million.

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024**

Additional information on the City's capital assets can be found in Note 5 in the Notes to the Basic Financial Statements.

**City of Emporia Capital Assets  
(net of depreciation)**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2022
Land	\$ 5,319,964	\$ 5,319,964	\$ 222,572	\$ 222,572	\$ 5,542,536	\$ 5,542,536
Construction in progress	4,930,608	4,848,852	12,263,023	4,917,990	17,193,631	9,766,842
Land improvements	20,602,170	20,099,545	53,774,940	51,801,470	74,377,110	71,901,015
Buildings and improvements	5,028,839	2,289,325	14,619,418	15,562,631	19,648,257	17,851,956
Vehicles, equipment, furniture and fixtures, and right-of-use	5,203,759	4,875,008	4,398,399	5,011,182	9,602,158	9,886,190
<b>Total</b>	<b>\$ 41,085,340</b>	<b>\$ 37,432,694</b>	<b>\$ 85,278,352</b>	<b>\$ 77,515,845</b>	<b>\$ 126,363,692</b>	<b>\$ 114,948,539</b>

Total general obligation debt of the governmental activities as of December 31, 2024, was \$5,555,000, which is a decrease of \$875,000. Total general obligation debt and loans payable of the business-type activities as of December 31, 2024, was \$51,586,289, an increase of \$1,915,073 from the prior year.

**City of Emporia Outstanding Debt**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 5,555,000	\$ 6,430,000	\$ 18,960,000	\$ 20,740,000	\$ 24,515,000	\$ 27,170,000
Loans payable	-	-	32,626,289	28,931,216	32,626,289	28,931,216
<b>Total</b>	<b>\$ 5,555,000</b>	<b>\$ 6,430,000</b>	<b>\$ 51,586,289</b>	<b>\$ 49,671,216</b>	<b>\$ 57,141,289</b>	<b>\$ 56,101,216</b>

At December 31, 2024, the City had total general obligation bond debt outstanding of \$24,515,000, backed by the full faith and credit of the City. Total general obligation long-term debt decreased \$2,655,000 for the fiscal year ended December 31, 2024. Loans payable increased \$3,695,073 as loan proceeds of \$5,203,290 were utilized to fund certain to water utility fund projects.

The City is rated by one of the three rating agencies (Standards & Poor's) and has a rating of AA. Additional information on the City's long-term debt can be found in Note 6 in the Notes to the Basic Financial Statements.

**Economic Factors and Next Year's Budget**

According to the Kansas Department of Labor, the unemployment rate for the City of Emporia/Lyon County in December of 2024 was 3.3%. The unemployment rate is expected to increase due to the closure of the Tyson Fresh Meats plant. At the end of April 2025, the City of Emporia/Lyon County unemployment rate increased to 4.9% according to the Kansas Department of Labor, the unemployment rate for the City of Emporia/Lyon County in December of 2023 was 2.78%. The general revenue trends of the City of Emporia are expected to show a slight increase. The City will continue to experience a slight increase in revenue from the Multi-Year Sales Tax Fund, which is derived from a county-wide sales tax based on the distribution formula used by the State of Kansas. This sales tax was renewed in 2021 for an additional 15 years. The revenue and expenses are reviewed weekly by city management and monthly by the Mayor and Commission. The City's management also reviews the status of the unencumbered cash report on a weekly basis.

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024**

The local economic outlook for most major employers has been positive.

Several local manufacturers/employers have added employees and expanded their Emporia facilities. Simmons Pet Food employs approximately 1,600 employees as of the end of 2024. Michelin completed a multi-million expansion of their manufacturing facility that added more employees for a total of 316 employees in Emporia. Other employers such as Hostess Brands have 650 employees, Hill's Pet Nutrition has 141 employee, Vektek, Inc. 138 employees, and Norfolk Iron & Metal Co 125 Employees. The Tyson Fresh Meats plant closure will eliminate 845 jobs. Emporia State University continues to aggressively work towards increasing student population (both in total numbers and Emporia numbers). The Flint Hills Technical College has seen strong enrollment in recent years and serves as an excellent resource for the local employers for their employee needs. The City of Emporia and the Regional Development Association of East-Central Kansas will continue to aggressively promote economic development to fill vacant storefronts, industrial parks, improve the quality of life and to further diversify the Emporia economy.

The occupancy rate in the downtown area is approximately 90%, and it has increased since 2022. Several projects in the downtown area have had a positive impact on the region. Downtown currently has three CDBG Commercial Rehabilitation Grants at 417 Commercial, 517 Merchant and 713 Commercial. Also, a Hope VI Grant from HUD was awarded to 502 Commercial, a downtown commercial property. All of these grants are refurbishing properties throughout downtown. Downtown has been the venue for several major events, with the largest being the Unbound Gravel Bicycle Race, which attracted 5,000 entries in this year's contest. The bicycle race has a \$21 million dollar impact on the regional economy. Multiple large redevelopment projects are planned for the remainder of 2025 through 2026, which should further enhance commercial and residential options in the community core.

In 2024, the City of Emporia made significant improvements to city-owned infrastructure and facilities including a beginning \$20 million in water line improvement across Emporia. The project will lead to better water service for Emporia Industrial Park III and should result in fewer water line breaks in Emporia. The major waterline improvements will conclude in 2026. In 2026, a Stormwater Utility fee will be implemented that will lead to improvements in the City's stormwater utility infrastructure. The Multi-Year Fund will be utilized to improve city infrastructure in 2025 and beyond. Moreover, the City has started construction on the replacement of fire station 1, representing another multimillion-dollar investment in downtown Emporia. The Fire project will be completed in the winter of 2026.

The City Commission and City Management will continue to monitor revenues, expenses, and unencumbered cash and will continue to set a goal of reaching targeted reserve levels. City Management will take aggressive action, if necessary, such as not filling vacant positions, eliminating capital purchases, and closely monitoring projects to ensure they stay within budget. In 2024, the Emporia City Commission approved a Five-Year Budget and adopted a Capital Improvement Plan, which will help the City better anticipate and manage its long-term finances. A Capital Improvement Committee meets monthly to review all capital projects, ensuring they are progressing or determining if they need to be put on hold. In 2024, the City Commission approved a 10% increase in rates for the Water, Sewer, and Solid Waste Funds for fiscal years 2025 and 2026. The establishment of the stormwater utility fee will raise \$250K for stormwater improvements.

***Contacting the City's Financial Management***

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City's Finance Department at 104 E 5th Avenue, Emporia, Kansas 66801.

## **FINANCIAL SECTION**

**City of Emporia, Kansas**  
**Statement of Net Position**  
**December 31, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Emporia Public Library
<b>Assets</b>				
Cash and investments	\$ 27,232,248	\$ 8,082,737	\$ 35,314,985	\$ 764,672
Receivables:				
Taxes	11,764,831	-	11,764,831	-
Accounts	863,671	1,482,269	2,345,940	-
Special assessments	105,342	-	105,342	-
Notes receivable	48,000	-	48,000	-
Due from other governments	597,538	349,527	947,065	1,247,447
Leases receivable	197,617	-	197,617	-
Beneficial interest in Community Foundation	-	-	-	446,411
Internal balances	2,093,790	(2,093,790)	-	-
Inventory and prepaid expenses	37,531	456,396	493,927	-
Capital assets:				
Not being depreciated	10,250,572	12,485,595	22,736,167	-
Being depreciated, net of depreciation	30,834,768	72,792,757	103,627,525	275,390
Total assets	84,025,908	93,555,491	177,581,399	2,733,920
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	5,194,098	1,061,658	6,255,756	179,838
OPEB related deferred outflows	289,485	74,028	363,513	-
Total deferred outflows of resources	5,483,583	1,135,686	6,619,269	179,838
<b>Liabilities</b>				
Accounts payable	783,180	1,471,670	2,254,850	33,711
Accrued expenses	912,948	125,078	1,038,026	-
Accrued interest payable	65,033	407,582	472,615	-
Claims payable	566,783	-	566,783	-
Long term debt:				
Due within one year	2,447,613	3,666,900	6,114,513	22,098
OPEB due within one year	65,000	17,000	82,000	-
Due in more than one year	6,592,554	49,698,133	56,290,687	-
Net pension liability	20,743,744	3,470,523	24,214,267	551,131
OPEB liability	1,003,305	256,192	1,259,497	-
Total liabilities	33,180,160	59,113,078	92,293,238	606,940
<b>Deferred Inflows of Resources</b>				
Property taxes	10,329,637	-	10,329,637	1,247,447
Leases	181,441	-	181,441	-
Pension related deferred inflows	212,823	-	212,823	249
OPEB related deferred inflows	270,941	69,286	340,227	-
Total deferred inflows of resources	10,994,842	69,286	11,064,128	1,247,696
<b>Net Position</b>				
Net investment in capital assets	33,233,314	31,522,765	64,756,079	275,390
Restricted :				
Public safety	188,384	-	188,384	-
Highways and streets	349,057	-	349,057	-
Culture and recreation	889,015	-	889,015	-
Planning and development	1,252,951	-	1,252,951	-
Debt service	4,242,874	-	4,242,874	-
Library (Nonexpendable)	-	-	-	300,854
Library (Expendable)	-	-	-	223,477
Unrestricted	5,178,894	3,986,048	9,164,942	259,401
Total net position	\$ 45,334,489	\$ 35,508,813	\$ 80,843,302	\$ 1,059,122

See accompanying notes to the basic financial statements

City of Emporia, Kansas  
Statement of Activities  
For the Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Emporia Public Library
					Governmental Activities	Business-Type Activities	Total	
<b>Primary government:</b>								
<b>Governmental activities</b>								
General government	\$ 3,798,620	\$ 3,119,051	\$ 616,798	\$ -	\$ (62,771)	\$ -	\$ (62,771)	\$ -
Public safety	16,218,667	1,583,208	352,229	-	(14,283,230)	-	(14,283,230)	-
Highway and streets	5,971,292	-	374,053	1,970,437	(3,626,802)	-	(3,626,802)	-
Culture and recreation	6,411,742	902,250	11,880	4,321,801	(1,175,811)	-	(1,175,811)	-
Health and environment	112,200	-	-	-	(112,200)	-	(112,200)	-
Building maintenance	1,961,527	-	-	-	(1,961,527)	-	(1,961,527)	-
Planning and development	5,248,404	195,906	1,157,935	-	(3,894,563)	-	(3,894,563)	-
Airport operations	1,010,188	487,260	213,285	-	(309,643)	-	(309,643)	-
Interest on long-term debt	287,988	-	-	-	(287,988)	-	(287,988)	-
Total governmental activities	<u>41,020,628</u>	<u>6,287,675</u>	<u>2,726,180</u>	<u>6,292,238</u>	<u>(25,714,535)</u>	<u>-</u>	<u>(25,714,535)</u>	<u>-</u>
<b>Business-type activities</b>								
Solid waste disposal	6,520,576	5,510,563	-	-	-	(1,010,013)	(1,010,013)	-
Sewer utility	7,316,032	6,772,945	-	22,841	-	(520,246)	(520,246)	-
Water utility	11,390,048	9,540,470	-	589,369	-	(1,260,209)	(1,260,209)	-
Total business-type activities	<u>25,226,656</u>	<u>21,823,978</u>	<u>-</u>	<u>612,210</u>	<u>-</u>	<u>(2,790,468)</u>	<u>(2,790,468)</u>	<u>-</u>
Total primary government	<u>\$ 66,247,284</u>	<u>\$ 28,111,653</u>	<u>\$ 2,726,180</u>	<u>\$ 6,904,448</u>	<u>(25,714,535)</u>	<u>(2,790,468)</u>	<u>(28,505,003)</u>	<u>-</u>
<b>Component Unit</b>								
Emporia Public Library	<u>\$ 1,509,455</u>	<u>\$ 19,866</u>	<u>\$ 267,839</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,221,750)</u>
<b>General revenues:</b>								
<b>Taxes:</b>								
<b>Property taxes:</b>								
General purposes					8,252,071	-	8,252,071	1,201,323
Debt service					2,247,224	-	2,247,224	-
Sales taxes					9,875,366	-	9,875,366	-
Franchise taxes					2,838,093	-	2,838,093	-
Gasoline taxes					653,077	-	653,077	-
Use of money and property					1,791,202	531,058	2,322,260	42,122
Gain on sale of capital assets					162,312	196,149	358,461	-
Other					87,834	-	87,834	4,000
Transfers					(441,869)	441,869	-	-
Total general revenues					<u>25,465,310</u>	<u>1,169,076</u>	<u>26,634,386</u>	<u>1,247,445</u>
Change in net position					(249,225)	(1,621,392)	(1,870,617)	25,695
Net position, beginning of year					45,377,053	37,109,931	82,486,984	1,033,427
Change in accounting principle					206,661	20,274	226,935	-
Net position, end of year					<u>\$ 45,334,489</u>	<u>\$ 35,508,813</u>	<u>\$ 80,843,302</u>	<u>\$ 1,059,122</u>

See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
**Balance Sheet - Governmental Funds**  
**December 31, 2024**

	General	Multi-Year Improvement	Internal Improvements	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 6,818,441	\$ 2,772,727	\$ 4,346,490	\$ 3,993,697	\$ 4,404,300	\$ 22,335,655
Receivables:						
Taxes	8,557,658	-	-	2,061,111	1,146,062	11,764,831
Accounts	375,672	-	195,219	-	262,278	833,169
Special assessments	-	-	-	105,342	-	105,342
Notes receivable	-	-	-	48,000	-	48,000
Due from other governments	597,538	-	-	-	-	597,538
Leases receivable	197,617	-	-	-	-	197,617
Inventory	37,531	-	-	-	-	37,531
Due from other funds	2,181,677	-	-	-	-	2,181,677
<b>Total Assets</b>	<b>\$ 18,766,134</b>	<b>\$ 2,772,727</b>	<b>\$ 4,541,709</b>	<b>\$ 6,208,150</b>	<b>\$ 5,812,640</b>	<b>\$ 38,101,360</b>
<b>Liabilities</b>						
Accounts payable	\$ 514,532	\$ 28,442	\$ 37,262	\$ -	\$ 202,944	\$ 783,180
Accrued liabilities	899,501	-	-	-	13,447	912,948
Due to other funds	-	-	-	-	87,887	87,887
<b>Total Liabilities</b>	<b>1,414,033</b>	<b>28,442</b>	<b>37,262</b>	<b>-</b>	<b>304,278</b>	<b>1,784,015</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue						
Special assessments	-	-	195,219	105,342	-	300,561
Leases	181,441	-	-	-	-	181,441
Notes receivable	-	-	-	48,000	-	48,000
Taxes	7,122,464	-	-	2,061,111	1,146,062	10,329,637
<b>Total deferred inflows of resources</b>	<b>7,303,905</b>	<b>-</b>	<b>195,219</b>	<b>2,214,453</b>	<b>1,146,062</b>	<b>10,859,639</b>
<b>Fund balances:</b>						
Nonspendable:						
Inventory	37,531	-	-	-	-	37,531
Restricted for:						
Public safety	-	-	-	-	188,384	188,384
Highway and streets	-	-	-	-	349,057	349,057
Culture and recreation	-	-	-	-	889,015	889,015
Planning and development	-	-	-	-	1,252,951	1,252,951
Debt service	-	-	-	3,993,697	249,177	4,242,874
Assigned for:						
Capital outlay	23,597	2,744,285	4,309,228	-	1,583,345	8,660,455
Unassigned	9,987,068	-	-	-	(149,629)	9,837,439
<b>Total fund balance</b>	<b>10,048,196</b>	<b>2,744,285</b>	<b>4,309,228</b>	<b>3,993,697</b>	<b>4,362,300</b>	<b>25,457,706</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 18,766,134</b>	<b>\$ 2,772,727</b>	<b>\$ 4,541,709</b>	<b>\$ 6,208,150</b>	<b>\$ 5,812,640</b>	<b>\$ 38,101,360</b>

See accompanying notes to the basic financial statements

**City of Emporia, Kansas  
Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Position  
December 31, 2024**

Fund balances of governmental funds	\$ 25,457,706
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	41,085,340
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Deferred outflows and inflows related to pension and OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position	4,999,819
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Long-term liabilities	(9,040,167)
Total pension liability	(20,743,744)
Total OPEB liability	(1,068,305)

Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.	348,561
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Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.	(65,033)
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Internal service funds are used to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	4,360,312
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Net position of governmental activities	\$ 45,334,489
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See accompanying notes to the basic financial statements

**City of Emporia, Kansas**  
**Statement of Revenues, Expenditures and**  
**For the Year Ended December 31, 2024**

	General	Multi-Year Improvement	Internal Improvements	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 16,337,892	\$ -	\$ -	\$ 2,295,224	\$ 1,283,798	\$ 19,916,914
Charges for services	2,651,586	-	-	-	195,906	2,847,492
Special assessments	-	-	-	67,861	-	67,861
Intergovernmental	3,896,317	-	4,324,167	51,360	4,197,177	12,469,021
Licenses and permits	281,051	-	-	-	-	281,051
Fines and fees	524,869	-	-	-	-	524,869
Use of money and property	673,012	180,871	261,477	218,027	215,207	1,548,594
Contributions	27,975	-	239,684	-	250,095	517,754
Administrative fees	2,617,422	-	-	-	-	2,617,422
Miscellaneous	64,014	-	30,225	-	35,615	129,854
<b>Total Revenues</b>	<b>27,074,138</b>	<b>180,871</b>	<b>4,855,553</b>	<b>2,632,472</b>	<b>6,177,798</b>	<b>40,920,832</b>
<b>Expenditures:</b>						
Current:						
General government	2,471,916	-	-	-	254,123	2,726,039
Public safety	14,130,424	-	-	-	37,732	14,168,156
Highway and streets	327,513	-	-	-	1,092,197	1,419,710
Culture and recreation	3,381,823	-	-	-	2,404,671	5,786,494
Health and environment	-	-	-	-	112,200	112,200
Building maintenance	1,681,644	-	-	-	-	1,681,644
Planning and development	-	-	-	-	1,248,404	1,248,404
Airport operations	765,899	-	-	-	-	765,899
Appropriations	83,428	-	-	-	-	83,428
Capital outlay	-	4,096,468	4,712,909	-	5,250,394	14,059,771
Debt service:						
Principal	115,600	-	164,662	875,000	490,719	1,645,981
Interest and fiscal charges	23,048	-	3,798	227,850	82,294	336,990
<b>Total Expenditures</b>	<b>22,981,295</b>	<b>4,096,468</b>	<b>4,881,369</b>	<b>1,102,850</b>	<b>10,972,734</b>	<b>44,034,716</b>
Excess of Revenues Over (Under) Expenditures	4,092,843	(3,915,597)	(25,816)	1,529,622	(4,794,936)	(3,113,884)
<b>Other financing sources (uses):</b>						
Transfers in	563,635	3,358,119	-	85,963	1,217,420	5,225,137
Transfers out	(4,281,346)	(200,000)	(458,991)	-	(726,669)	(5,667,006)
Issuance of long-term debt	-	-	-	-	1,114,641	1,114,641
Proceeds from sale of capital assets	15,590	-	-	-	203,380	218,970
<b>Total Other Financing Sources (Uses)</b>	<b>(3,702,121)</b>	<b>3,158,119</b>	<b>(458,991)</b>	<b>85,963</b>	<b>1,808,772</b>	<b>891,742</b>
Net change in fund balances	390,722	(757,478)	(484,807)	1,615,585	(2,986,164)	(2,222,142)
Fund balances, beginning of year	9,657,474	3,501,763	4,794,035	2,378,112	7,348,464	27,679,848
Fund balances, end of year	<b>\$ 10,048,196</b>	<b>\$ 2,744,285</b>	<b>\$ 4,309,228</b>	<b>\$ 3,993,697</b>	<b>\$ 4,362,300</b>	<b>\$ 25,457,706</b>

See accompanying notes to the basic financial statements

**Exhibit D  
(continued)**

**City of Emporia, Kansas  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances -  
Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2024**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (2,222,142)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay costs in excess of capitalization threshold	7,488,716
Depreciation	(3,779,412)
Disposal of capital assets	(56,658)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.

Special assessments and notes receivable	(112,480)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal payment on long-term debt	1,645,981
Bond premium amortization	34,287
Proceeds from long term debt	(1,114,641)
Changes in accrued interest payable	14,715

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences and other post employment benefits payable	(201,970)
Changes in net pension obligations, deferred outflows and inflows	(1,508,034)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The revenues and expenses of certain internal service funds are included in governmental activities in the statement of activities.

(437,587)

Change in net position of governmental activities	<u>\$ (249,225)</u>
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See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2024**

	<b>Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Solid Waste</b>	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>	
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 3,203,765	\$ 4,878,972	\$ -	\$ 8,082,737	\$ 4,896,593
Accounts receivables, net	478,837	488,223	515,209	1,482,269	30,502
Due from other governments	-	-	349,527	349,527	-
Inventory	-	-	456,396	456,396	-
Total current assets	<u>3,682,602</u>	<u>5,367,195</u>	<u>1,321,132</u>	<u>10,370,929</u>	<u>4,927,095</u>
Noncurrent assets:					
Capital assets:					
Not being depreciated	102,625	490,863	11,892,107	12,485,595	-
Being depreciated, net of depreciation	1,722,590	43,739,538	27,330,629	72,792,757	-
Total noncurrent assets	<u>1,825,215</u>	<u>44,230,401</u>	<u>39,222,736</u>	<u>85,278,352</u>	<u>-</u>
Total assets	<u>5,507,817</u>	<u>49,597,596</u>	<u>40,543,868</u>	<u>95,649,281</u>	<u>4,927,095</u>
<b>Deferred Outflows of Resources</b>					
Pension related deferred outflows	488,511	291,454	281,693	1,061,658	-
OPEB related deferred outflows	34,468	20,954	18,606	74,028	-
Total Deferred Outflows of Resources	<u>522,979</u>	<u>312,408</u>	<u>300,299</u>	<u>1,135,686</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	234,444	97,243	1,139,983	1,471,670	-
Accrued liabilities	57,927	27,825	39,326	125,078	-
Due to other funds	-	-	2,093,790	2,093,790	-
Accrued interest payable	-	271,905	135,677	407,582	-
Claims payable	-	-	-	-	566,783
Current maturities on long-term debt	115,246	2,011,869	1,539,785	3,666,900	-
OPEB due within one year	8,000	5,000	4,000	17,000	-
Total current liabilities:	<u>415,617</u>	<u>2,413,842</u>	<u>4,952,561</u>	<u>7,782,020</u>	<u>566,783</u>
Long-term liabilities:					
Pension liability	1,596,927	952,752	920,844	3,470,523	-
OPEB liability	119,201	72,329	64,662	256,192	-
Due in more than one year	78,388	30,687,980	18,931,765	49,698,133	-
Total long-term liabilities:	<u>1,794,516</u>	<u>31,713,061</u>	<u>19,917,271</u>	<u>53,424,848</u>	<u>-</u>
Total liabilities	<u>2,210,133</u>	<u>34,126,903</u>	<u>24,869,832</u>	<u>61,206,868</u>	<u>566,783</u>
<b>Deferred Inflows of Resources</b>					
OPEB related deferred inflows	32,260	19,612	17,414	69,286	-
Total Deferred Inflows of Resources	<u>32,260</u>	<u>19,612</u>	<u>17,414</u>	<u>69,286</u>	<u>-</u>
<b>Net position</b>					
Net investment in capital assets	1,743,522	11,593,647	18,185,596	31,522,765	-
Unrestricted	2,044,881	4,169,842	(2,228,675)	3,986,048	4,360,312
Total net position	<u>\$ 3,788,403</u>	<u>\$ 15,763,489</u>	<u>\$ 15,956,921</u>	<u>\$ 35,508,813</u>	<u>\$ 4,360,312</u>

See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	Enterprise Funds				Internal Service Fund
	Solid Waste	Sewer Utility	Water Utility	Total	
<b>Operating revenues:</b>					
Charges for services	\$ 5,479,887	\$ 6,766,137	\$ 9,472,272	\$ 21,718,296	\$ 3,332,008
Other	30,676	6,808	68,198	105,682	134,610
Total operating revenues	<u>5,510,563</u>	<u>6,772,945</u>	<u>9,540,470</u>	<u>21,823,978</u>	<u>3,466,618</u>
<b>Operating expenses:</b>					
Personal services	2,610,531	1,496,669	1,490,154	5,597,354	-
Contractual services	1,799,103	263,561	1,132,532	3,195,196	-
Commodities	434,409	1,283,880	2,644,442	4,362,731	-
Maintenance and repairs	257,114	533,006	2,348,282	3,138,402	-
Depreciation	447,356	2,146,119	1,507,577	4,101,052	-
Administrative charges	875,905	610,000	1,105,842	2,591,747	-
Other	91,400	207,643	736,262	1,035,305	-
Claims and expenses	-	-	-	-	4,146,813
Total operating expenses	<u>6,515,818</u>	<u>6,540,878</u>	<u>10,965,091</u>	<u>24,021,787</u>	<u>4,146,813</u>
Operating income (loss)	<u>(1,005,255)</u>	<u>232,067</u>	<u>(1,424,621)</u>	<u>(2,197,809)</u>	<u>(680,195)</u>
<b>Nonoperating revenues (expenses):</b>					
Gain (loss) on sale of capital assets	181,524	14,625	(5,146)	191,003	-
Use of money and property	174,908	245,132	111,018	531,058	242,608
Interest and fiscal charges	(4,758)	(775,154)	(419,811)	(1,199,723)	-
Total nonoperating revenues (expenses)	<u>351,674</u>	<u>(515,397)</u>	<u>(313,939)</u>	<u>(477,662)</u>	<u>242,608</u>
Income (loss) before transfers and capital grants and contributions	<u>(653,581)</u>	<u>(283,330)</u>	<u>(1,738,560)</u>	<u>(2,675,471)</u>	<u>(437,587)</u>
Transfers in	14,971	-	426,898	441,869	-
Capital grants and contributions	-	22,841	589,369	612,210	-
Change in net position	<u>(638,610)</u>	<u>(260,489)</u>	<u>(722,293)</u>	<u>(1,621,392)</u>	<u>(437,587)</u>
Total net position, beginning of year	<u>4,418,220</u>	<u>16,018,119</u>	<u>16,673,592</u>	<u>37,109,931</u>	<u>4,797,899</u>
Change in accounting principle	<u>8,793</u>	<u>5,859</u>	<u>5,622</u>	<u>20,274</u>	<u>-</u>
Total net position, end of year	<u>\$ 3,788,403</u>	<u>\$ 15,763,489</u>	<u>\$ 15,956,921</u>	<u>\$ 35,508,813</u>	<u>\$ 4,360,312</u>

See accompanying notes to the basic financial statements

**City of Emporia, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	Solid Waste	Sewer Utility	Water Utility	Totals	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and others	\$ 5,452,250	\$ 6,716,198	\$ 8,471,355	\$ 20,639,803	\$ 3,460,286
Payments to suppliers	(3,444,159)	(2,953,591)	(8,049,991)	(14,447,741)	(3,863,270)
Payments to employees	(2,457,614)	(1,428,711)	(1,369,912)	(5,256,237)	-
Net cash provided by (used in) operating activities	<u>(449,523)</u>	<u>2,333,896</u>	<u>(948,548)</u>	<u>935,825</u>	<u>(402,984)</u>
Cash flows from noncapital financing activities:					
Transfers in (out)	14,971	-	426,898	441,869	-
Negative cash balance implicitly financed	-	-	2,093,790	2,093,790	-
Net cash provided by (used in) noncapital financing activities	<u>14,971</u>	<u>-</u>	<u>2,520,688</u>	<u>2,535,659</u>	<u>-</u>
Cash flows from investing activities:					
Interest received	174,908	245,132	111,018	531,058	242,608
Net cash provided by (used in) investing activities	<u>174,908</u>	<u>245,132</u>	<u>111,018</u>	<u>531,058</u>	<u>242,608</u>
Cash flows from capital and related financing activities:					
Purchase and construction of capital assets	(418,207)	(41,336)	(11,409,162)	(11,868,705)	-
Proceeds from sale of capital assets	181,524	14,625	-	196,149	-
Capital grants	-	22,841	589,369	612,210	-
Proceeds from long-term debt	45,814	135,920	5,112,828	5,294,562	-
Principal paid on long-term debt	(26,464)	(1,950,243)	(1,429,044)	(3,405,751)	-
Interest paid	(4,758)	(789,744)	(519,652)	(1,314,154)	-
Net cash provided by (used in) capital and related financing activities	<u>(222,091)</u>	<u>(2,607,937)</u>	<u>(7,655,661)</u>	<u>(10,485,689)</u>	<u>-</u>
Net change in cash and equivalents	(481,735)	(28,909)	(5,972,503)	(6,483,147)	(160,376)
Cash and equivalents, beginning of year	<u>3,685,500</u>	<u>4,907,881</u>	<u>5,972,503</u>	<u>14,565,884</u>	<u>5,056,969</u>
Cash and equivalents, end of year	<u>\$ 3,203,765</u>	<u>\$ 4,878,972</u>	<u>\$ -</u>	<u>\$ 8,082,737</u>	<u>\$ 4,896,593</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,005,255)	\$ 232,067	\$ (1,424,621)	\$ (2,197,809)	\$ (680,195)
Adjustments to reconcile operating income (loss) to net cash used by operations:					
Depreciation	447,356	2,146,119	1,507,577	4,101,052	-
Changes in compensated absences	19,681	1,621	8,795	30,097	-
Changes in total pension liability	69,609	34,391	97,484	201,484	-
Changes in total OPEB liability	(9,458)	(5,750)	(5,105)	(20,313)	-
Changes in deferred outflows of resources	66,501	42,320	17,513	126,334	-
Changes in deferred inflows of resources	(9,976)	(6,063)	(5,384)	(21,423)	-
Changes in:					
Receivables	(58,313)	(56,747)	(82,967)	(198,027)	(6,332)
Inventory	-	-	(24,341)	(24,341)	-
Accounts and claims payable	13,772	(55,501)	(58,290)	(100,019)	283,543
Accrued liabilities	16,560	1,439	6,939	24,938	-
Unearned revenues	-	-	(986,148)	(986,148)	-
Net cash provided by (used in) operating activities	<u>\$ (449,523)</u>	<u>\$ 2,333,896</u>	<u>\$ (948,548)</u>	<u>\$ 935,825</u>	<u>\$ (402,984)</u>
Noncash capital and financing activities:					
Leasing activities	\$ 45,814	\$ -	\$ 45,458	\$ 91,272	\$ -

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes to the basic financial statements include a summary of accounting policies followed and other information provided by the City of Emporia, Kansas, judged to be most appropriate for full disclosure in the preparation of the basic financial statements.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**(1) Summary of Significant Accounting Policies**

The City of Emporia, Kansas (the City) is a municipal corporation governed by five elected commissioners (the Commission). The City provides services to nearly 25,000 residents in many areas, including law enforcement and fire protection, water, sewer and sanitation services, community enrichment and development, and various social services.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

***Financial Reporting Entity***

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

***Discretely Presented Component Unit***

Emporia Public Library – The Emporia Public Library (the Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies tax for the Library's operations. The City appropriated \$1,201,835 to the Library in 2024. Complete financial statements may be obtained at the Emporia Public Library, 110 E. 6th Avenue, Emporia, Kansas.

***Jointly Governed Organizations***

Regional Development Association of East Central Kansas, Inc. – The Regional Development Association of East Central Kansas, Inc., (the RDA) is a not-for-profit corporation whose purpose is to benefit the public interest through the activity of business and economic development in the City and Lyon County, Kansas. The RDA's governing board consists of seven voting members, two of whom are appointed by the City. The City has entered into a contract under which the City appropriates funds to the RDA which are used for business and economic development. The City has no ongoing financial interest or responsibilities with respect to the RDA.

Emporia Recreation Commission – The Emporia Recreation Commission was established as a joint venture between the City of Emporia, Kansas and Unified School District Number 253, Emporia, Kansas. The governing board consists of one member from the Emporia City Commission, one member from the Unified School District number 253 Board of Education, one member appointed by the Emporia City Commission, one member appointed by the Unified School District number 253 Board of Education and one member appointed at-large by the other four appointed members of the Recreation Commission Board.

***Basis of Presentation***

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

***Government-wide financial statements***

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

***Fund financial statements***

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**Governmental Funds**

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

The General Fund accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

The Multi-year Improvement Fund is used to account for the 1% county sales tax which is used to make improvements to the City of Emporia.

The Internal Improvements Fund is a capital projects fund used to account for capital improvement projects and the acquisition of capital assets.

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

**Proprietary Funds**

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following are the City's major proprietary funds:

Solid Waste Disposal Fund accounts for funds derived from customer service charges for solid waste disposal. All activities necessary to provide such services are accounted for in this fund.

Sewer Utility Fund is used to account for all sewer operations including administration, maintenance, and financing and related debt service and billing collection. All operations are financed by means of customer user fees which are established by the governing body of the City.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

Water Utility Fund is used to account for the provision of water service to the residents of the City and some customers outside the City. All activities necessary to provide water service are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing collection.

**Internal Service Funds**

The internal service funds account for contributions made by the City to be used for paying claims for job-related injuries as well as contributions made by the City, current and former City employees to be used for payment of medical claims of covered employee health care participants and additional health insurance premiums. The City is self-insured for its workers' compensation insurance.

**Measurement Focus and Basis of Accounting**

**Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Governmental Fund Financial Statements**

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**Revenue Recognition**

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within two months of year end and available to pay obligations of the current period). This includes investment earnings and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Property taxes, special assessments, and notes receivable, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property taxes, special assessment, and notes receivables are recorded and deferred in the fund statements until they become available.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Property taxes are recognized as revenue in the government-wide financial statements in the year the taxes are intended to be financed by those taxes.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

***Expenditure Recognition***

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

***Proprietary Fund Financial Statements***

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

***Lease Arrangement***

The City implemented Government Accounting Standards Board (GASB) Statement No. 87, Leases. The statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of the City's financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use and underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the City's leasing activities.

***Subscriptions-Based Information Technology Arrangements (SBITA)***

The City implemented GASB Statement No 96, Subscriptions-Based Information Technology Arrangements (SBITA). The statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. This Statement increases the usefulness of City's financial statements by defining and establishing a SBITA that results in a right-to-use subscription intangible asset and a corresponding subscription liability. The Statement establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the right to use and underlying asset much like the standards established in Statement No. 87, Leases. Under this Statement, the City is required to recognize a SBITA liability and an intangible right-to-use asset and recognize amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods, thereby enhancing the relevance and consistency of information about the City's subscription activities.

***Deposits and Investments***

The City maintains a cash and investment pool that is available for use by all funds managed by the City (except for investments of the employees' health insurance trust and workers' compensation fund). The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Cash balances from all funds are invested to the extent available in certificates of deposit and other authorized investments. Investments with maturity dates greater than three months are stated separately. Earnings from these investments, unless specifically designated, are allocated monthly to the investing fund based on the percentage of funds invested to total investments.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

From time to time, the City invests available cash in the Kansas Municipal Investment Pool (KMIP). KMIP is a pooled investment vehicle offered by the State of Kansas as a voluntary investment alternative for municipalities in the State of Kansas. KMIP is governed by the State of Kansas Pooled Money Investment Board. Investments in the KMIP are reported at net asset value, which approximates fair value.

***Accounts Receivable and Payable***

Transactions between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables / payables" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds". Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and other receivables are shown net of an allowance for uncollectible, if applicable.

Property taxes receivable – The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk records the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the County. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due December 20, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the remaining 50% then being due on or before May 10 of the following year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City. Accruals of uncollected current year property taxes are offset by deferred inflows of resources and are identical to the adopted budget for 2025 in the governmental fund financial statements.

***Inventories and Prepaid Items***

Inventories in all funds are priced at cost of the latest purchase, which approximates average cost, and are based on year-end physical counts. Inventories consist of expendable supplies held for consumption. The cost of inventories is recorded as an expenditure when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

***Capital Assets***

Capital assets, which include property, plant, vehicles and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, as well as capital assets received in a service concession arrangement are reported at fair value as of the date of donation. Capital assets used in governmental funds types of the City are recorded at cost or estimated historical cost if purchased or constructed.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-75
Land improvements and infrastructure	20-75
Building improvements	20-75
Vehicles and equipment	5-10
Office equipment	5-10
Infrastructure	20-75

***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory and sick pay benefits (collectively "compensated absences"). A liability is reported for unpaid accumulated sick leave for amounts that exceed the annual carryover total of 480 hours (720 for firefighters) at a rate of 4 hours of sick leave to one hour if annual sick leave payout. Any unused sick leave is not payable upon termination. compensated absences are accrued when incurred in the government-wide and proprietary funds and reported as a fund liability. Compensated absences pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Compensated absences are reported in governmental funds only if they have matured (i.e. unused reimbursable leave still outstanding following an employee's termination).

Compensated absences is accounted for as follows:

**Governmental Funds** - The accumulated liabilities for compensated absences is recorded in the governmental activities column of the government-wide financial statements.

**Proprietary Funds** - The costs of compensated absences accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

***Deferred Outflows/inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualifies for reporting in this category. The first item relates to the change in actual and projected experience in calculating the City's proportionate share of the pension liability and actuarial assumption changes, and the difference between actual and projected earnings in calculating the net pension liability. The second item results from assumption changes in calculating the City's OPEB liability. The third item relates to leases receivable which will be recognized as inflow of resources in future periods over the term of the leases.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items, which arises under the accrual and modified accrual basis of accounting, which qualify for reporting in this category. The first one relates to the change in actual and projected experience in calculating the pension liability and actuarial assumption changes, and the difference between actual and projected earnings in calculating the City's proportionate share of net pension liability. The second item relates to the change in actual and projected experience in calculating the OPEB liability. The third item, unavailable revenue, is reported in both the government-wide statement of net position and governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The fourth item, leases is reported in both the government-wide statement of net position and in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources over the remaining term of the leases.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees' Retirement System (KPERs) and additions to and deductions from KPERs' fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Other Post Employment Benefit Plans (OPEB)***

The City sponsors a single-employer, defined benefit healthcare plan and participates in the Kansas Public Employees Death and Disability Plan, a multiple-employer defined benefit plan. The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

***Interfund Activity***

**Loans** – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

**Services provided and used** – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position. The General fund provides administrative and other support services for the Solid Waste, Sewer Utility and Water Utility funds. Amounts charged for such services for the year ended December 31, 2024 were \$875,905, \$610,000, and \$1,105,842, respectively.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**Reimbursements** – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

***Special Assessments***

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of bonds are recorded as revenue for the appropriate project. Special assessments received after issuance of bonds are recorded as revenue in the Debt Service Fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over various periods, and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. Special assessment taxes levied are a lien on the property and are recorded as special assessment receivable with a corresponding amount recorded as deferred inflow of resources in the fund financial statements.

***Statement of Cash Flows***

For purposes of the statement of cash flows, short-term investments, and certificates of deposit with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

***Fund Balances***

In the fund financial statements, governmental funds report the following fund balance classifications:

**Non-Spendable** – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

**Restricted** – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria as committed. The Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Unassigned** – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

***Net Position Classifications***

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

***Use of Estimates***

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Stewardship, Compliance and Accountability***

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted from statute), debt service funds and enterprise funds. 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 1.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

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. The statutes permit management to transfer budgeted amounts between line items and departments 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 governmental fund with a legal budget, showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, open 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 certain capital projects and the following special revenue funds: 2017 Housing, 2020 Housing, ARPA, Emergency Shelter, Law Enforcement Block Grants, DARE Crime Prevention, 2014 Housing, 911 Land Wire Fees, Lake Kahola, Stormwater Reserve Fund, Emporia Homeowner Repair, Home Equity Rehab, and Land Bank. Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body. The City legally adopted an annual budget for the Multi-Year Improvement Fund capital projects fund.

**Compliance with Kansas Statutes**

The Enforcement Block Grants Fund and Park Improvement Fund had a deficit fund balance of \$849 and \$148,780, respectively, as of December 31, 2024.

**(2) Deposits and Investments**

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the County in which the City is located and the banks provide an acceptable rate of return for active funds.

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes, or the Kansas Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the KMIP, direct obligations of the U. S. government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in KSA 10-131.

At December 31, 2024, the carrying values of deposits and investments are summarized as follows:

Cash on hand	\$	4,775
Carrying amount of deposits		26,324,449
Kansas Municipal Investment Pool (KMIP)		8,985,761
Total cash and investments	\$	35,314,985

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

At December 31, 2024, the City has the following investments:

<b>Investment Type</b>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Rate</u>
Kansas Municipal Investment Pool	\$ 8,985,761	S&P AAAf/S1+	0.0100%

The KMIP is under the oversight of the Pooled Money Investment Board (the Board) The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligation of, or obligations that are insured as to principal and interest by the U. S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City does not have any formal investment policies that would further limit concentration of credit risk, credit risk, interest rate risk or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a depository financial institution failure, the City's deposits may not be returned. The City's deposit policy for custodial credit risk require that the depository financial institutions will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. As of December 31, 2024, the City's deposits were insured with Federal depository insurance or collateralized by securities held in the City's name by their financial institution's agent.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended December 31, 2024, the City's investment in KMIP was considered a cash equivalent as all investments were held in the overnight pool. Investments that are considered cash equivalents are not classified in the fair value hierarchy.

Component Unit - At year-end, the carrying amount of the Library's cash, including certificates of deposit and cash on hand, was \$764,672 and the bank balance was \$765,880. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$301,648 was covered by federal depository insurance and the remaining \$464,232 was collateralized by pledged securities.

**(3) Tax Revenues and Taxes Receivable**

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer as of December 31, 2024. Estimated delinquencies are insignificant and have not been recorded.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

Assessed values are established by the County Appraiser. The assessed value for property located in the City as of January 1, 2023 on which the 2023 levy was based was \$225,686,147.

<u>Fund</u>	<u>Levy</u>
General	\$ 29.731
Library	5.127
Bond and Interest	9.741
Industrial development	0.005
	<u>\$ 44.604</u>

Tax revenues for the year ended December 31, 2024 consisted of the following:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Non-major Governmental Funds</b>	<b>Total</b>
Property taxes	\$ 6,968,273	\$ 2,295,224	\$ 1,283,798	\$ 10,547,295
Sales taxes	6,531,526	-	-	6,531,526
Franchise taxes	2,838,093	-	-	2,838,093
	<u>\$ 16,337,892</u>	<u>\$ 2,295,224</u>	<u>\$ 1,283,798</u>	<u>\$ 19,916,914</u>

Taxes receivable represent property, sales, and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes. Taxes receivable consisted of the following at December 31, 2024:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Non-major Governmental Funds</b>	<b>Total</b>
Property taxes	\$ 7,122,464	\$ 2,061,111	\$ 1,146,062	\$ 10,329,637
Sales taxes	1,173,269	-	-	1,173,269
Franchise taxes	261,925	-	-	261,925
	<u>\$ 8,557,658</u>	<u>\$ 2,061,111</u>	<u>\$ 1,146,062</u>	<u>\$ 11,764,831</u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**Intergovernmental Revenues**

Intergovernmental revenues for the year ended December 31, 2024, consisted of the following:

	General Fund	Internal Improvements Fund	Debt Service Fund	Non-major Governmental Funds	Total
Grants:					
Federal, State and Local	\$ 104,144	\$ 4,324,167	\$ -	\$ 2,395,228	\$ 6,823,539
State:					
Gasoline Tax	-	-	-	653,077	653,077
Transient guest tax	-	-	-	932,626	932,626
Special liquor tax	108,123	-	-	216,246	324,369
Local:					
County-wide sales taxes	3,343,839	-	-	-	3,343,839
Interlocal agreements	340,211	-	51,360	-	391,571
<b>Total</b>	<b>\$ 3,896,317</b>	<b>\$ 4,324,167</b>	<b>\$ 51,360</b>	<b>\$ 4,197,177</b>	<b>\$12,469,021</b>

**Interfund Activity**

Transfers between funds for the year ended December 31, 2024 were as follows:

	Transfers Out:				Total
	General Fund	Multi-year Improvements Fund	Internal Improvements Fund	Non-major Governmental Funds	
Transfers In:					
Governmental activities:					
General Fund	\$ -	\$ -	\$ 382,093	\$ 181,542	\$ 563,635
Multi-year Fund	3,316,346	-	-	41,773	3,358,119
Debt Service Fund	-	-	-	85,963	85,963
Non-major Governmental Funds	965,000	200,000	-	52,420	1,217,420
Total governmental activities	4,281,346	200,000	382,093	361,698	5,225,137
Business-type activities:					
Solid Waste Utility Fund	-	-	-	14,971	14,971
Water Utility Fund	-	-	76,898	350,000	426,898
Total business-type activities	-	-	76,898	364,971	441,869
<b>Total</b>	<b>\$ 4,281,346</b>	<b>\$ 200,000</b>	<b>\$ 458,991</b>	<b>\$ 726,669</b>	<b>\$ 5,667,006</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

Amount due to/due from other funds as of December 31, 2024 were as follows:

	<b>Due to:</b>
	<b>General Fund</b>
Due from:	
Governmental activities:	
Other Governmental Funds	\$ 87,887
Total governmental activities	87,887
Business-type activities:	
Water fund	2,093,790
Total business-type activities	2,093,790
Total	\$ 2,181,677

Amounts due to the General Fund from Other Governmental Funds and Enterprise Funds represent advances for short-term cash flow needs.

**(4) Lease Arrangements**

Under GASB 87, Leases, a lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods. Additional information for each lease receivable is as follows:

The City entered into two lease agreements for the right to place communication equipment on water towers owned by the City. Under the leases, the City receives approximately \$14,000 annually. The leases contain options to renew by sending written notice of renewal to the City no later than 120 days prior to the expiration of the initial lease term. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 4.25%, which is the incremental borrowing rate at the inception of the lease. At December 31, 2024 the leases receivable balance was \$197,617.

For the year ended December 31, 2024, the City recognized \$10,272 of lease revenue and \$8,441 of interest revenue under these leases.

The City's leases receivable activity for the year ended December 31, 2024, is as follows:

Lease Description	Beginning of Year	Additions	Retirements	End of year	Current
Tower attachments	\$ 202,976	\$ -	\$ 5,359	\$ 197,617	\$ 5,588
Total leases receivable	\$ 202,976	\$ -	\$ 5,359	\$ 197,617	\$ 5,588

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

The scheduled future minimum lease payment due under the lease arrangements for the years ending December 31, are as follows:

	<b>Lease Receivable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 5,588	\$ 8,212	\$ 13,800
2026	5,827	7,973	13,800
2027	6,518	7,722	14,240
2028	7,700	7,420	15,120
2029	8,030	7,090	15,120
2030-2034	49,169	29,819	78,988
2035-2039	69,084	17,500	86,584
2040-2042	45,701	2,697	48,398
	\$ 197,617	\$ 88,433	\$ 286,050

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**(5) Capital Assets**

A summary of the changes in capital assets for the year ended December 31, 2024 is as follows:

<b>Governmental activities:</b>	Beginning of Year	Additions	Retirements	End of Year
<b>Capital assets, not being depreciated</b>				
Land	\$ 5,319,964	\$ -	\$ -	\$ 5,319,964
Construction in progress	4,848,852	4,426,660	4,344,904	4,930,608
Total capital assets, not being depreciated	<u>10,168,816</u>	<u>4,426,660</u>	<u>4,344,904</u>	<u>10,250,572</u>
<b>Capital assets, being depreciated</b>				
Land improvements	220,801,831	2,510,280	-	223,312,111
Building and improvements	16,090,715	3,016,884	-	19,107,599
Vehicles	4,970,669	366,343	517,407	4,819,605
Equipment, furniture and fixtures	8,726,774	398,812	-	9,125,586
Right of use assets - vehicles and equipment	640,657	907,439	47,863	1,500,233
Finance - vehicles and equipment	953,150	207,202	57,149	1,103,203
Right of use assets - SBITAs	141,554	-	-	141,554
Total capital assets being depreciated	<u>252,325,350</u>	<u>7,406,960</u>	<u>622,419</u>	<u>259,109,891</u>
<b>Less accumulated depreciation for:</b>				
Land improvements	200,702,286	2,007,655	-	202,709,941
Building and improvements	13,801,390	277,370	-	14,078,760
Vehicles	3,922,900	366,343	465,179	3,824,064
Equipment, furniture and fixtures	6,371,614	519,937	48,076	6,843,475
Right of use assets - vehicles and equipment	113,529	342,136	23,931	431,734
Finance - vehicles and equipment	135,597	237,660	28,575	344,682
Right of use assets - SBITAs	14,156	28,311	-	42,467
Total accumulated depreciation	<u>225,061,472</u>	<u>3,779,412</u>	<u>565,761</u>	<u>228,275,123</u>
Total capital assets being depreciated, net	<u>27,263,878</u>			<u>30,834,768</u>
Governmental activities capital assets, net	<u>\$ 37,432,694</u>			<u>\$ 41,085,340</u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

<b>Business-Type Activities</b>	Beginning of Year	Additions	Retirements	End of Year
<b>Capital assets, not being depreciated</b>				
Land	\$ 222,572	\$ -	\$ -	\$ 222,572
Construction in progress	4,917,990	11,391,099	4,046,066	12,263,023
Total capital assets, not being depreciated	<u>5,140,562</u>	<u>11,391,099</u>	<u>4,046,066</u>	<u>12,485,595</u>
<b>Capital assets, being depreciated</b>				
Land improvements	88,390,342	4,046,064	-	92,436,406
Building and improvements	31,584,115	-	-	31,584,115
Vehicles	3,445,664	391,946	277,700	3,559,910
Equipment, furniture and fixtures	12,744,173	40,542	59,525	12,725,190
Right of use assets - equipment	387,999	90,916	-	478,915
Total capital assets being depreciated	<u>136,552,293</u>	<u>4,569,468</u>	<u>337,225</u>	<u>140,784,536</u>
<b>Less accumulated depreciation for:</b>				
Land improvements	36,588,872	2,072,594	-	38,661,466
Building and improvements	16,021,484	943,214	-	16,964,698
Vehicles	2,735,704	311,655	258,504	2,788,855
Equipment, furniture and fixtures	8,760,925	641,253	27,779	9,374,399
Right of use assets - equipment	70,025	132,336	-	202,361
Total accumulated depreciation	<u>64,177,010</u>	<u>4,101,052</u>	<u>286,283</u>	<u>67,991,779</u>
Total capital assets being depreciated, net	<u>72,375,283</u>			<u>72,792,757</u>
Business-type activities capital assets, net	<u>\$ 77,515,845</u>			<u>\$ 85,278,352</u>

Depreciation expense was charged to functions and programs of the primary government as follows:

**Governmental Activities:**

General government	\$ 159,712
Public safety	741,041
Highway and streets	1,931,499
Culture and recreation	520,739
Building maintenance	205,536
Airport operations	220,885
Total depreciation expense for Governmental activities	<u>\$ 3,779,412</u>

**Business-type Activities:**

Solid waste	\$ 447,356
Sewer utility	2,146,119
Water utility	1,507,577
Total depreciation expense for Business-type activities:	<u>\$ 4,101,052</u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**(6) Long Term Debt**

During the year ended December 31, 2024, the following changes, including the allocation of the general obligation bonds outstanding between governmental and business-type activities, occurred in long term liabilities:

<b>Governmental Activities:</b>	<b>Beginning of Year</b>	<b>Adjustments/ Additions</b>	<b>Adjustments/ Retirements</b>	<b>End of Year</b>	<b>Due Within One Year</b>
General obligation	\$ 6,430,000	\$ -	\$ 875,000	\$ 5,555,000	\$ 855,000
Premium	424,346	-	34,287	390,059	-
Finance purchase	770,900	207,202	243,206	734,896	227,464
Lease liabilities	516,608	907,439	338,383	1,085,664	447,379
SBITA liabilities	111,136	-	24,730	86,406	26,663
Interlocal agreement	164,662	-	164,662	-	-
Compensated absences **	1,030,081	158,061	-	1,188,142	891,107
Total pension liability	19,814,489	929,255	-	20,743,744	-
Total OPEB liability	1,006,796	61,509	-	1,068,305	65,000
<b>Total Governmental activities</b>	<b>30,269,018</b>	<b>2,263,466</b>	<b>1,680,268</b>	<b>30,852,216</b>	<b>2,512,613</b>
<b>Business-Type Activities:</b>					
General obligation	20,740,000	-	1,780,000	18,960,000	1,815,000
Premium	1,338,847	-	116,139	1,222,708	-
Loans	28,931,216	5,203,290	1,508,217	32,626,289	1,529,526
Lease liabilities	339,476	91,272	126,553	304,195	140,487
Compensated absences **	212,725	39,116	-	251,841	181,887
Total pension liability	3,269,039	201,484	-	3,470,523	-
Total OPEB liability	293,505	-	20,313	273,192	17,000
<b>Total Business-type activities</b>	<b>55,124,808</b>	<b>5,535,162</b>	<b>3,551,222</b>	<b>57,108,748</b>	<b>3,683,900</b>
<b>Total primary government</b>	<b>\$ 85,393,826</b>	<b>\$ 7,798,628</b>	<b>\$ 5,231,490</b>	<b>\$ 87,960,964</b>	<b>\$ 6,196,513</b>

\*\* The change in compensated absences is presented as a net change

**General obligation bonds.** The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with varying amounts of principal maturing each year. General obligation bonds and notes currently outstanding are as follows:

Issue	Interest Rate	Date of Issue	Original Issue	Date of Final Maturity	Bonds Outstanding
<b>Governmental Activities</b>					
2015 Internal Improvements	2.38%	7/30/2015	\$ 4,330,000	9/1/2030	\$ 230,000
2016 Internal Improvements	3.00%	11/25/2016	1,990,000	9/1/2029	80,000
2018 Internal Improvements	2.81%	6/26/2018	1,000,000	9/1/2033	210,000
2020 Refunding and Improvements	1.77%	10/20/2020	4,055,000	9/1/2035	2,240,000
2022 Internal Improvements	3.36%	10/11/2022	3,540,000	9/1/2037	2,795,000
<b>Total Governmental Activities</b>					<u><u>\$ 5,555,000</u></u>

**Business-Type Activities**

2015 Internal Improvements	2.38%	7/30/2015	\$ 3,775,000	9/1/2030	\$ 1,745,000
2016 Internal Improvements	3.00%	11/25/2016	2,850,000	9/1/2029	505,000
2018 Internal Improvements	2.81%	6/26/2018	6,190,000	9/1/2033	3,755,000
2020 Refunding and Improvements	1.77%	10/20/2020	2,885,000	9/1/2035	1,040,000
2022 Internal Improvements	3.36%	10/11/2022	1,625,000	9/1/2037	2,830,000
2023 Internal Improvements	4.0-5.0%	11/14/2023	9,505,000	9/1/2043	9,085,000
<b>Total Business-Type Activities</b>					<u><u>\$ 18,960,000</u></u>

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

Year Ending	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 855,000	\$ 195,100	\$ 1,815,000	\$ 757,738	\$ 3,622,838
2026	645,000	165,100	1,845,000	688,987	3,344,087
2027	675,000	141,750	1,660,000	622,100	3,098,850
2028	505,000	117,350	1,610,000	559,475	2,791,825
2029	455,000	99,750	1,470,000	498,850	2,523,600
2030 - 2034	2,000,000	256,650	5,555,000	1,665,850	9,477,500
2035 - 2039	420,000	22,050	2,860,000	773,800	4,075,850
2040 - 2044	-	-	2,145,000	230,969	2,375,969
	<u><u>\$ 5,555,000</u></u>	<u><u>\$ 997,750</u></u>	<u><u>\$ 18,960,000</u></u>	<u><u>\$ 5,797,769</u></u>	<u><u>\$ 31,310,519</u></u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**Interlocal Agreement**

The City entered into an Interlocal Agreement (Agreement) with Lyon County (the County) to assist in the acquisition of radios related to a computer dispatch and report management system (computer system). Under the Agreement, the City is obligated to pay the County annual payments of \$168,500 including interest at 2.3% beginning in December 2020 with the final payment made in December 2024.

**Loans payable**

The City entered into a loan agreement with the Kansas Department of Health & Environment through the Kansas Water Pollution Control Revolving Loan Fund related to a wastewater treatment plant improvement project for an amount up to \$32,285,000. The interest rate on the loan is 1.69%, plus a .25% service fee. Final maturity is scheduled for September 1, 2038.

As of December 31, 2024, the City has drawn \$32,166,919 on the loan and anticipates utilizing the full amount of the loan. As of December 31, 2024, the principal outstanding was \$24,003,233.

The City entered into a loan agreement with the Kansas Department of Health & Environment through the Kansas Public Water Supply Loan Fund related to water infrastructure improvement projects for an amount up to \$4,000,000. The interest rate on the loan is 1.66%, plus a .35% service fee. Final maturity is scheduled for August 1, 2046.

As of December 31, 2024, the City has drawn \$3,555,686 on the loan and anticipates utilizing the full amount of the loan. As of December 31, 2024, the principal outstanding was \$3,555,686.

The City entered into a loan agreement with the Kansas Department of Health & Environment through the Kansas Public Water Supply Loan Fund related to water infrastructure improvement projects for an amount up to \$15,000,000. The interest rate on the loan is 1.85%, plus a .35% service fee. Final maturity is scheduled for February 1, 2045.

As of December 31, 2024, the City has drawn \$5,067,370 on the loan and anticipates utilizing the full amount of the loan. As of December 31, 2024, the principal outstanding was \$5,067,370.

Loans	Interest Rate	Date of Issue	Maximum Original Issue	Date of Final Maturity	Loans Outstanding
<b>Business-Type Activities</b>					
KDHE Loan - Water pollution control	1.69%	11/7/2017	\$ 32,285,000	9/1/2038	\$ 24,003,233
KDHE Loan - Public water supply	1.66%	9/3/2019	4,000,000	8/1/2046	3,555,686
KDHE Loan - Public water supply	1.85%	3/5/2023	15,000,000	2/1/2045	5,067,370
					<u>\$ 32,626,289</u>

Estimated annual debt service requirements to maturity for the loans (based on the current outstanding balances) are as follows:

Year Ending	Water Pollution Control		Public Water Supply		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,529,526	\$ 465,009	\$ -	\$ -	\$ 1,529,526	\$ 465,009
2026	1,559,343	435,192	645,863	345,114	2,205,206	780,306
2027	1,589,740	404,794	742,553	370,363	2,332,293	775,157
2028	1,620,731	373,804	758,660	354,255	2,379,391	728,059
2029	1,652,326	342,209	775,117	337,798	2,427,443	680,007
2030 - 2034	8,757,532	1,215,142	3,652,260	1,429,343	12,409,792	2,644,485
2035 - 2039	7,294,035	338,279	1,013,854	205,527	8,307,889	543,806
2040 - 2044	-	-	1,034,749	98,901	1,034,749	98,901
	<u>\$ 24,003,233</u>	<u>\$ 3,574,429</u>	<u>\$ 8,623,056</u>	<u>\$ 3,141,301</u>	<u>\$ 32,626,289</u>	<u>\$ 6,715,730</u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**Finance Purchase Agreements**

The City has entered into thirty (26) financing purchase agreements for the acquisition of various vehicles and equipment under terms generally from thirty-six (36) to sixty (60) months. Under the financing purchase agreements, the City is scheduled to make monthly payments ranging from \$655 to \$1,646 with interest varying from 3.7 to 8.2%.

The future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 227,464	\$ 38,063
2026	217,593	24,204
2027	196,597	12,769
2028	75,353	3,827
2029	17,889	353
	<u>\$ 734,896</u>	<u>\$ 79,216</u>

**Leases Liabilities**

The City has entered into thirty-two (32) lease agreements for the right-of-use (ROU) of various vehicles and equipment under terms generally from thirty-six (36) to sixty (60) months. Under twenty-eight (28) ROU vehicle agreements, the City is scheduled to make monthly payments ranging from \$929 to \$1,726 with interest varying from 4.75 to 8.23%. Under four ROU equipment agreements, the City is scheduled to make annual payments ranging from \$10,000 to \$19,992 with interest varying from 3.50 to 8.20%.

<u>Year Ending</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 447,379	\$ 65,649	\$ 140,487	\$ 13,265	\$ 666,780
2026	414,982	34,322	114,205	7,731	571,240
2027	223,303	8,368	18,952	3,345	253,968
2028	-	-	20,560	1,738	22,298
2029	-	-	9,991	224	10,215
	<u>\$ 1,085,664</u>	<u>\$ 108,339</u>	<u>\$ 304,195</u>	<u>\$ 26,303</u>	<u>\$ 1,524,501</u>

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred. These leases are not included as lease liabilities or right-to-use leases assets on the statement of net position.

**Subscription-Based Information Technology Arrangements**

Per GASB Statement No. 96, a subscription-based information technology arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The measurement of the subscription liabilities is based on the present value of lease payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, and residual value guarantee payments that are fixed in substance. The City has entered into a 5-year SBITA agreement requiring annual payments payments of \$33,420 with interest at 7.80% through June, 2027.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

As of December 31, 2024, the City had minimum principal and interest payment requirements for its SBITA right-of-use assets, with a remaining term more than one year, as follows:

Year Ending	Governmental Activities	
	Principal	Interest
2025	\$ 26,663	\$ 6,757
2026	28,748	4,672
2027	30,995	2,424
	\$ 86,406	\$ 13,853

**Special Assessments**

As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Debt Service Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund. The special assessments receivable are recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

**Debt Margin**

At December 31, 2024, the statutory limit on indebtedness for general obligation bonds and bond anticipation notes is \$58,929,566, which, after reduction of applicable outstanding debt of \$1,951,362 (\$5,945,059 minus debt service fund balance of \$3,993,697) provides a debt margin of \$56,978,204.

**Conduit Debt**

The City has entered into several conduit debt arrangements wherein the City issues industrial revenue bonds to finance a portion of the construction of facilities by private enterprises. In return, the private enterprises have executed mortgage notes or leases with the City. The City is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. As of December 31, 2024, total outstanding conduit debt was approximately \$18.2 million.

**(7) Defined Benefit Pension Plan**

Description of Pension Plan. The City participates in the Kansas Public Employees Retirement System (KPERs) a cost-sharing multiple employer public employee retirement system (Pension Plan). The Pension Plan is administered by the KPERs, a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Fire
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees' group and the Kansas Police and Fire group.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

**Benefits**

Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Fire) with ten or more years of credited service, may retire as early as age 55 (Police and Fire may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Fire normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

**Contributions**

Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 9.26%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2024 is 6%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and Fire group are both 23.10%. Member contribution rates for this group are 7.15%.

Contributions to the Pension Plan from the City for the local employee group and police and firefighter group were \$987,838 and \$1,687,000, respectively, for the year ended December 31, 2024.

**Employer Allocations**

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School; Local; Police and Fire; and Judges

To facilitate separate (sub)actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployee allocations are applied to the amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2024 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2024, the City's proportion in the local employee group was 0.40587%, which was an increase of 0.01726% from 2023. At June 30, 2024, the City's proportion in the police and fire group was 0.97821%, which was an increase of 0.04342% from 2023.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**Net Pension Liability**

At June 30, 2024, the City's local employee group reported a liability of \$8,621,568 for its proportionate share of the net pension liability. The City's police and fire group reported its proportionate share of the net pension liability of \$15,592,699 at June 30, 2024.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

Price inflation	2.75%
Salary increases, including price inflation	3.50% to 12.00%
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-term Target Allocation	Long-Term Expected Real Rate of Return
U.S Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short-term Investments	4.00%	0.25%
	100.00%	

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**Discount Rate**

The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate: \*

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Local	\$ 12,481,672	\$ 8,621,568	\$ 5,395,575
Police and Fire	21,333,295	15,592,699	10,791,942
Net Pension Liability	\$ 33,814,967	\$ 24,214,267	\$ 16,187,517

For the year ended December 31, 2024, the City recognized Local pension expense of \$1,633,400 and Police and Fire pension expense of \$2,769,970, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Local Group</u>	<u>Police and Fire</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
City contributions subsequent to the measurement date	\$ 414,786	\$ 805,656	\$ 1,220,442
Difference between actual and expected experience	1,048,757	1,347,966	2,396,723
Net differences between projected and actual earnings on investments	52,818	74,317	127,135
Changes in assumptions	521,129	830,491	1,351,620
Changes in proportion	599,907	559,929	1,159,836
Total	<u>\$ 2,637,397</u>	<u>\$ 3,618,359</u>	<u>\$ 6,255,756</u>
<b>Deferred inflows of resources</b>			
Differences between actual and expected experience	\$ -	\$ -	\$ -
Changes in proportion	-	(212,823)	(212,823)
Total	<u>\$ -</u>	<u>\$ (212,823)</u>	<u>\$ (212,823)</u>

The City reported \$1,220,442 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Local Group Deferred Outflows (Inflows) Amount</u>	<u>Police and Fire Group Deferred Outflows (Inflows) Amount</u>
2025	\$ 673,916	\$ 745,319
2026	1,095,823	1,341,905
2027	349,155	418,743
2028	103,717	93,913
Total	<u>\$ 2,222,611</u>	<u>\$ 2,599,880</u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**Summary of financial reporting of the City's pension plan:**

	Local Group	Police and Fire Group	Total
<b>Governmental activities:</b>			
Net Pension Liability	\$ 5,151,045	\$ 15,592,699	\$ 20,743,744
<b>Business-type activities:</b>			
Net Pension Liability	3,470,523	-	3,470,523
Net Pension Liability	<u>\$ 8,621,568</u>	<u>\$ 15,592,699</u>	<u>\$ 24,214,267</u>
<b>Governmental activities:</b>			
Pension related deferred outflows	\$ 1,575,739	\$ 3,618,359	\$ 5,194,098
Pension related deferred inflows	-	(212,823)	(212,823)
<b>Business-type activities:</b>			
Pension related deferred outflows	1,061,658	-	1,061,658
Pension related deferred inflows	-	-	-
Total	<u>\$ 2,637,397</u>	<u>\$ 3,405,536</u>	<u>\$ 6,042,933</u>

**Supplemental Retirement Programs**

The City offers employees a deferred compensation plans created in accordance with Internal Revenue Code Section 457 and/or salary deferral under Section 401(a). Contributions to the plans by employees for the year ended December 31, 2024 were \$167,262.

**(8) Postemployment Benefits Other Than Pensions**

**Health Insurance Plan**

Plan Description

The City offers postemployment health insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The plan does not issue a stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. (GASB Statement 75). Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Funding Policy

The City provides medical, prescription drug, and dental benefits (healthcare benefits) to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). This statute, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125% of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 120% of the premium cost of active employee.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

The City provides funding for the expenditures on a pay-as-you-go basis through the Employee Health Care Fund. At January 1, 2023, the following employees were covered by the benefit terms:

Active employees	285
Inactive members currently receiving benefits	12
Total	297

**Total OPEB Liability**

The City's total OPEB liability of \$957,118 was measured as of December 31, 2024 and was determined by actuarial valuation as of January 1, 2023 rolled forward to December 31, 2024. The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

Valuation date	January 1, 2023
Reporting date	December 31, 2024
Measurement period	January 1, 2024 to December 31, 2024
Actuarial method	Entry Age Normal Level Percentage of Pay
Inflation	2.5% per year
Payroll growth	2.5% per year
Discount rate	3.26% per year
Future retiree participation rate	30% for employees currently electing coverage. 0% for employees currently waiving coverage
Initial spouse participation rate	Male and female employees: 20% Husbands are assumed to be three years older than wives.
Mortality	RP 2014 Healthy Annuitant Mortality Tables adjusted to 2006 and projected with MP-2021 improvement scale.
Disability	None

As an unfunded plan, the discount rate reflects The Bond Buyer index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. The discount rate used to measure the total OPEB liability was 3.26%.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

Changes in the total OPEB liability are as follows:

OPEB liability, beginning of year	\$	926,934
Service Cost		25,080
Interest		31,179
Changes of benefit terms		-
Difference between expected and actual experience		-
Changes of assumptions/methodology		34,882
Benefit payments		<u>(60,957)</u>
Net change in total OPEB liability		<u>30,184</u>
Total OPEB liability, end of year	\$	<u>957,118</u>
Total OPEB liability as a percentage of covered payroll		6.26%
Covered payroll	\$	15,290,004

The following presents the total OPEB liability, calculated using the current discount rate of 3.26%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	<u>\$ 1,043,769</u>	<u>\$ 957,118</u>	<u>\$ 881,631</u>

The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 5.25% decreasing to 5.00%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Health Cost Trend Rate	1% Increase
Total OPEB liability	<u>\$ 875,099</u>	<u>\$ 957,118</u>	<u>\$ 1,051,601</u>

For the year ended December 31, 2024, the City recognized OPEB expense of \$89,217.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

***Deferred Outflows of Resources and Deferred Inflows of Resources***

At December 31, 2024, the City reported deferred outflows related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 142,685	\$ (130,553)
Changes of assumptions	118,140	(114,644)
<b>Total</b>	<b>\$ 260,825</b>	<b>\$ (245,197)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in OPEB expense as follows:

Year Ending December 31:	Annual Recognition
2025	\$ 32,958
2026	22,288
2027	10,132
2028	(1,020)
2029	(21,358)
Thereafter	(27,372)
Total	<b>\$ 15,628</b>

***Disability Benefits and Life Insurance Plan***

*Plan Description, Benefits Provided and Contributions*

The City participates in a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERs). The Plan provides long-term disability benefits and a life insurance benefit for disabled members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits are established by statute and maybe amended by the KPERs Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERs retirement benefits and have their group life insurance coverage continued under the waiver of premium provisions.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 55th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Active plan members	162
Disabled members	3
Total	165

Total OPEB liability and Actuarial Assumptions

The City's total OPEB liability of \$384,379 was measured at June 30, 2024 (the measurement date), and was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

Valuation date	December 31, 2023
Measurement date	June 30, 2024
Inflation	2.75%
Actuarial cost method	Entry Age Normal
Payroll growth	3.00%
Salary increases including inflation	3.50%
Discount rate	3.93%

Mortality rates used for the death benefits were based on 90% of the RP-2014 Total Dataset +2 for Males and 90% of the RP-2014 Total Dataset+1 for Females. Generational mortality improvements were projected for future years using MP-2021.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

The changes in the OPEB liability are as follows:

Balance, beginning of year	\$ 373,367
Changes for the Year:	
Service Cost	20,537
Interest	13,644
Changes in Economic/Demographic Gains or Losses	19,960
Changes in Assumptions or Other Inputs	(2,520)
Benefit Payments	(40,609)
Balance, end of year	<u><u>\$ 384,379</u></u>

**Sensitivity Analysis**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB liability	<u><u>\$ 403,061</u></u>	<u><u>\$ 384,379</u></u>	<u><u>\$ 366,604</u></u>

Healthcare cost trend rate sensitivity analysis is not applicable as healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS.

**OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2024, the City recognized OPEB expense for this plan of \$31,480. At December 31, 2024, the City reported deferred outflows and inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumption or Other Inputs	\$ 84,237	\$ (46,995)
Differences Between Expected and Actual Experience	18,451	(48,035)
	<u><u>\$ 102,688</u></u>	<u><u>\$ (95,030)</u></u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in OPEB expense as follows:

Year Ending December 31,	
2025	\$ (2,701)
2026	(2,198)
2027	(742)
2028	232
2029	481
Thereafter	12,586
	\$ 7,658

**Summary of financial reporting of the City's OPEB plans:**

	Health Insurance	Disability Ben. & Life Ins.	Total
<b>Governmental activities:</b>			
Net OPEB Liability	\$ 762,204	\$ 306,101	\$ 1,068,305
<b>Business-type activities:</b>			
Net OPEB Liability	194,914	78,278	273,192
Net OPEB Liability	\$ 957,118	\$ 384,379	\$ 1,341,497
<b>Governmental activities:</b>			
OPEB related deferred outflows	\$ 207,709	\$ 81,776	\$ 289,485
OPEB related deferred inflows	(195,264)	(75,677)	(270,941)
<b>Business-type activities:</b>			
OPEB related deferred outflows	53,116	20,912	74,028
OPEB related deferred inflows	(49,933)	(19,353)	(69,286)
Total	\$ 15,628	\$ 7,658	\$ 23,286

**(11) Commitments and Contingencies**

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlements of claims have not exceeded available coverage over the past three fiscal years.

Workers' compensation and employee health insurance - The City established a limited risk management programs for its workers' compensation and employee health insurance. The programs cover all eligible City employees. Premiums are paid into the workers' compensation and employee health care fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. The City retains liability for \$500,000 for each worker's compensation claim except of police and fire personnel for which the amount is \$600,000. The City retains liability for the first \$75,000 of health insurance claims. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the workers' compensation and health care internal service funds. Changes in the balances of claims liabilities during the past year are as follows:

	<b>Workers'</b>	<b>Employee</b>	
	<b>Compensation</b>	<b>Health</b>	<b>Total</b>
Balance, December 31, 2022	\$ 33,634	\$ 194,310	\$ 227,944
Claims payments	(255,205)	(1,750,738)	(2,005,943)
Claims and changes in estimates	338,983	1,722,256	2,061,239
Balance, December 31, 2023	117,412	165,828	283,240
Claims payments	(193,239)	(2,796,115)	(2,989,354)
Claims and changes in estimates	233,228	3,039,669	3,272,897
Balance, December 31, 2024	\$ 157,401	\$ 409,382	\$ 566,783

**B. Federal and State Grants**

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

**C. 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 believes that their ultimate outcome will not be material to the basic financial statements.

**D. Capital Projects and Encumbrances**

At December 31, 2024, the City had contractual commitments for construction projects of approximately \$16.6 million.

Outstanding encumbrances at December 31, 2024 were as follows: General Fund \$23,957, Multi-Year Fund \$396,746, Internal Improvements \$376,867, Nonmajor governmental funds \$3,007,536, Solid Waste \$360,976, Sewer Utility \$217,065, and Water Utility \$13,232,257.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

**(12) Tax Abatements**

Property tax abatements are authorized under Kansas statutes KSA 12-1740 et seq. and KSA 79- 201a and subject to City policy (Policy Statement 21 – IRB and Tax Exemption Policy). Kansas statutes provide a process for cities to abate property tax on qualifying property by issuing industrial revenue bonds up to the amount a developer borrows to finance the project. Abatements are used for industrial and office development; retail is not eligible. Cities may establish abatement percentages and criteria by policy rather than predefined state statute. Abatements may not exceed a term of ten years by statute but may be approved for a shorter term. The developer must demonstrate a positive cost/benefit to the various taxing jurisdictions. The City had the following active tax abatements during 2024, totaling \$235,083 in abated City taxes for the year.

*Rural Housing Incentive District*

Based on Kansas statute KSA 12-5241 et seq. (the Act), the Rural Housing Incentive Districts (RHID) is a program designed to aid developers to build housing within communities by assisting in the financing of public improvements. RHID captures 100% of the incremental increase in real property taxes created by a housing development project for up to 15 years. In order to take advantage of the incentive, property must be within a redevelopment district. Districts are defined by the City or County and must be based on the Housing Needs Analysis. RHID is authorized for any city in Kansas with a population less than 60,000 in a county with a population of less than 80,000. The City has established a RHID for Hidden Vista, Riverside, Pleasant Point, Whittier Metropolis, Town Two, and Krestinger projects. Reimbursements for the year ended December 31, 2024 totaled \$237,408.

*Economic Development Incentives*

Tax Increment Financing (TIF) is an economic development tool established by the Kansas TIF Act (KSA 12-1770 et seq.) to aid in financing projects for substantial public benefit. Public benefits can include strengthening the City's employment and economic base, diversifying the tax base, eliminating blight, providing amenities and job creation/retention.

Community Improvement District (CIDs) are an economic development tool established by the Kansas CID Act (KSA 12-6a26 through KSA 12-6a36 inclusive) to assist with a broad array of improvements that can benefit a development and the public.

Transportation Development District (TDDs) are an economic development tool established by the Kansas TDD Act (KSA 12-17, 140 et seq.) to assist with transportation-related improvements that can benefit a development and the public.

The City established the Emporia Pavilions Tax Increment Financing District and the Emporia Pavilions Community Improvement District (the Plan) to provide up to \$6,069,235 in eligible reimbursable projects costs in accordance with the redevelopment agreement. The Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes. Funding is also available from the one percent CID Sales tax. Reimbursements from all sources for the year ended December 31, 2024 totaled \$746,722.

The City established the Red Brick Tax Increment Financing District (the Red Brick Plan) to provide up to \$12,578,229 in eligible reimbursable projects costs in accordance with the redevelopment agreement. The Red Brick Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes. Reimbursements from all sources for the year ended December 31, 2024 totaled \$33,818.

The City established the Flint Hill Mall Community Improvement District (the District) to provide up to \$2,400,000 in eligible reimbursable projects costs in accordance with the redevelopment agreement. The District is on a pay-as-you-go basis payable from the one percent District Sales tax. Reimbursements from all sources for the year ended December 31, 2024 totaled \$232,277.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2024

The City established the Fairview Hotel Community Improvement District (the District) to provide up to \$17,195 in eligible reimbursable projects costs in accordance with the redevelopment agreement. The District is on a pay-as-you-go basis payable from the one percent District Sales tax. Reimbursements from all sources for the year ended December 31, 2024 totaled \$45,483.

The City established the West Plaza Community Improvement District to provide up to \$2,605,825 in eligible reimbursable projects costs in accordance with the redevelopment agreement. The District is on a pay-as-you-go basis payable from the one percent District Sales tax. Reimbursements from all sources for the year ended December 31, 2024 totaled \$232,277.

**(13) Change in Accounting Principle**

The beginning net position of the City's governmental activities, business-type activities and enterprise funds was restated due to the City's implementation of the GASB Statement No. 101 – *Compensated Absences*.

	Governmental Activities	Business-type Activities	Enterprise Funds		
			Solid Waste	Sewer Utility	Water Utility
Net position, beginning of year, as previously reported	\$ 45,377,053	\$ 37,109,931	\$ 4,418,220	\$ 16,018,119	\$ 16,673,592
Change in accounting principle: Statement No. 101	<u>206,661</u>	<u>20,274</u>	<u>8,793</u>	<u>5,859</u>	<u>5,622</u>
Net position, beginning of year, as restated	<u>\$ 45,583,714</u>	<u>\$ 37,130,205</u>	<u>\$ 4,427,013</u>	<u>\$ 16,023,978</u>	<u>\$ 16,679,214</u>

**(14) Subsequent Events**

City management has evaluated subsequent events through June 25, 2025, the date the financial statements were available to be issued

On March 3, 2025, the City of Emporia, Kansas Building Commission issued \$12,210,000 Series 2025 Revenue Bonds. Proceeds from the bonds, will provide funding for the City's Fire Station #1 project. The bonds are payable in semi-annual payments beginning September 2027 through September 2024 ranging from \$30,000 to \$1,150,000 including interest at 4.55%.

No other subsequent events were identified that required adjustment to or disclosure in the financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Emporia, Kansas**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 17,200,594	\$ 17,200,594	\$ 16,337,892	\$ (862,702)
Charges for services	2,209,170	2,209,170	2,651,586	442,416
Intergovernmental	3,874,484	3,874,484	3,896,317	21,833
Licenses and permits	264,750	264,750	281,051	16,301
Fines and fees	572,250	572,250	524,869	(47,381)
Use of money and property	288,196	288,196	673,012	384,816
Administrative fees	2,874,435	2,874,435	2,617,422	(257,013)
Miscellaneous	50,100	50,100	64,014	13,914
Total revenues	<u>27,333,979</u>	<u>27,333,979</u>	<u>27,074,138</u>	<u>(259,841)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	6,188,283	6,188,283	2,467,107	3,721,176
Public safety	14,774,516	14,774,516	14,124,524	649,992
Highway and streets	495,475	495,475	327,513	167,962
Culture and recreation	3,245,715	3,245,715	3,367,217	(121,502)
Building maintenance	1,881,867	1,881,867	1,680,612	201,255
Airport operations	1,065,817	1,065,817	760,899	304,918
Appropriations	88,000	88,000	83,428	4,572
Debt service	-	-	138,648	(138,648)
Total Expenditures	<u>27,739,673</u>	<u>27,739,673</u>	<u>22,949,948</u>	<u>4,928,373</u>
Excess of Revenues Over (Under) Expenditures	<u>(405,694)</u>	<u>(405,694)</u>	<u>4,124,190</u>	<u>4,529,884</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	563,635	563,635
Transfers out	(4,725,315)	(4,725,315)	(4,281,346)	443,969
Sale of capital assets	-	-	15,590	15,590
Total Other Financing Sources (Uses)	<u>(4,725,315)</u>	<u>(4,725,315)</u>	<u>(3,702,121)</u>	<u>1,023,194</u>
Change in fund balance	<u>\$ (5,131,009)</u>	<u>\$ (5,131,009)</u>	<u>422,069</u>	<u>\$ 5,553,078</u>
Fund Balances, Beginning of Year			<u>9,657,474</u>	
Fund Balances, End of Year - budget basis			<u>10,079,543</u>	
<b>Adjustments to reconcile to GAAP</b>				
Encumbrances, beginning of year			(55,304)	
Encumbrances, end of year			<u>23,957</u>	
Fund Balances, End of Year - GAAP Basis			<u>\$ 10,048,196</u>	

**CITY OF EMPORIA, KANSAS  
REQUIRED SUPPLEMENTARY INFORMATION**

**KPERS AND KP&F PENSION PLAN  
City Pension Plan**

**Schedule of the City's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years**

	Plan Year June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's percentage share of the net pension liability	0.40587%	0.38860%	0.35884%	0.34070%	0.33349%	0.33205%	0.33349%	0.32030%	3.25000%	0.34900%
City's proportionate share of the net pension liability	\$ 8,621,568	\$ 8,152,542	\$ 7,133,819	\$ 4,088,287	\$ 5,781,597	\$ 4,639,961	\$ 4,648,164	\$ 4,639,403	\$ 5,032,781	\$ 4,586,831
City's covered payroll	\$ 8,958,650	\$ 8,668,743	\$ 7,199,955	\$ 6,226,085	\$ 6,399,919	\$ 6,160,395	\$ 5,976,602	\$ 5,809,077	\$ 5,311,993	\$ 5,601,674
City's proportionate share of the net pension liability as a percentage of covered payroll	96.24%	94.05%	99.08%	65.66%	90.34%	75.32%	77.77%	79.86%	94.74%	81.88%
Plan fiduciary net position as a percentage of the total pension liability	69.73%	68.37%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

	Plan Year June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's police & fire percentage share of the net pension liability	0.97821%	0.93479%	0.91850%	0.96798%	0.95888%	0.98074%	0.98090%	0.95220%	98.10000%	1.01600%
City's police & fire proportionate share of the net pension liability	\$ 15,592,699	\$ 14,930,986	\$ 13,246,856	\$ 9,236,867	\$ 11,824,279	\$ 9,926,281	\$ 9,438,929	\$ 8,929,395	\$ 9,107,455	\$ 7,376,621
City's police & fires covered payroll	\$ 6,975,377	\$ 6,246,063	\$ 5,453,790	\$ 5,291,952	\$ 5,291,952	\$ 5,054,843	\$ 5,107,249	\$ 4,914,795	\$ 4,629,703	\$ 4,636,234
City's police & fire proportionate share of the net pension liability as a percentage of covered payroll	223.54%	239.05%	242.89%	174.55%	223.44%	196.37%	184.81%	181.68%	196.72%	159.11%
Plan fiduciary net position as a percentage of the total pension liability	69.73%	68.37%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

**Schedule of Contributions  
December 31,**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 997,838	\$ 815,928	\$ 733,223	\$ 645,780	\$ 617,994	\$ 615,724	\$ 567,642	\$ 491,326	\$ 506,048	\$ 531,766
Contributions in relation to the contractually required Contribution Excess (Deficiency)	\$ 997,838	\$ 815,928	\$ 733,223	\$ 645,780	\$ 617,994	\$ 615,724	\$ 567,642	\$ 491,326	\$ 506,048	\$ 531,766
City's covered payroll	\$ 10,775,788	\$ 9,678,861	\$ 8,238,461	\$ 7,175,333	\$ 7,177,631	\$ 6,926,029	\$ 5,810,051	\$ 5,693,233	\$ 5,163,755	\$ 5,002,502
Contributions as a percentage of covered employee payroll	9.26%	8.43%	8.90%	9.00%	8.61%	8.89%	9.77%	8.63%	9.80%	10.63%

**December 31,**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,687,000	\$ 1,478,180	\$ 1,316,169	\$ 1,235,980	\$ 1,174,814	\$ 1,773,936	\$ 1,035,162	\$ 935,286	\$ 945,619	\$ 990,299
Contributions in relation to the contractually required Contribution Excess (Deficiency)	\$ 1,687,000	\$ 1,478,180	\$ 1,316,169	\$ 1,235,980	\$ 1,174,814	\$ 1,773,936	\$ 1,035,162	\$ 935,286	\$ 945,619	\$ 990,299
City's covered payroll	\$ 7,303,030	\$ 6,466,229	\$ 5,747,463	\$ 5,420,965	\$ 5,357,109	\$ 8,015,978	\$ 5,419,696	\$ 4,896,785	\$ 4,494,387	\$ 4,595,355
Contributions as a percentage of covered employee payroll	23.10%	22.86%	22.90%	22.80%	21.93%	22.13%	19.10%	19.10%	21.04%	21.55%

**City of Emporia, Kansas  
Required Supplementary Information  
Schedule of Changes in Total OPEB Liability  
and Related Ratios\***

	<b>Health Insurance</b>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 25,080	\$ 22,639	\$ 34,895	\$ 33,700	\$ 21,011	\$ 16,273	\$ 15,987
Interest on total OPEB liability	31,179	34,179	25,672	26,245	25,831	34,391	26,702
Difference between expected and actual experience	-	(174,807)	-	221,292	-	111,297	-
Changes of assumptions	34,882	(141,653)	6,074	63,470	97,889	(36,801)	99,687
Benefit payments and refunds	<u>(60,957)</u>	<u>(52,056)</u>	<u>(66,567)</u>	<u>(51,299)</u>	<u>(46,844)</u>	<u>(51,844)</u>	<u>(58,000)</u>
Net change in total pension liability	30,184	(311,698)	74	293,408	97,887	73,316	84,376
Total OPEB liability - beginning of year	926,934	1,238,632	1,238,558	945,150	847,263	773,947	689,571
Total OPEB liability - end of year	<u>\$ 957,118</u>	<u>\$ 926,934</u>	<u>\$ 1,238,632</u>	<u>\$ 1,238,558</u>	<u>\$ 945,150</u>	<u>\$ 847,263</u>	<u>\$ 773,947</u>
Covered employee payroll**	\$ 15,290,004	\$ 14,917,077	\$ 10,970,663	\$ 10,703,086	\$ 10,510,829	\$ 10,254,467	\$ 9,784,244
OPEB liability as a percentage of covered payroll	6.26%	6.21%	11.29%	11.57%	8.99%	8.26%	7.91%

	<b>Disability Benefits and Life Insurance</b>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 20,537	\$ 17,181	\$ 27,556	\$ 24,897	\$ 21,596	\$ 20,486	\$ 20,328
Interest on total OPEB liability	13,644	10,526	8,239	8,455	12,256	13,137	12,074
Difference between expected and actual experience	19,960	82,501	(30,294)	(19,784)	(17,029)	(12,625)	-
Changes of assumptions	(2,520)	(2,128)	(55,174)	1,002	30,421	7,332	(11,645)
Benefit payments and refunds	<u>(40,609)</u>	<u>(29,510)</u>	<u>(18,742)</u>	<u>(18,071)</u>	<u>(18,071)</u>	<u>(19,316)</u>	<u>(18,114)</u>
Net change in total pension liability	11,012	78,570	(68,415)	(3,501)	29,173	9,014	2,643
Total OPEB liability - beginning of year	373,367	294,797	363,212	366,713	337,540	328,526	325,883
Total OPEB liability - end of year	<u>\$ 384,379</u>	<u>\$ 373,367</u>	<u>\$ 294,797</u>	<u>\$ 363,212</u>	<u>\$ 366,713</u>	<u>\$ 337,540</u>	<u>\$ 328,526</u>
Covered employee payroll**	\$ 8,580,949	\$ 7,868,375	\$ 6,616,785	\$ 6,560,169	\$ 6,051,006	\$ 5,773,275	\$ 5,693,456
OPEB liability as a percentage of covered payroll	4.48%	4.75%	4.46%	5.54%	6.06%	5.85%	5.77%

\* Data became first available with the inception of GASB Statement 75 during fiscal year 2018; therefore, 10 years of data is unavailable.  
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**COMBINING INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NON-MAJOR FUNDS

**Special Revenue Funds are used to account for specific revenues, which are legally restricted to expenditure for particular purposes.**

Library Fund - To account for the collection of tax levy money, which is appropriated to the Emporia Public Library for its operations.

Convention and Tourism Promotion Fund - To account for the promotion of convention and tourism. Financing is provided by a 7% tax on gross rental receipts collected from hotels and motels within the City limits.

Industrial Development Fund - To account for the promotion of industrial development. The majority of this fund is used to assist in the acquisition of land for the industrial parks. Financing is provided by a property tax levy not to exceed 1 mill. This is the maximum amount that can be levied per Kansas statutes.

Special Alcohol Program Fund - To account for costs for the establishment, maintenance and/or expansion of services or programs related to substance abuse prevention and education, or treatment of persons who are substance abusers or are in danger of becoming substance abusers. Financing is provided by tax on the sale of alcoholic liquor at establishments that have an on-premise license. State law requires 1/3 of this liquor tax to be used for a special alcohol program.

2017 Housing Fund - To account for the housing grant funds.

2020 Housing Fund - To account for the housing grant funds.

Special Park and Recreation Fund - To account for the costs of enhancing the area of recreation or parks. Financing is provided by tax on the sale of alcoholic liquor at establishments that have an on-premise license. State law requires 1/3 of this liquor tax to be used for a special park and recreation fund.

Special Street Fund - To account for a portion of costs of maintaining the street system. Financing is provided by a proportionate share of the Special City and County Highway Fund distributed by the State Treasurer.

Drug Money Forfeiture Fund - To account for the receipt and expenditure of funds seized by the police in connection with the arrest and conviction of individuals for illegal drug activities.

Industrial Development Sales Tax Fund - To account for the sales tax receipts, other revenues and expenditures related to industrial development. Receipts of retail sales taxes are deposited in the General Fund, and the portion related to this activity is transferred to this fund.

American Rescue Plan Act (ARPA) Fund account for the City's \$3.75 million dollar allotment from the U.S. Department of the Treasury that are to be used to support its response and recovery from the COVID-19 public health emergency.

Enforcement Block Grant - To account for grant funds appropriated to a local women's shelter.

DARE Crime Prevention Fund - To account for funds expended in connection with the DARE program.

2014 Housing Fund - To account for the housing grant funds.

911 Land Wireless Fees Fund - To account for fees collected and expenditures made.

Lake Kahola Fund - To account for the funds received in the sale of Lake Kahola to the Lake Kahola cabin owners.

Stormwater Reserve Fund - To account for funds used to fund future stormwater projects.

Emporia Homeowner Repair Fund - To account for funds used in the home repair program.

Home Equity Rehab Fund - To account for funds used in the home equity rehab program

Land Bank Fund – To account for funds used to establish the land bank fund.

**Capital project funds are used to account for acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.**

Airport Improvements Fund - To account for the costs of new airport improvements.

Civic Auditorium Project Fund - To account for the costs of improvements to the Civic Auditorium.

Park Improvements Fund - To account for the costs of improving existing parks.

Paving Projects Fund- To account for the costs of new paving projects.

**Debt service fund are used to account for the accumulation of resources and payment of debt service obligations.**

The Equipment Debt Service Fund - To account for the accumulation of funds to pay for future equipment acquisition obligations.

**CITY OF EMPORIA, KANSAS**  
**Combining Balance Sheet - Non-major Governmental Funds**  
**December 31, 2024**

	Combined Special Revenue Funds	Combined Capital Project Funds	Equipment Debt Service Fund	Totals
<b>Assets</b>				
Cash and investments	\$ 2,702,654	\$ 1,452,469	\$ 249,177	\$ 4,404,300
Receivables:				
Taxes	1,146,062	-	-	1,146,062
Accounts	12,278	250,000	-	262,278
Total Assets	<u>\$ 3,860,994</u>	<u>\$ 1,702,469</u>	<u>\$ 249,177</u>	<u>\$ 5,812,640</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 22,078	\$ 180,866	\$ -	\$ 202,944
Accrued liabilities	13,447	-	-	13,447
Due to other funds	849	87,038	-	87,887
Total Liabilities	<u>36,374</u>	<u>267,904</u>	<u>-</u>	<u>304,278</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - taxes	<u>1,146,062</u>	<u>-</u>	<u>-</u>	<u>1,146,062</u>
<b>Fund balances</b>				
Restricted:				
Public safety	188,384	-	-	188,384
Highway and streets	349,057	-	-	349,057
Culture and recreation	889,015	-	-	889,015
Planning and development	1,252,951	-	-	1,252,951
Debt service	-	-	249,177	249,177
Assigned:				
Capital putlay	-	1,583,345	-	1,583,345
Unassigned (deficit)	(849)	(148,780)	-	(149,629)
Total fund balances	<u>2,678,558</u>	<u>1,434,565</u>	<u>249,177</u>	<u>4,362,300</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,860,994</u>	<u>\$ 1,702,469</u>	<u>\$ 249,177</u>	<u>\$ 5,812,640</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended December 31, 2024**

	Combined Special Revenue Funds	Combined Capital Project Funds	Equipment Debt Service Fund	Totals
<b>Revenues:</b>				
Taxes	\$ 1,283,798	\$ -	\$ -	\$ 1,283,798
Charges for services	195,906	-	-	195,906
Intergovernmental	2,330,286	1,866,891	-	4,197,177
Use of money and property	125,783	73,218	16,206	215,207
Contributions	3,490	246,605	-	250,095
Miscellaneous	35,615	-	-	35,615
	<u>3,974,878</u>	<u>2,186,714</u>	<u>16,206</u>	<u>6,177,798</u>
<b>Expenditures:</b>				
Current:				
General government	254,123	-	-	254,123
Public safety	37,732	-	-	37,732
Highway and streets	1,092,197	-	-	1,092,197
Culture and recreation	2,404,671	-	-	2,404,671
Health and environment	112,200	-	-	112,200
Planning and development	1,248,404	-	-	1,248,404
Capital outlay	-	3,712,427	1,537,967	5,250,394
Debt service:				
Principal	-	-	490,719	490,719
Interest and fiscal charges	-	-	82,294	82,294
	<u>5,149,327</u>	<u>3,712,427</u>	<u>2,110,980</u>	<u>10,972,734</u>
Excess of Revenues Over (Under) Expenditures	(1,174,449)	(1,525,713)	(2,094,774)	(4,794,936)
<b>Other financing sources (uses):</b>				
Transfers in	1,167,420	50,000	-	1,217,420
Transfers out	(684,896)	(41,773)	-	(726,669)
Issuance of long-term debt	-	-	1,114,641	1,114,641
Sale of capital assets	-	-	203,380	203,380
Total Other Financing Sources (Uses)	<u>482,524</u>	<u>8,227</u>	<u>1,318,021</u>	<u>1,808,772</u>
Change in fund balances	(691,925)	(1,517,486)	(776,753)	(2,986,164)
Fund Balances, Beginning of year	<u>3,370,483</u>	<u>2,952,051</u>	<u>1,025,930</u>	<u>7,348,464</u>
Fund Balances, End of Year	<u>\$ 2,678,558</u>	<u>\$ 1,434,565</u>	<u>\$ 249,177</u>	<u>\$ 4,362,300</u>

CITY OF EMPORIA, KANSAS  
Combining Balance Sheet - Non-Major Special Revenue Funds  
December 31, 2024

Schedule 6

	Library	Convention and Tourism Promotion	Industrial Development	Special Alcohol Program	2017 Housing	2020 Housing
<b>Assets</b>						
Cash and investments	\$ 79	\$ 671,186	\$ 25,978	\$ 122,644	\$ -	\$ 3,994
Receivables:						
Taxes	1,145,062	-	1,000	-	-	-
Accounts	-	-	-	-	102	-
<b>Total Assets</b>	<b>\$ 1,145,141</b>	<b>\$ 671,186</b>	<b>\$ 26,978</b>	<b>\$ 122,644</b>	<b>\$ 102</b>	<b>\$ 3,994</b>
<b>Liabilities</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>						
Unavailable revenues - taxes	1,145,062	-	1,000	-	-	-
<b>Fund balances</b>						
Restricted:	-	-	-	-	-	-
Public safety	-	-	-	122,644	-	-
Highway and streets	-	-	-	-	-	-
Culture and recreation	79	671,186	-	-	-	-
Planning and development	-	-	25,978	-	102	3,994
Unassigned (deficit)	-	-	-	-	-	-
<b>Total fund balances</b>	<b>79</b>	<b>671,186</b>	<b>25,978</b>	<b>122,644</b>	<b>102</b>	<b>3,994</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,145,141</b>	<b>\$ 671,186</b>	<b>\$ 26,978</b>	<b>\$ 122,644</b>	<b>\$ 102</b>	<b>\$ 3,994</b>

CITY OF EMPORIA, KANSAS  
 Combining Balance Sheet - Non-Major Special Revenue Funds  
 December 31, 2024

Schedule 6

Continued

	Special Park and Recreation	Special Street	Drug Money Forfeiture	Industrial Development Sales Tax	ARPA	Emergency Shelter	Enforcement Block Grants	DARE Crime Prevention
<b>Assets</b>								
Cash and investments	\$ 217,750	\$ 223,765	\$ 70,499	\$ 1,047,464	\$ -	\$ 4,714	\$ -	\$ -
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Accounts	-	12,176	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 217,750</b>	<b>\$ 235,941</b>	<b>\$ 70,499</b>	<b>\$ 1,047,464</b>	<b>\$ -</b>	<b>\$ 4,714</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>								
Liabilities:								
Accounts payable	\$ -	\$ 12,442	\$ 4,759	\$ -	\$ -	\$ 4,714	\$ -	\$ -
Accrued liabilities	-	13,447	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	849	-
<b>Total Liabilities</b>	<b>-</b>	<b>25,889</b>	<b>4,759</b>	<b>-</b>	<b>-</b>	<b>4,714</b>	<b>849</b>	<b>-</b>
<b>Deferred inflows of resources</b>								
Unavailable revenues - taxes	-	-	-	-	-	-	-	-
<b>Fund balances</b>								
Restricted:	-	-	-	-	-	-	-	-
Public safety	-	-	65,740	-	-	-	-	-
Highway and streets	-	210,052	-	-	-	-	-	-
Culture and recreation	217,750	-	-	-	-	-	-	-
Planning and development	-	-	-	1,047,464	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(849)	-
<b>Total fund balances</b>	<b>217,750</b>	<b>210,052</b>	<b>65,740</b>	<b>1,047,464</b>	<b>-</b>	<b>-</b>	<b>(849)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 217,750</b>	<b>\$ 235,941</b>	<b>\$ 70,499</b>	<b>\$ 1,047,464</b>	<b>\$ -</b>	<b>\$ 4,714</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF EMPORIA, KANSAS  
Combining Balance Sheet - Non-Major Special Revenue Funds  
December 31, 2024

Schedule 6

Continued

	2014 Housing	911 Land Wireless Fees	Lake Kahola	Storm- water Reserve Fund	Emporia Homeowner Repair	Home Equity Rehab	Land Bank	Totals
<b>Assets</b>								
Cash and investments	\$ 27,380	\$ -	\$ -	\$ 139,168	\$ 6,276	\$ 7,794	\$ 133,963	\$ 2,702,654
Receivables:								
Taxes	-	-	-	-	-	-	-	1,146,062
Accounts	-	-	-	-	-	-	-	12,278
Total Assets	<u>\$ 27,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,168</u>	<u>\$ 6,276</u>	<u>\$ 7,794</u>	<u>\$ 133,963</u>	<u>\$ 3,860,994</u>
<b>Liabilities</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 163	\$ -	\$ -	\$ -	\$ 22,078
Accrued liabilities	-	-	-	-	-	-	-	13,447
Due to other funds	-	-	-	-	-	-	-	849
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,374</u>
<b>Deferred inflows of resources</b>								
Unavailable revenues - taxes	-	-	-	-	-	-	-	1,146,062
<b>Fund balances</b>								
Restricted:	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	188,384
Highway and streets	-	-	-	139,005	-	-	-	349,057
Culture and recreation	-	-	-	-	-	-	-	889,015
Planning and development	27,380	-	-	-	6,276	7,794	133,963	1,252,951
Unassigned (deficit)	-	-	-	-	-	-	-	(849)
Total fund balances	<u>27,380</u>	<u>-</u>	<u>-</u>	<u>139,005</u>	<u>6,276</u>	<u>7,794</u>	<u>133,963</u>	<u>2,678,558</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 27,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,168</u>	<u>\$ 6,276</u>	<u>\$ 7,794</u>	<u>\$ 133,963</u>	<u>\$ 3,860,994</u>

CITY OF EMPORIA, KANSAS  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2024

Schedule 7

	Library	Convention and Tourism Promotion	Industrial Development	Special Alcohol Program	2017 Housing	2020 Housing
<b>Revenues:</b>						
Taxes	\$ 1,201,835	\$ -	\$ 1,196	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Intergovernmental	-	932,626	-	108,123	-	-
Use of money & property	-	24,211	1,335	6,287	-	-
Contributions	-	-	-	-	-	-
Miscellaneous	-	16,802	-	-	-	-
	<u>1,201,835</u>	<u>973,639</u>	<u>2,531</u>	<u>114,410</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-
Culture and recreation	1,201,756	1,120,056	-	-	-	-
Health and environment	-	-	-	112,200	-	-
Planning and development	-	-	-	-	-	-
	<u>1,201,756</u>	<u>1,120,056</u>	<u>-</u>	<u>112,200</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	79	(146,417)	2,531	2,210	-	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(190,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(190,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	79	(336,417)	2,531	2,210	-	-
Fund Balances (Deficit), Beginning of Year	<u>-</u>	<u>1,007,603</u>	<u>23,447</u>	<u>120,434</u>	<u>102</u>	<u>3,994</u>
Fund Balances (Deficit), End of Year	<u>\$ 79</u>	<u>\$ 671,186</u>	<u>\$ 25,978</u>	<u>\$ 122,644</u>	<u>\$ 102</u>	<u>\$ 3,994</u>

CITY OF EMPORIA, KANSAS  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended December 31, 2024

Schedule 7  
 Continued

	Special Park and Recreation	Special Street	Drug Money Forfeiture	Industrial Development Sales Tax	ARPA	Emergency Shelter	Enforcement Block Grants	DARE Crime Prevention
<b>Revenues:</b>								
Taxes	\$ -	\$ 80,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	195,906	-	-	-	-
Intergovernmental	108,123	653,077	40,393	-	246,237	10,511	4,137	-
Use of money & property	8,719	15,928	2,710	39,146	6,543	-	-	-
Contributions	-	-	-	-	-	-	-	-
Miscellaneous	-	20,563	-	-	-	-	-	-
	<u>116,842</u>	<u>770,335</u>	<u>43,103</u>	<u>235,052</u>	<u>252,780</u>	<u>10,511</u>	<u>4,137</u>	<u>-</u>
<b>Expenditures:</b>								
Current:								
General government	-	-	-	-	246,237	-	-	-
Public safety	-	-	13,247	-	-	16,905	7,580	-
Highway and streets	-	882,033	-	-	-	-	-	-
Culture and recreation	82,859	-	-	-	-	-	-	-
Health and environment	-	-	-	-	-	-	-	-
Planning and development	-	-	-	1,007,433	-	-	-	-
	<u>82,859</u>	<u>882,033</u>	<u>13,247</u>	<u>1,007,433</u>	<u>246,237</u>	<u>16,905</u>	<u>7,580</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	33,983	(111,698)	29,856	(772,381)	6,543	(6,394)	(3,443)	-
<b>Other financing sources (uses):</b>								
Transfers in	-	102,420	-	925,000	-	-	-	-
Transfers out	-	-	-	(435,963)	(58,933)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>102,420</u>	<u>-</u>	<u>489,037</u>	<u>(58,933)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	33,983	(9,278)	29,856	(283,344)	(52,390)	(6,394)	(3,443)	-
Fund Balances (Deficit), Beginning of Year	<u>183,767</u>	<u>219,330</u>	<u>35,884</u>	<u>1,330,808</u>	<u>52,390</u>	<u>6,394</u>	<u>2,594</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 217,750</u>	<u>\$ 210,052</u>	<u>\$ 65,740</u>	<u>\$ 1,047,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (849)</u>	<u>\$ -</u>

CITY OF EMPORIA, KANSAS  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2024

Schedule 7  
**Continued**

	2014 Housing	911 Land Wireless Fees	Lake Kahola	Stormwater Reserve Fund	Emporia Homeowner Repair	Home Equity Rehab	Land Bank	Totals
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,283,798
Charges for services	-	-	-	-	-	-	-	195,906
Intergovernmental	-	-	-	-	227,059	-	-	2,330,286
Use of money & property	-	-	-	13,609	-	328	6,967	125,783
Contributions	-	-	-	-	-	3,490	-	3,490
Miscellaneous	(1,750)	-	-	-	-	-	-	35,615
	<u>(1,750)</u>	<u>-</u>	<u>-</u>	<u>13,609</u>	<u>227,059</u>	<u>3,818</u>	<u>6,967</u>	<u>3,974,878</u>
<b>Expenditures:</b>								
Current:								
General government	-	-	-	7,886	-	-	-	254,123
Public safety	-	-	-	-	-	-	-	37,732
Highway and streets	-	-	-	210,164	-	-	-	1,092,197
Culture and recreation	-	-	-	-	-	-	-	2,404,671
Health and environment	-	-	-	-	-	-	-	112,200
Planning and development	65,227	-	-	-	175,326	-	418	1,248,404
	<u>65,227</u>	<u>-</u>	<u>-</u>	<u>218,050</u>	<u>175,326</u>	<u>-</u>	<u>418</u>	<u>5,149,327</u>
Excess of Revenues Over (Under) Expenditures	(66,977)	-	-	(204,441)	51,733	3,818	6,549	(1,174,449)
<b>Other financing sources (uses):</b>								
Transfers in	40,000	-	-	100,000	-	-	-	1,167,420
Transfers out	-	-	-	-	-	-	-	(684,896)
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,524</u>
Change in fund balances	(26,977)	-	-	(104,441)	51,733	3,818	6,549	(691,925)
Fund Balances (Deficit), Beginning of Year	<u>54,357</u>	<u>-</u>	<u>-</u>	<u>243,446</u>	<u>(45,457)</u>	<u>3,976</u>	<u>127,414</u>	<u>3,370,483</u>
Fund Balances (Deficit), End of Year	<u>\$ 27,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,005</u>	<u>\$ 6,276</u>	<u>\$ 7,794</u>	<u>\$ 133,963</u>	<u>\$ 2,678,558</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Balance Sheet - Non-major Capital Project Funds**  
**December 31, 2024**

	<b>Airport Improvements</b>	<b>Auditorium Project</b>	<b>Park Improvements</b>	<b>Paving Projects</b>	<b>Totals</b>
<b>Assets</b>					
Cash and investments	\$ 328,387	\$ 208,024	\$ -	\$ 916,058	\$ 1,452,469
Receivables:					
Accounts	-	-	-	250,000	250,000
<b>Total Assets</b>	<b>\$ 328,387</b>	<b>\$ 208,024</b>	<b>\$ -</b>	<b>\$ 1,166,058</b>	<b>\$ 1,702,469</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 10,400	\$ -	\$ 126,005	\$ 7,520	\$ 180,866
Due to other funds	-	-	22,775	-	87,038
<b>Total Liabilities</b>	<b>10,400</b>	<b>-</b>	<b>148,780</b>	<b>7,520</b>	<b>267,904</b>
<b>Fund balances</b>					
Assigned:					
Capital outlay	317,987	208,024	-	1,158,538	1,583,345
Unassigned (deficit)	-	-	(148,780)	-	(148,780)
<b>Total fund balances</b>	<b>317,987</b>	<b>208,024</b>	<b>(148,780)</b>	<b>1,158,538</b>	<b>1,434,565</b>
<b>Total liabilities and fund balances</b>	<b>\$ 328,387</b>	<b>\$ 208,024</b>	<b>\$ -</b>	<b>\$ 1,166,058</b>	<b>\$ 1,702,469</b>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Capital Project Funds**  
**For the Year Ended December 31, 2024**

	<b>Airport</b>	<b>Civic</b>	<b>Park</b>	<b>Paving</b>	<b>Totals</b>
	<b>Improvements</b>	<b>Auditorium</b>	<b>Improvements</b>	<b>Projects</b>	
		<b>Project</b>			
<b>Revenues:</b>					
Intergovernmental	\$ 213,285	\$ -	\$ 1,030	\$ 1,652,576	\$ 1,866,891
Use of money and property	19,780	10,808	9,882	32,748	73,218
Contributions	-	-	(3,395)	250,000	246,605
	<u>233,065</u>	<u>10,808</u>	<u>7,517</u>	<u>1,935,324</u>	<u>2,186,714</u>
<b>Expenditures:</b>					
Capital outlay	130,156	-	956,809	2,524,258	3,712,427
	<u>130,156</u>	<u>-</u>	<u>956,809</u>	<u>2,524,258</u>	<u>3,712,427</u>
Excess of Revenues					
Over (Under) Expenditures	102,909	10,808	(949,292)	(588,934)	(1,525,713)
<b>Other financing sources (uses):</b>					
Transfers in	-	50,000	-	-	50,000
Transfers out	(41,773)	-	-	-	(41,773)
Total Other Financing					
Sources (Uses)	<u>(41,773)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>8,227</u>
Change in fund balances	61,136	60,808	(949,292)	(588,934)	(1,517,486)
Fund Balances beginning of year	<u>256,851</u>	<u>147,216</u>	<u>800,512</u>	<u>1,747,472</u>	<u>2,952,051</u>
Fund Balances, end of Year	<u>\$ 317,987</u>	<u>\$ 208,024</u>	<u>\$ (148,780)</u>	<u>\$ 1,158,538</u>	<u>\$ 1,434,565</u>

**City of Emporia, Kansas  
Library Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 1,201,743	\$ 1,201,743	\$ 1,201,835	\$ 92
Total Revenues	<u>1,201,743</u>	<u>1,201,743</u>	<u>1,201,835</u>	<u>92</u>
Expenditures:				
Culture and recreation	<u>1,201,743</u>	<u>1,201,743</u>	<u>1,201,756</u>	<u>(13)</u>
Total Expenditures	<u>1,201,743</u>	<u>1,201,743</u>	<u>1,201,756</u>	<u>(13)</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>79</u>	<u>\$ 79</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ 79</u>	

**City of Emporia, Kansas**  
**Convention and Tourism Promotion Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 800,000	\$ 800,000	\$ 932,626	\$ 132,626
Use of money and property	10,000	10,000	24,211	14,211
Miscellaneous	6,000	6,000	16,802	10,802
Total Revenues	<u>816,000</u>	<u>816,000</u>	<u>973,639</u>	<u>157,639</u>
Expenditures:				
Culture and recreation	1,324,301	1,324,301	1,120,056	204,245
Total Expenditures	<u>1,324,301</u>	<u>1,324,301</u>	<u>1,120,056</u>	<u>204,245</u>
Excess of Revenues Over Expenditures	<u>(508,301)</u>	<u>(508,301)</u>	<u>(146,417)</u>	<u>361,884</u>
Other Financing Sources (Uses):				
Transfers out	(90,000)	(90,000)	(190,000)	(100,000)
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(190,000)</u>	<u>(100,000)</u>
Change in fund balance	<u>\$ (598,301)</u>	<u>\$ (598,301)</u>	(336,417)	<u>\$ 261,884</u>
Fund Balance, Beginning of Year			<u>1,007,603</u>	
Fund Balances, End of Year - budget basis			<u>671,186</u>	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			-	
Encumbrances, end of year			<u>-</u>	
Fund Balances, End of Year - GAAP Basis			<u>\$ 671,186</u>	

**City of Emporia, Kansas  
Industrial Development Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 1,104	\$ 1,104	\$ 1,196	\$ 92
Use of money and property	600	600	1,335	735
Total Revenues	<u>1,704</u>	<u>1,704</u>	<u>2,531</u>	<u>827</u>
Expenditures:				
Planning and development	23,584	23,584	-	23,584
Total Expenditures	<u>23,584</u>	<u>23,584</u>	<u>-</u>	<u>23,584</u>
Excess of Revenues Over Expenditures	<u>(21,880)</u>	<u>(21,880)</u>	<u>2,531</u>	<u>24,411</u>
Change in fund balance	<u>\$ (21,880)</u>	<u>\$ (21,880)</u>	2,531	<u>\$ 24,411</u>
Fund Balance, Beginning of Year			<u>23,447</u>	
Fund Balance, End of Year			<u>\$ 25,978</u>	

**City of Emporia, Kansas  
Special Alcohol Program Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 104,660	\$ 104,660	\$ 108,123	\$ 3,463
Use of money and property	<u>2,000</u>	<u>2,000</u>	<u>6,287</u>	<u>4,287</u>
Total Revenues	<u>106,660</u>	<u>106,660</u>	<u>114,410</u>	<u>7,750</u>
Expenditures:				
Health and environment	<u>182,022</u>	<u>182,022</u>	<u>112,200</u>	<u>69,822</u>
Total Expenditures	<u>182,022</u>	<u>182,022</u>	<u>112,200</u>	<u>69,822</u>
Excess of Revenues Over Expenditures	<u>(75,362)</u>	<u>(75,362)</u>	<u>2,210</u>	<u>77,572</u>
Change in fund balance	<u>\$ (75,362)</u>	<u>\$ (75,362)</u>	2,210	<u>\$ 77,572</u>
Fund Balance, Beginning of Year			<u>120,434</u>	
Fund Balance, End of Year			<u>\$ 122,644</u>	

**City of Emporia, Kansas**  
**Special Park and Recreation Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 104,660	\$ 104,660	\$ 108,123	\$ 3,463
Use of money and property	2,000	2,000	8,719	6,719
Total Revenues	<u>106,660</u>	<u>106,660</u>	<u>116,842</u>	<u>10,182</u>
Expenditures:				
Culture and recreation	182,022	182,022	(1,249)	183,271
Total Expenditures	<u>182,022</u>	<u>182,022</u>	<u>(1,249)</u>	<u>183,271</u>
Excess of Revenues Over Expenditures	<u>(75,362)</u>	<u>(75,362)</u>	<u>118,091</u>	<u>193,453</u>
Change in fund balance	<u>\$ (75,362)</u>	<u>\$ (75,362)</u>	118,091	<u>\$ 193,453</u>
Fund Balance, Beginning of Year			<u>183,767</u>	
Fund Balances, End of Year - budget basis			<u>301,858</u>	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			(93,423)	
Encumbrances, end of year			<u>9,315</u>	
Fund Balance, End of Year			<u>\$ 217,750</u>	

**City of Emporia, Kansas**  
**Special Street Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 77,677	\$ 77,677	\$ 80,767	\$ 3,090
Intergovernmental	741,360	741,360	653,077	(88,283)
Use of money and property	5,000	5,000	15,928	10,928
Miscellaneous	5,000	5,000	20,563	15,563
Total Revenues	<u>829,037</u>	<u>829,037</u>	<u>770,335</u>	<u>(58,702)</u>
Expenditures:				
Highways and streets	1,111,752	1,111,752	903,396	208,356
Total Expenditures	<u>1,111,752</u>	<u>1,111,752</u>	<u>903,396</u>	<u>208,356</u>
Excess of Revenues Over Expenditures	<u>(282,715)</u>	<u>(282,715)</u>	<u>(133,061)</u>	<u>149,654</u>
Other Financing Sources (Uses):				
Transfers in	-	-	102,420	102,420
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>102,420</u>	<u>102,420</u>
Change in fund balance	<u>\$ (282,715)</u>	<u>\$ (282,715)</u>	(30,641)	<u>\$ 252,074</u>
Fund Balance, Beginning of Year			<u>219,330</u>	
Fund Balances, End of Year - budget basis			<u>188,689</u>	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			(7,400)	
Encumbrances, end of year			<u>28,763</u>	
Fund Balances, End of Year - GAAP Basis			<u>\$ 210,052</u>	

**City of Emporia, Kansas**  
**Drug Money Forfeiture Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 40,393	\$ 35,393
Use of money and property	2,000	2,400	2,710	310
Total Revenues	<u>7,000</u>	<u>7,400</u>	<u>43,103</u>	<u>35,703</u>
Expenditures:				
Public safety	92,821	92,821	13,247	79,574
Total Expenditures	<u>92,821</u>	<u>92,821</u>	<u>13,247</u>	<u>79,574</u>
Excess of Revenues Over Expenditures	<u>(85,821)</u>	<u>(85,421)</u>	<u>29,856</u>	<u>115,277</u>
Change in fund balance	<u>\$ (85,821)</u>	<u>\$ (85,421)</u>	29,856	<u>\$ 115,277</u>
Fund Balance, Beginning of Year			<u>35,884</u>	
Fund Balances, End of Year - budget basis			<u>65,740</u>	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			-	
Encumbrances, end of year			<u>-</u>	
Fund Balance, End of Year			<u>\$ 65,740</u>	

**City of Emporia, Kansas**  
**Industrial Development Sales Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ -	\$ -	\$ 195,906	\$ 195,906
Use of money and property	<u>20,000</u>	<u>20,000</u>	<u>39,146</u>	<u>19,146</u>
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>235,052</u>	<u>215,052</u>
Expenditures:				
Planning and development	<u>2,492,875</u>	<u>2,492,875</u>	<u>1,007,433</u>	<u>1,485,442</u>
Total Expenditures	<u>2,492,875</u>	<u>2,492,875</u>	<u>1,007,433</u>	<u>1,485,442</u>
Excess of Revenues Over Expenditures	<u>(2,472,875)</u>	<u>(2,472,875)</u>	<u>(772,381)</u>	<u>1,700,494</u>
Other Financing Sources (Uses):				
Transfers in	925,000	925,000	925,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>(435,963)</u>	<u>(435,963)</u>
Total Other Financing Sources (Uses)	<u>925,000</u>	<u>925,000</u>	<u>489,037</u>	<u>(435,963)</u>
Change in fund balance	<u>\$ (1,547,875)</u>	<u>\$ (1,547,875)</u>	<u>(283,344)</u>	<u>\$ 1,264,531</u>
Fund Balance, Beginning of Year			<u>1,330,808</u>	
Fund Balance, End of Year			<u>\$ 1,047,464</u>	

**City of Emporia, Kansas**  
**Multi-year Improvement Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 80,000	\$ 170,000	\$ 180,871	\$ 10,871
Total Revenues	<u>80,000</u>	<u>170,000</u>	<u>180,871</u>	<u>10,871</u>
Expenditures:				
Capital outlay	6,157,128	6,157,128	4,023,116	2,134,012
Total Expenditures	<u>6,157,128</u>	<u>6,157,128</u>	<u>4,023,116</u>	<u>2,134,012</u>
Excess of Revenues Over Expenditures	<u>(6,077,128)</u>	<u>(5,987,128)</u>	<u>(3,842,245)</u>	<u>2,144,883</u>
Other Financing Sources (Uses):				
Transfers in	3,380,515	3,380,515	3,358,119	(22,396)
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,180,515</u>	<u>3,180,515</u>	<u>3,158,119</u>	<u>(22,396)</u>
Change in fund balance	<u>\$ (2,896,613)</u>	<u>\$ (2,806,613)</u>	(684,126)	<u>\$ 2,122,487</u>
Fund Balance, Beginning of Year			<u>3,501,763</u>	
Fund Balances, End of Year - budget basis			<u>2,817,637</u>	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			(470,098)	
Encumbrances, end of year			<u>396,746</u>	
Fund Balances, End of Year - GAAP Basis			<u>\$ 2,744,285</u>	

**City of Emporia, Kansas  
Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 2,303,551	\$ 2,303,551	\$ 2,295,224	\$ (8,327)
Special assessments	35,302	35,302	67,861	32,559
Intergovernmental	51,360	51,360	51,360	-
Use of money and property	90,000	90,000	218,027	128,027
Total Revenues	2,480,213	2,480,213	2,632,472	152,259
Expenditures:				
Debt service:				
Principal	875,000	875,000	875,000	-
Interest and fiscal charges	227,850	227,850	227,850	-
Total Expenditures	1,102,850	1,102,850	1,102,850	-
Excess of Revenues Over Expenditures	1,377,363	1,377,363	1,529,622	152,259
Other Financing Sources (Uses):				
Transfers in	-	-	85,963	85,963
Total Other Financing Sources (Uses)	-	-	85,963	85,963
Change in fund balance	\$ 1,377,363	\$ 1,377,363	1,615,585	\$ 238,222
Fund Balance, Beginning of Year			2,378,112	
Fund Balance, End of Year			\$ 3,993,697	

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2024**

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>
<b>Assets</b>			
Cash and investments	\$ 2,340,540	\$ 2,556,053	\$ 4,896,593
Receivables:			
Accounts	-	30,502	30,502
Total Assets	<u>2,340,540</u>	<u>2,586,555</u>	<u>4,927,095</u>
<b>Liabilities</b>			
Claims payable	<u>157,401</u>	<u>409,382</u>	<u>566,783</u>
Total Liabilities	<u>157,401</u>	<u>409,382</u>	<u>566,783</u>
<b>Net Position</b>			
Unrestricted	<u>2,183,139</u>	<u>2,177,173</u>	<u>4,360,312</u>
Total net position	<u>\$ 2,183,139</u>	<u>\$ 2,177,173</u>	<u>\$ 4,360,312</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2024**

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>
<b>Operating revenues:</b>			
Charges for services	\$ 278,401	\$ 3,053,607	\$ 3,332,008
Other	5,306	129,304	134,610
	<u>283,707</u>	<u>3,182,911</u>	<u>3,466,618</u>
<b>Operating expenses</b>			
Claims and expenses	385,903	3,760,910	4,146,813
	<u>385,903</u>	<u>3,760,910</u>	<u>4,146,813</u>
Operating income (loss)	(102,196)	(577,999)	(680,195)
<b>Nonoperating revenues:</b>			
Interest income	118,344	124,264	242,608
Change in net position	16,148	(453,735)	(437,587)
Total net position, beginning of year	<u>2,166,991</u>	<u>2,630,908</u>	<u>4,797,899</u>
Total net position, end of year	<u>\$ 2,183,139</u>	<u>\$ 2,177,173</u>	<u>\$ 4,360,312</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2024**

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from participants	\$ 278,401	\$ 3,047,275	\$ 3,325,676
Cash received from reimbursements	5,306	129,304	134,610
Cash paid for claims and others	(345,914)	(3,517,356)	(3,863,270)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(62,207)</u>	<u>(340,777)</u>	<u>(402,984)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	118,344	124,264	242,608
<b>Net Cash Provided by Investing Activities</b>	<u>118,344</u>	<u>124,264</u>	<u>242,608</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	56,137	(216,513)	(160,376)
<b>Cash and cash equivalents, beginning of year</b>	<u>2,284,403</u>	<u>2,772,566</u>	<u>5,056,969</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,340,540</u>	<u>\$ 2,556,053</u>	<u>\$ 4,896,593</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (102,196)	\$ (577,999)	\$ (680,195)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Changes in assets and liabilities			
Accounts receivable	-	(6,332)	(6,332)
Claims payable	39,989	243,554	283,543
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (62,207)</u>	<u>\$ (340,777)</u>	<u>\$ (402,984)</u>

## **STATISTICAL SECTION** ***(Unaudited)***

The statistical data “relate to the physical, economic, social, and political characteristics of the City.” Its design is to provide “a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the Financial Section

**CITY OF EMPORIA, KANSAS**  
**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the City of Emporia's (the City) *Annual Comprehensive Financial Report (ACFR)* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Contents**

**Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

**Revenue Capacity**

*These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*

**Debt Capacity**

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

**Demographic and Economical Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

**Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

*Source - Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year.*

*Note: Certain amounts previously presented have been reclassified for comparability purposes.*

Table 1

**CITY OF EMPORIA, KANSAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 35,731,750	\$ 33,063,360	\$ 30,052,389	\$ 25,051,180	\$ 19,899,939	\$ 14,916,163	\$ 15,733,311	\$ 16,580,061	\$ 29,015,042	\$ 33,233,314
Restricted	7,418,777	7,530,579	3,394,187	3,129,380	3,279,857	3,645,462	3,278,942	6,291,015	6,819,982	6,922,281
Unrestricted	(5,992,007)	(5,912,002)	(5,631,571)	(845,705)	1,112,980	7,236,691	7,602,461	9,190,512	9,542,029	5,178,894
<b>Total Net Position</b>	<u>\$ 37,158,520</u>	<u>\$ 34,681,937</u>	<u>\$ 27,815,005</u>	<u>\$ 27,334,855</u>	<u>\$ 24,292,776</u>	<u>\$ 25,798,316</u>	<u>\$ 26,614,714</u>	<u>\$ 32,061,588</u>	<u>\$ 45,377,053</u>	<u>\$ 45,334,489</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 18,898,239	\$ 17,515,501	\$ 20,933,505	\$ 21,116,169	\$ 27,023,181	\$ 27,665,425	\$ 29,295,954	\$ 29,568,261	\$ 31,058,261	\$ 31,522,765
Unrestricted	7,643,933	6,443,992	6,201,283	8,988,468	6,422,621	8,011,475	8,569,703	7,430,123	6,051,670	3,986,048
<b>Total Net Position</b>	<u>\$ 26,542,172</u>	<u>\$ 23,959,493</u>	<u>\$ 27,134,788</u>	<u>\$ 30,104,637</u>	<u>\$ 33,445,802</u>	<u>\$ 35,676,900</u>	<u>\$ 37,865,657</u>	<u>\$ 36,998,384</u>	<u>\$ 37,109,931</u>	<u>\$ 35,508,813</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 54,629,989	\$ 50,578,861	\$ 50,985,894	\$ 46,167,349	\$ 46,923,120	\$ 42,581,588	\$ 45,029,265	\$ 46,148,322	\$ 60,073,303	\$ 64,756,079
Restricted	7,418,777	7,530,579	3,394,187	3,129,380	3,279,857	3,645,462	3,278,942	6,291,015	6,819,982	6,922,281
Unrestricted	1,651,926	531,990	569,712	8,142,763	7,535,601	15,248,166	16,172,164	16,620,635	15,593,699	9,164,942
<b>Total Net Position</b>	<u>\$ 63,700,692</u>	<u>\$ 58,641,430</u>	<u>\$ 54,949,793</u>	<u>\$ 57,439,492</u>	<u>\$ 57,738,578</u>	<u>\$ 61,475,216</u>	<u>\$ 64,480,371</u>	<u>\$ 69,059,972</u>	<u>\$ 82,486,984</u>	<u>\$ 80,843,302</u>

Table 2

**CITY OF EMPORIA, KANSAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General government	\$ 6,749,798	\$ 4,573,216	\$ 4,596,205	\$ 1,967,057	\$ 1,789,395	\$ 2,000,901	\$ 1,800,868	\$ 3,072,762	\$ 2,954,038	\$ 3,798,620
Public safety	11,219,337	9,645,844	10,358,742	11,721,517	11,145,934	11,761,803	11,137,443	12,620,089	15,476,511	16,218,667
Highway and streets	7,996,425	8,252,968	7,224,881	9,272,215	9,909,293	4,913,002	6,396,110	4,663,761	4,594,214	5,971,292
Culture and recreation	3,471,480	3,895,312	3,336,199	3,472,162	4,299,067	4,303,394	4,194,202	4,696,478	5,254,557	6,411,742
Health and environment	76,250	1,310,285	4,148,123	119,697	86,900	94,001	70,500	86,750	97,200	112,200
Building maintenance	1,430,348	1,397,295	1,461,928	1,651,821	1,610,690	1,270,031	1,545,877	1,631,274	1,814,794	1,961,527
Planning and development	1,421,747	753,238	914,219	742,750	949,755	697,930	1,997,228	665,486	748,302	5,248,404
Airport operations	450,953	740,487	570,805	613,891	606,750	529,314	720,338	835,200	972,208	1,010,188
Interest and fiscal charges on long-term debt	459,067	200,820	262,829	315,641	377,684	243,949	211,436	238,612	265,048	287,988
<b>Total Governmental Activities Expense</b>	<b>33,275,405</b>	<b>30,769,465</b>	<b>32,873,931</b>	<b>29,876,751</b>	<b>30,775,468</b>	<b>25,814,325</b>	<b>28,074,002</b>	<b>28,510,412</b>	<b>32,176,872</b>	<b>41,020,628</b>
Business-Type Activities:										
Solid waste disposal	4,547,019	3,806,169	3,951,632	4,484,342	4,861,522	4,813,819	5,139,441	5,784,905	6,348,387	6,520,576
Sewer utility	3,699,237	3,611,071	3,646,709	3,617,900	5,080,214	5,189,317	5,557,427	6,893,574	6,923,483	7,316,032
Water utility	4,607,905	4,130,119	4,511,457	5,995,742	5,755,414	6,477,456	6,829,682	8,501,458	9,666,860	11,390,048
<b>Total Business-Type Activities Expense</b>	<b>12,854,161</b>	<b>11,547,359</b>	<b>12,109,798</b>	<b>14,097,984</b>	<b>15,697,150</b>	<b>16,480,592</b>	<b>17,526,550</b>	<b>21,179,937</b>	<b>22,938,730</b>	<b>25,226,656</b>
<b>Total Primary Government Expenses</b>	<b>\$ 46,129,566</b>	<b>\$ 42,316,824</b>	<b>\$ 44,983,729</b>	<b>\$ 43,974,735</b>	<b>\$ 46,472,618</b>	<b>\$ 42,294,917</b>	<b>\$ 45,600,552</b>	<b>\$ 49,690,349</b>	<b>\$ 55,115,602</b>	<b>\$ 66,247,284</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 569,628	\$ 457,342	\$ 495,127	\$ 2,850,639	\$ 2,868,017	\$ 2,906,312	\$ 3,095,602	\$ 3,349,618	\$ 3,094,846	\$ 3,119,051
Public safety	1,898,231	1,670,346	2,132,977	1,879,594	1,978,761	2,097,683	1,824,589	1,403,980	1,543,502	1,583,208
Highway and streets	-	-	-	-	-	-	-	-	-	-
Culture and recreation	581,718	565,249.00	528,026	456,539	520,467	554,032	638,834	730,921	809,435	902,250
Planning and development	-	-	-	-	-	-	-	-	-	195,906
Airport operations	244,394	246,340.00	383,721.00	332,395	360,738	252,052	366,803	494,205	472,496	487,260
Operating grants and contributions	3,487,896	2,332,109	2,439,604	2,727,310	2,525,721	2,531,115	2,391,910	3,219,327	4,646,321	2,726,180
Capital grants and contributions	-	-	-	-	954,591	1,423,551	1,039,114	1,430,720	10,724,262	6,292,238
<b>Total Governmental Activities Program Revenues</b>	<b>6,781,867</b>	<b>5,271,386</b>	<b>5,979,455</b>	<b>8,246,477</b>	<b>9,208,295</b>	<b>9,764,745</b>	<b>9,356,852</b>	<b>10,628,771</b>	<b>21,290,862</b>	<b>15,306,093</b>
Business-Type Activities:										
Charges for services:										
Solid waste disposal	4,245,596	4,195,488	4,382,365	4,701,014	5,132,337	5,101,150	5,517,050	5,620,410	5,490,102	5,510,563
Sewer utility	3,640,068	3,642,514	3,980,153	4,432,645	5,109,178	5,412,824	6,136,367	6,295,973	6,346,494	6,772,945
Water utility	5,219,547	4,678,884	4,669,813	5,538,819	6,256,626	6,463,232	7,239,358	7,095,644	7,938,491	9,540,470
Capital grants and contributions	-	1,665,150	4,128,788	1,540,335	1,668,918	372,082	-	2,307,810	1,973,740	612,210
<b>Total Business-Type Activities Program Revenues</b>	<b>13,105,211</b>	<b>14,182,036</b>	<b>17,161,119</b>	<b>16,212,813</b>	<b>18,167,059</b>	<b>17,349,288</b>	<b>18,892,775</b>	<b>21,319,837</b>	<b>21,748,827</b>	<b>22,436,188</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 19,887,078</b>	<b>\$ 19,453,422</b>	<b>\$ 23,140,574</b>	<b>\$ 24,459,290</b>	<b>\$ 27,375,354</b>	<b>\$ 27,114,033</b>	<b>\$ 28,249,627</b>	<b>\$ 31,948,608</b>	<b>\$ 43,039,689</b>	<b>\$ 37,742,281</b>

**CITY OF EMPORIA, KANSAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (26,493,538)	\$ (25,498,079)	\$ (26,894,476)	\$ (21,630,274)	\$ (21,567,173)	\$ (16,049,580)	\$ (18,717,150)	\$ (17,881,641)	\$ (10,886,010)	\$ (25,714,535)
Business-type activities	251,050	2,634,677	5,051,321	2,114,829	2,469,909	868,696	1,366,225	139,900	(1,189,903)	(2,790,468)
<b>Total Primary Government Net Expense</b>	<b>\$ (26,242,488)</b>	<b>\$ (22,863,402)</b>	<b>\$ (21,843,155)</b>	<b>\$ (19,515,445)</b>	<b>\$ (19,097,264)</b>	<b>\$ (15,180,884)</b>	<b>\$ (17,350,925)</b>	<b>\$ (17,741,741)</b>	<b>\$ (12,075,913)</b>	<b>\$ (28,505,003)</b>
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes *	\$ 4,079,939	\$ 4,426,162	\$ 4,989,473	\$ 5,582,179	\$ 5,843,035	\$ 6,130,057	\$ 6,245,561	\$ 6,651,855	\$ 7,433,069	\$ 8,252,071
Property taxes, levied for debt service	3,048,624	2,816,756	2,327,309	2,030,791	1,928,042	1,961,768	1,912,985	1,912,099	2,090,286	2,247,224
Sales taxes	6,936,086	6,889,492	6,921,009	7,343,794	7,407,601	7,506,138	8,496,466	9,382,028	9,765,670	9,875,366
Franchise taxes	2,498,342	2,576,621	2,625,098	2,713,868	2,584,253	2,448,322	2,554,654	3,041,958	2,838,191	2,838,093
Gasoline taxes	724,025	730,216	738,426	753,580	677,776	642,215	712,575	655,837	648,358	653,077
Use of money and property	152,596	186,528	275,700	346,465	514,837	236,057	165,068	420,725	1,899,990	1,791,202
Gain on sale of capital assets/miscellaneous	2,149	7,462	3,158	152,943	241,913	462,825	262,609	221,285	284,693	250,146
Transfers	5,944,497	5,388,259	2,147,371	(670,744)	(672,363)	(1,309,738)	(816,370)	1,042,728	(758,782)	(441,869)
<b>Total Governmental Activities</b>	<b>23,386,258</b>	<b>23,021,496</b>	<b>20,027,544</b>	<b>18,252,876</b>	<b>18,525,094</b>	<b>18,077,644</b>	<b>19,533,548</b>	<b>23,328,515</b>	<b>24,201,475</b>	<b>25,465,310</b>
Business-Type Activities:										
Use of money and property	6,377	25,050	53,301	162,797	198,893	52,664	6,162	35,555	542,668	531,058
Gain on sale of capital assets/miscellaneous	201,726	145,853	218,044	345,058	-	-	-	-	-	196,149
Transfers	(5,944,497)	(5,388,259)	(2,147,371)	670,744	672,363	1,309,738	816,370	(1,042,728)	758,782	441,869
<b>Total Business-Type Activities</b>	<b>(5,736,394)</b>	<b>(5,217,356)</b>	<b>(1,876,026)</b>	<b>1,178,599</b>	<b>871,256</b>	<b>1,362,402</b>	<b>822,532</b>	<b>(1,007,173)</b>	<b>1,301,450</b>	<b>1,169,076</b>
<b>Total Primary Government</b>	<b>\$ 17,649,864</b>	<b>\$ 17,804,140</b>	<b>\$ 18,151,518</b>	<b>\$ 19,431,475</b>	<b>\$ 19,396,350</b>	<b>\$ 19,440,046</b>	<b>\$ 20,356,080</b>	<b>\$ 22,321,342</b>	<b>\$ 25,502,925</b>	<b>\$ 26,634,386</b>
<b>Change in Net Position</b>										
Governmental activities	\$ (3,107,280)	\$ (2,476,583)	\$ (6,866,932)	\$ (3,377,398)	\$ (3,042,079)	\$ 2,028,064	\$ 816,398	\$ 5,446,874	\$ 13,315,465	\$ (249,225)
Business-type activities	(5,485,344)	(2,582,679)	3,175,295	3,293,428	3,341,165	2,231,098	2,188,757	(867,273)	111,547	(1,621,392)
<b>Total Primary Government</b>	<b>\$ (8,592,624)</b>	<b>\$ (5,059,262)</b>	<b>\$ (3,691,637)</b>	<b>\$ (83,970)</b>	<b>\$ 299,086</b>	<b>\$ 4,259,162</b>	<b>\$ 3,005,155</b>	<b>\$ 4,579,601</b>	<b>\$ 13,427,012</b>	<b>\$ (1,870,617)</b>

**CITY OF EMPORIA, KANSAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>General Fund</b>										
Nondisposable	\$ 32,880	\$ 34,719	\$ 41,697	\$ 45,195	\$ 44,116	\$ 39,463	\$ 36,396	\$ 42,692	\$ 38,686	\$ 37,531
Assigned	46,957	87,428	7,193	133,878	613,760	491,777	155,881	41,450	55,304	23,597
Unassigned	4,846,179	4,749,213	5,082,628	5,880,709	5,966,508	5,885,973	6,647,153	8,899,194	9,563,484	9,987,068
<b>Total General Fund</b>	<u>\$ 4,926,016</u>	<u>\$ 4,871,360</u>	<u>\$ 5,131,518</u>	<u>\$ 6,059,782</u>	<u>\$ 6,624,384</u>	<u>\$ 6,417,213</u>	<u>\$ 6,839,430</u>	<u>\$ 8,983,336</u>	<u>\$ 9,657,474</u>	<u>\$ 10,048,196</u>
<b>All Other Governmental Funds</b>										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,261,160	\$ 16,250	\$ -	\$ -	\$ -
Restricted	2,740,023	2,810,370	3,190,605	3,128,231	3,279,857	3,645,462	3,278,942	6,291,015	6,819,982	6,922,281
Assigned	4,678,754	4,715,700	209,364	3,051,652	5,054,306	9,915,468	9,684,579	9,993,551	11,247,849	8,636,858
Unassigned (deficit)	-	-	-	(275,616)	(747,605)	(441,212)	(92,160)	(52,100)	(45,457)	(149,629)
<b>Total All Other Governmental Funds</b>	<u>\$ 7,418,777</u>	<u>\$ 7,526,070</u>	<u>\$ 3,399,969</u>	<u>\$ 5,904,267</u>	<u>\$ 7,586,558</u>	<u>\$ 14,380,878</u>	<u>\$ 12,887,611</u>	<u>\$ 16,232,466</u>	<u>\$ 18,022,374</u>	<u>\$ 15,409,510</u>

**CITY OF EMPORIA, KANSAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 17,189,475	\$ 17,281,766	\$ 17,445,154	\$ 18,268,211	\$ 15,222,145	\$ 15,496,475	\$ 16,271,101	\$ 17,890,481	\$ 18,868,699	\$ 19,916,914
Charges for services	2,155,983	1,901,550	2,531,821	2,423,475	2,513,564	2,595,433	2,485,720	2,267,278	2,584,902	2,847,492
Special assessments	97,541	157,481	156,161	156,001	210,316	113,561	115,984	82,354	68,913	67,861
Intergovernmental	2,841,659	1,797,455	2,361,707	1,923,328	5,207,091	6,385,351	6,666,102	7,701,826	14,270,648	12,469,021
Licenses and permits	141,639	147,349	189,036	193,253	197,114	256,069	281,459	373,293	260,519	281,051
Fines and fees	734,348	590,363	552,285	529,721	518,811	454,541	506,730	430,607	476,593	524,869
Use of money and property	149,836	180,015	261,104	324,656	482,642	222,881	153,049	327,590	1,654,346	1,548,594
Contributions	108,887	105,152	77,897	463,762	1,504,743	815,442	118,551	574,524	2,569,676	517,754
Administrative charges	2,196,271	2,125,632	2,147,272	2,372,718	2,491,504	2,504,036	2,643,791	2,645,579	2,589,029	2,617,422
Miscellaneous	537,350	455,252	448,295	235,691	271,058	475,912	630,016	498,505	240,826	129,854
<b>Total Revenues</b>	<b>26,152,989</b>	<b>24,742,015</b>	<b>26,170,732</b>	<b>26,890,816</b>	<b>28,618,988</b>	<b>29,319,701</b>	<b>29,872,503</b>	<b>32,792,037</b>	<b>43,584,151</b>	<b>40,920,832</b>
<b>Expenditures</b>										
General government	5,220,368	3,280,462	4,101,383	1,953,079	1,557,724	1,521,682	2,042,327	2,527,559	2,574,905	2,726,039
Public safety	9,765,022	9,363,365	10,049,520	10,304,473	10,298,977	10,624,770	10,687,790	11,171,812	13,177,280	14,168,156
Highway and streets	962,186	1,079,762	1,137,448	1,124,794	1,213,728	1,240,136	1,218,744	1,374,178	1,281,393	1,419,710
Culture and recreation	2,634,219	2,857,701	2,670,631	2,799,570	3,723,800	3,458,723	3,620,874	4,169,096	4,647,143	5,786,494
Health and environment	76,250	59,150	80,400	100,400	86,900	94,001	70,500	86,750	97,200	112,200
Building maintenance	1,257,309	1,226,539	1,268,746	1,297,205	1,401,736	1,257,690	1,364,982	1,377,310	1,510,798	1,681,644
Planning and development	1,413,365	753,238	885,107	713,638	949,755	694,063	1,997,228	665,486	748,302	1,248,404
Airport operations	399,836	474,459	455,030	535,805	558,646	436,747	643,740	754,048	777,296	765,899
Appropriations	264,475	179,622	173,517	271,283	229,955	625,662	257,413	840,196	127,111	83,428
Capital outlay	3,214,381	5,913,913	16,878,478	2,700,758	3,372,248	4,711,151	5,911,559	7,262,959	14,450,538	14,059,771
Debt service										
Principal	3,145,000	3,175,000	2,465,000	1,600,000	1,630,000	1,059,904	1,563,816	1,620,956	2,369,154	1,645,981
Interest and other charges	486,504	408,794	280,081	331,263	370,699	208,049	248,210	243,905	320,400	336,990
<b>Total Expenditures</b>	<b>28,838,915</b>	<b>28,772,005</b>	<b>40,445,341</b>	<b>23,732,268</b>	<b>25,394,168</b>	<b>25,932,578</b>	<b>29,627,183</b>	<b>32,094,255</b>	<b>42,081,520</b>	<b>44,034,716</b>
Excess of Revenues Over/(Under)										
Expenditures	(3,349,708)	(4,029,990)	(14,274,609)	3,158,548	3,224,820	3,387,123	245,320	697,782	1,502,631	(3,113,884)
<b>Other Financing Sources (Uses)</b>										
Transfers in	8,066,635	8,147,796	4,224,882	7,613,647	4,904,918	9,554,773	5,793,667	11,014,905	10,658,585	5,225,137
Transfers out	(4,318,409)	(4,885,169)	(4,224,782)	(5,467,365)	(5,882,845)	(11,580,387)	(7,110,037)	(9,972,177)	(11,417,367)	(5,667,006)
Payment to escrow agent	(2,518,712)	(2,034,362)	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	364,611	-	149,689	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	113,130	218,970
Issuance of debt	4,868,712	2,854,363	10,397,002	1,000,000	-	4,856,775	-	3,598,562	1,607,067	1,114,641
<b>Total Other Financing Sources (Uses)</b>	<b>6,098,226</b>	<b>4,082,628</b>	<b>10,397,102</b>	<b>3,146,282</b>	<b>(977,927)</b>	<b>3,195,772</b>	<b>(1,316,370)</b>	<b>4,790,979</b>	<b>961,415</b>	<b>891,742</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,748,518</b>	<b>\$ 52,638</b>	<b>\$ (3,877,507)</b>	<b>\$ 6,304,830</b>	<b>\$ 2,246,893</b>	<b>\$ 6,582,895</b>	<b>\$ (1,071,050)</b>	<b>\$ 5,488,761</b>	<b>\$ 2,464,046</b>	<b>\$ (2,222,142)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	13.59%	13.60%	6.43%	8.50%	8.20%	5.46%	6.59%	7.00%	9.15%	5.43%

**CITY OF EMPORIA, KANSAS**  
**GOVERNMENTAL ACTIVITIES, TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Vehicle Tax</b>	<b>Total</b>
2015	\$ 6,323,119	\$ 6,936,086	\$ 2,446,941	\$ 746,067	\$ 16,452,213
2016	6,344,622	6,889,492	2,465,081	737,923	16,437,118
2017	6,497,242	6,921,009	2,514,879	758,953	16,692,083
2018	6,610,486	7,229,117	2,644,068	985,124	17,468,795
2019	7,771,077	7,407,601	2,584,253	677,776	18,440,707
2020	8,091,825	7,506,138	2,448,322	642,215	18,688,500
2021	8,158,546	8,496,466	2,554,654	712,575	19,922,241
2022	8,563,954	9,382,028	3,041,958	655,837	21,643,777
2023	9,523,355	9,765,670	2,838,191	648,358	22,775,574
2024	10,499,295	9,875,366	2,838,093	653,077	23,865,831

Source: City of Emporia, Kansas Basic Financial Statements.

**CITY OF EMPORIA, KANSAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Real Property		Personal Property		Less: Tax Exempt Real Property - 1	Total Taxable Assessed Value	Total Direct Tax Rate - 2	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property - 1	Commercial Property - 1	Motor Vehicles - 2	Other - 1					
2015	\$ 77,859,774	\$ 52,602,363	\$ 19,562,617	\$ 93,042	\$ 23,507,710	\$ 126,610,086	41.531	\$ 895,803,330	14.1%
2016	79,256,537	52,262,553	20,379,614	57,768	26,975,110	124,981,362	42.947	907,344,870	13.8%
2017	85,807,578	51,445,370	20,630,111	68,898	27,010,480	130,941,477	42.575	960,406,440	13.6%
2018	89,782,755	52,118,715	20,972,334	187,575	26,538,480	136,522,899	42.849	998,274,630	13.7%
2019	95,724,413	55,079,043	21,636,964	129,861	20,773,540	151,796,741	43.093	1,061,815,040	14.3%
2020	101,181,991	55,048,752	21,939,568	63,699	20,036,380	158,197,630	42.862	1,107,787,850	14.3%
2021	106,363,567	60,909,825	22,838,681	87,132	26,367,570	163,831,635	42.800	1,180,348,700	13.9%
2022	115,557,670	63,994,263	21,836,515	96,489	32,591,770	168,893,167	44.426	1,305,766,780	12.9%
2023	132,836,858	68,465,425	22,343,810	250,839	35,927,230	201,471,760	44.604	1,474,900,390	13.7%
2024	138,989,670	70,773,630	22,810,745	216,210	36,358,370	196,431,885	46.119	1,538,925,640	12.8%

Note 1 - Lyon County Appraiser

Note 2 - Lyon County Clerk's Office

**CITY OF EMPORIA, KANSAS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended December 31,</b>	<b>City of Emporia, Kansas</b>			<b>Lyon County</b>		
	<b>Operating Mileage</b>	<b>Debt Service Mileage</b>	<b>Total City Mileage</b>	<b>Operating Mileage</b>	<b>Debt Service Mileage</b>	<b>Total County Mileage</b>
2015	26.075	15.456	41.531	58.676	-	58.676
2016	30.107	12.840	42.947	60.896	-	60.896
2017	32.170	10.405	42.575	60.826	-	60.826
2018	32.537	10.312	42.849	60.088	-	60.088
2019	32.666	10.427	43.093	59.303	-	59.303
2020	32.860	10.002	42.862	55.423	-	55.423
2021	32.812	9.988	42.800	53.281	-	53.281
2022	34.283	10.143	44.426	52.975	-	52.975
2023	34.863	9.741	44.604	52.975	-	52.975
2024	36.917	9.202	46.119	56.619	-	56.619

<b>Fiscal Year Ended December 31,</b>	<b>USD 253</b>			<b>Total Direct &amp; Overlapping Rates</b>
	<b>Operating Mileage</b>	<b>Debt Service Mileage</b>	<b>Total USD Mileage</b>	
2015	53.380	8.040	61.420	161.627
2016	53.441	9.618	63.059	166.902
2017	54.323	9.026	63.349	166.750
2018	53.898	9.286	63.184	166.121
2019	52.097	11.036	63.133	165.529
2020	50.795	12.392	63.187	161.472
2021	52.082	10.849	62.931	159.012
2022	52.257	12.143	64.400	161.801
2023	52.366	12.400	64.766	162.345
2024	53.470	11.300	64.770	167.508

Overlapping rates are those of local and county government that apply to property owners within the City of Emporia. Not all overlapping rates apply to all Emporia property owners.

Source: Lyon County Clerk's Office

**CITY OF EMPORIA, KANSAS  
PRINCIPAL PROPERTY TAXPAYERS**  
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Evergy Kansas Central, INC (Westar Energy)	\$ 10,403,264	1	4.61%	\$ 5,734,530	1	4.36%
Hills Pet Nutrition	6,415,313	2	2.84%			
Simmons Pet Food KS (formerly Menu Pet Food)	5,290,145	3	2.34%	3,173,080	2	2.41%
Agree Limited Partnership	2,921,388	4	1.29%			
Kansas Gas Service	2,671,166	5	1.18%	1,607,729	5	1.22%
Wal-Mart Real Estate Business Trust	1,820,588	6	0.81%	1,808,313	4	1.37%
Iowa Beef Processors, Inc.	1,812,051	7	0.80%	2,069,650	3	1.57%
BNSF	1,673,990	8	0.74%			
Emporia Partners, LLC	1,265,354	9	0.56%	1,271,648	7	0.97%
JAE Properties Kansas, LLC	1,173,056	10	0.52%			
Flint Hills Mall LLC				1,494,078	6	1.14%
Tyson Fresh Meats				1,240,262	8	0.94%
Camoplast Rockland, LTD				1,143,586	9	0.87%
AHIP Emporia Properties				1,098,585	10	0.84%
<b>Total</b>	<u>\$ 35,446,315</u>		<u>15.71%</u>	<u>\$ 20,641,461</u>		<u>15.69%</u>
Total Assessed Value (1)	\$225,686,147			\$131,527,004		

(1) Data from Lyon County Treasurer's Office

**CITY OF EMPORIA, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 6,120,357	\$ 5,921,454	96.75%	\$ 105,704	\$ 6,027,158	98.48%
2016	6,316,300	5,974,327	94.59%	231,470	6,205,797	98.25%
2017	6,560,582	6,159,624	93.89%	126,329	6,285,953	95.81%
2018	6,848,025	6,214,266	90.75%	149,512	6,363,778	92.93%
2019	7,281,428	6,746,759	92.66%	153,027	6,899,786	94.76%
2020	7,447,306	6,723,918	90.29%	174,889	6,898,807	92.63%
2021	7,892,213	7,141,014	90.48%	125,872	7,266,886	92.08%
2022	8,950,584	7,687,576	85.89%	180,207	7,867,783	87.90%
2023	10,065,702	8,514,757	84.59%	239,830	8,754,587	86.97%
2024	10,875,423	9,384,025	86.29%	150,240	9,534,265	87.67%

Data from City of Emporia Treasurer

**CITY OF EMPORIA, KANSAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita - 1
	General Obligation Bonds	Finance Purchase	Lease	SBITA	Loans/ Agreements	General Obligation Bonds	Lease Liability	Loans Payable			
2015	\$ 11,685,000	\$ -	\$ -	\$ -	\$ -	\$ 11,875,000	\$ -	\$ -	\$ 23,560,000	5.14%	\$ 959
2016	9,175,000	-	-	-	-	14,350,000	-	-	23,525,000	4.98%	954
2017	6,705,000	-	-	-	-	13,300,000	-	10,397,002	30,402,002	5.62%	1,225
2018	6,105,000	-	-	-	-	17,660,000	-	23,523,911	47,288,911	8.70%	1,920
2019	4,475,000	-	-	-	-	15,435,000	-	27,365,088	47,275,088	7.88%	1,909
2020	7,995,053	-	-	-	636,871	14,974,519	-	28,314,976	51,921,419	8.71%	2,151
2021	6,560,746	-	69,732	-	483,055	12,907,528	-	28,314,976	48,336,037	7.65%	1,986
2022	8,783,632	45,369	59,351	-	325,673	14,395,243	-	29,201,537	52,810,805	8.09%	2,206
2023	6,854,346	770,900	516,608	111,136	164,662	22,078,847	339,476	28,931,216	59,427,715	9.41%	2,482
2024	5,945,059	734,896	1,085,664	86,406	-	20,182,708	304,195	32,626,289	60,661,022	8.34%	2,491

Note 1 - See the Schedule of Demographic and Economic Statistics - Table 14

Note - Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF EMPORIA, KANSAS**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities	Business-Type Activities	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Percentage Estimated Annual Taxable Value of Property - 1	Per Capita - 2
	General Obligation Bonds	General Obligation Bonds				
2015	\$ 11,685,000	\$ 14,350,000	\$ 471,327	\$ 25,563,673	2.85%	\$ 1,041
2016	9,175,000	15,040,000	277,343	23,937,657	2.64%	971
2017	6,705,000	13,300,000	433,646	19,571,354	2.04%	789
2018	6,105,000	17,660,000	919,889	22,845,111	2.29%	927
2019	4,475,000	15,435,000	749,432	19,160,568	1.80%	774
2020	7,995,053	14,974,519	883,334	22,086,238	1.99%	915
2021	6,560,746	12,907,528	1,340,014	18,128,260	1.54%	745
2022	8,783,632	14,395,243	1,986,995	21,191,880	1.62%	885
2023	6,854,346	22,078,847	2,378,112	26,555,081	1.80%	1,109
2024	5,945,059	20,182,708	3,993,697	22,134,070	1.44%	909

Note - Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

Note 1 - See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Note 2 - Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF EMPORIA, KANSAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
December 31, 2024

<b>Governmental Unit</b>	<b>Debt Outstanding - Paid with Property Taxes</b>	<b>Percentage Applicable to City of Emporia</b>	<b>Amount Applicable to City of Emporia</b>
Unified School District #253 - Overlapping	\$ 74,925,000	87.20%	\$ 65,332,352
Lyon County, Kansas - Overlapping	14,575,000	63.09%	9,194,639
Subtotal, Overlapping Debt			74,526,991
City of Emporia - Direct Debt			60,661,022
Total Direct and Overlapping Debt			<u>\$ 135,188,013</u>
Population			24,354
Overlapping debt per capita			\$ 3,060
Direct and overlapping debt per capita			\$ 5,551

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

Source: Lyon County Clerk

**CITY OF EMPORIA, KANSAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

For the Years Ended December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit *	\$39,458,101	\$39,796,694	\$41,494,216	\$42,931,638	\$45,539,022	\$47,459,289	\$49,149,491	\$50,667,950	\$60,441,528	\$ 58,929,566
Total net debt applicable to limit	12,102,702	8,897,657	6,271,354	5,185,111	3,725,568	7,111,719	5,220,732	6,796,637	4,476,234	1,951,362
<b>Legal Debt Margin</b>	<b>\$27,355,399</b>	<b>\$30,899,037</b>	<b>\$35,222,862</b>	<b>\$37,746,527</b>	<b>\$41,813,454</b>	<b>\$40,347,570</b>	<b>\$43,928,759</b>	<b>\$43,871,313</b>	<b>\$ (4,476,234)</b>	<b>\$ 56,978,204</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.67%	22.36%	15.11%	12.08%	8.18%	14.98%	10.62%	13.41%	7.41%	3.31%

\* According to Kansas law, the debt limitation is 30% of assessed valuation.

Source: Assessed Valuation from Lyon County Appraiser

	2024
Assessed Value	\$ 196,431,885
Debt Limit Ratio	30%
December 31, 2024 Debt Limit	58,929,566
Outstanding Debt Subject to Debt Limit	* 1,951,362
Debt Authority Remaining December 31, 2024	56,978,204
December 31, 2024 GO Bonds Outstanding	5,945,059
Less: Amount set aside for repayment of general obligation debt	(3,993,697)
Total Outstanding Debt Subject to Debt Limit December 31, 2024	* \$ 1,951,362

**CITY OF EMPORIA, KANSAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Population - 1	Population Income (amounts expressed in thousands)	Per Capita Personal Income - 2	Median Age - 2	Education Level in Years of Formal Schooling - 2	School Enrollment - 3	Unemployment Rate - 2
2015	24,560	\$ 458,732	\$ 18,678	29.0	12.2	11,024	4.0%
2016	24,649	472,152	19,155	29.4	12.2	11,134	4.1%
2017	24,816	541,014	21,801	29.0	12.2	11,015	3.1%
2018	24,636	543,569	22,064	28.6	12.2	11,207	3.4%
2019	24,765	599,709	24,216	28.6	12.2	11,207	3.1%
2020	24,139	596,137	24,696	33.4	12.2	12,338	4.7%
2021	24,343	632,212	25,971	28.6	12.2	11,452	3.4%
2022	23,938	652,670	27,265	29.0	12.3	12,172	2.9%
2023	23,941	631,635	26,383	29.2	12.3	10,641	2.8%
2024	24,354	727,722	29,881	33.1	12.4	10,596	3.3%

Note 1 - Data from U.S. Census Information

Note 2 - Data from Kansas Department of Labor Lyon County Statistics

Note 3 - Data obtained from USD 253 Board of Ed, Flint Hills Technical College and Emporia State University

**CITY OF EMPORIA, KANSAS**  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Simmons Pet Food	1,613	1	4.16%	360	6	1.47%
USD #253	928	2	2.39%	788	2	3.21%
Tyson Fresh Meats	875	3	2.26%	964	1	3.93%
Emporia State University	644	4	1.66%	737	3	3.00%
Hostess Brands, LLC	630	5	1.62%	412	4	1.68%
Newman Regional Health	482	6	1.24%	396	5	1.61%
Michelin (Camso Manufacturing)	316	7	0.81%			0.00%
Lyon County	260	8	0.67%	257	7	1.05%
City of Emporia	236	9	0.61%	225	10	0.92%
Hopkins Manufacturing	201	10	0.52%	240	8	0.98%
Birch Telecom				226	9	0.92%
<b>Total</b>	<b>6,185</b>		<b>15.94%</b>	<b>4,605</b>		<b>18.75%</b>

Data from Emporia Chamber of Commerce

**CITY OF EMPORIA, KANSAS  
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Government	34	38	37	37	40	43	41	44	46	47
Public Safety										
Officers	45	41	40	43	41	47	38	40	36	34
Civilians	7	7	7	7	7	7	6	8	8	8
Fire										
Firefighters and										
Officers	49	47	51	51	49	53	40	43	44	44
Civilians	1	3	3	3	3	3	3	3	3	3
Highways and Streets										
Engineering	6	7	7	7	6	7	8	8	7	6
Maintenance	9	9	7	9	9	9	10	10	10	9
Sanitation	30	32	29	32	33	35	33	33	32	29
Culture and Recreation	19	19	22	21	23	18	16	18	19	19
Water	17	16	17	16	18	21	22	24	23	16
Sewer	8	8	8	8	8	7	8	12	8	7
<b>Total</b>	<b>225</b>	<b>227</b>	<b>228</b>	<b>234</b>	<b>237</b>	<b>250</b>	<b>225</b>	<b>243</b>	<b>236</b>	<b>222</b>

(1) Data received from the Human Resources Department

**CITY OF EMPORIA, KANSAS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Police</b>										
Physical arrests (1)	1,190	1,171	1,123	1,120	1,273	656	765	932	996	1,049
Parking violations (1)	4,424	3,589	2,791	2,940	3,617	1,513	323	626	424	206
Traffic violations (1)	4,162	2,072	2,641	2,328	2,946	1,282	1,987	1,864	1,610	3,155
<b>Fire</b>										
Number of calls answered (2)	3,716	3,426	3,710	3,904	4,317	4,081	4,215	3,765	3,536	4,411
Inspections (2)	755	958	878	907	920	465	603	913	*	632
<b>Highways and Streets</b>										
Street resurfacing (miles) (3)	3	6	4	11	3	13	4	4	5	6
Potholes repaired (4)	750	800	900	900	1,500	1,500	1,500	1,500	1,500	1,600
<b>Sanitation</b>										
Refuse collected (tons/day) (5)	78	72	84	88	88	77	84	84	81	78
Recyclables collected (tons/day) (5)	4	7	5	4	4	3	5	5	5	5
<b>Water</b>										
New connections (6)	28	29	21	25	30	22	18	19	17	12
Water main breaks (6)	41	50	69	55	43	53	68	65	135	72
Average daily consumption (thousands of gallons) (7)	5,230	5,443	5,671	6,095	6,317	6,948	7,519	7,519	7,519	7,519
<b>Wastewater</b>										
Average daily treatment capacity (thousands of gallons) (8)	2,500	2,500	2,000	2,500	3,000	3,300	3,500	3,500	3,500	3,500

(1) Data received from the Human Resources Department

(2) Data received from the fire department

(3) Data received from the engineering department

(4) Data received from the street department

(5) Data received from the solid waste department

(6) Data received from the public works department

(7) Data recovered from the water department

(8) Data received from the wastewater department

\* Data is not available due to software change

**CITY OF EMPORIA, KANSAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (1)	22	25	25	25	21	23	23	23	23	21
Fire Stations	2	2	2	2	2	2	2	2	2	2
<b>Sanitation</b>										
Collection Trucks (2)	12	12	12	12	12	9	9	12	12	12
<b>Highways and Streets</b>										
Street (miles) (3)	168	169	169	169	169	169	169	169	171	172
Traffic signals (4)	101	101	105	105	105	105	105	105	105	105
<b>Culture and Recreation</b>										
Parks acreage (5)	325.16	325	325	325	325	324	323.56	323.56	323.56	324
Parks (5)	18	18	18	18	18	18	18	18	18	18
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	6	6	6	6	6	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water main (miles) (3)	183.38	183	183	184	184	171	171	171	191	195
Fire hydrants (6)	913	913	913	913	913	933	943	943	942	942
Maximum daily capacity thousands of gallons (7)	6,820	7,869	9,789	11,783	9,483	11,014	11,190	11,190	11,190	11,190
<b>Sewer</b>										
Sanitary sewers (miles) (3)	143.59	144	144	144	144	144	144	142	139	141
Storm sewers (miles) (3)	67.69	73	73	73	75	76	76	76	76	77
Maximum daily treatment capacity (thousands of gallons) (8)	4,500	4,500	4,500	4,600	4,800	4,600	4,600	4,600	4,600	4,600

(1) Data received from the Human Resources Department

(2) Data received from the fire department

(3) Data received from the engineering department

(4) Data received from the street department

(5) Data received from the solid waste department

(6) Data received from the public works department

(7) Data received from the water department

(8) Data received from the wastewater department

*APPENDIX C*

**SUMMARY OF FINANCING DOCUMENTS**

## *APPENDIX C*

### SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions contained in the Bond Resolution authorizing the issuance of the Bonds. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing document.

#### THE BOND RESOLUTION

##### DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“**Act**” means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 13-1024a, as amended by Charter Ordinance 41, and K.S.A. 12-685 *et seq.*, all as amended and supplemented.

“**Authorized Denomination**” means \$5,000 or any integral multiples thereof.

“**Beneficial Owner**” of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

“**Bond and Interest Fund**” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“**Bond Counsel**” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“**Bond Payment Date**” means any date on which principal of or interest on any Bond is payable.

“**Bond Register**” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“**Bond Registrar**” means the State Treasurer, and its successors and assigns.

“**Bond Resolution**” means collectively, the Ordinance passed by the governing body of the Issuer and the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

“**Bonds**” means the General Obligation Bonds, Series 2026, authorized and issued by the Issuer pursuant to the Bond Resolution.

“**Business Day**” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“**Cede & Co.**” means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Bonds.

“**City**” means the City of Emporia, Kansas.

“**Clerk**” means the duly appointed and acting Clerk of the Issuer or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk of the Issuer.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

“**Compliance Account**” means the account by that name created by the Bond Resolution.

**“Consulting Engineer”** means an independent engineer or engineering firm, or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

**“Costs of Issuance”** means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

**“Costs of Issuance Account”** means the account by that name created by the Bond Resolution.

**“Dated Date”** means April 23, 2026.

**“Debt Service Account”** means the account by that name created within the Bond and Interest Fund by the Bond Resolution.

**“Debt Service Requirements”** means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

**“Defaulted Interest”** means interest on any Bond which is payable but not paid on any Interest Payment Date.

**“Defeasance Obligations”** means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates;  
or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

**“Derivative”** means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

**“Director of Finance”** means the duly appointed and acting Director of Finance of the Issuer or, in the Director's absence, the duly appointed Deputy, Assistant or Acting Director of the Issuer.

**“Disclosure Undertaking”** means the Continuing Disclosure Undertaking, dated as of the Dated Date, relating to certain obligations contained in the SEC Rule.

**“DTC”** means The Depository Trust Company, New York, New York.

**“Event of Default”** means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

**“Federal Tax Certificate”** means the Issuer's Federal Tax Certificate for the Bonds, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

**“Financeable Costs”** means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

**“Fiscal Year”** means the twelve month period ending on December 31.

**“Funds and Accounts”** means funds and accounts created by or referred to in the Bond Resolution.

**“Improvement Fund”** means the fund by that name created in the Bond Resolution.

**“Improvements”** means the improvements referred to in the preamble to the Ordinance and any Substitute Improvements.

**“Independent Accountant”** means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

**“Interest Payment Date(s)”** means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2027.

**“Issue Date”** means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

**“Issuer”** means the City and any successors or assigns.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

**“Mayor”** means the duly elected and acting Mayor of the Issuer, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

**“Moody's”** means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Official Statement”** means the Issuer's Official Statement relating to the Bonds.

**“Outstanding”** means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

**“Owner”** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Paying Agent”** means the State Treasurer, and any successors and assigns.

**“Permitted Investments”** shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

**“Person”** means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Purchaser”** means the financial institution or investment banking firm that is original purchaser of the Bonds.

**“Rating Agency”** means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

**“Rebate Fund”** means the fund by that name created by the Bond Resolution.

**“Record Dates”** for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of the Bond Resolution.

**“Redemption Price”** means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Replacement Bonds”** means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

“**SEC Rule**” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“**Securities Depository**” means, initially, DTC, and its successors and assigns.

“**Special Record Date**” means the date fixed by the Paying Agent for the payment of Defaulted Interest.

“**Standard & Poor's**” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“**State**” means the state of Kansas.

“**State Treasurer**” means the duly elected Treasurer of the State or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“**Stated Maturity**” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**Substitute Improvements**” means the substitute or additional improvements of the Issuer described in the Bond Resolution.

[ “**Term Bonds**” means the Bonds scheduled to mature in the year 2046.]

[ “**\_\_\_ Term Bonds**” means the Bonds scheduled to mature in the year \_\_\_\_\_.]

[ “**2046 Term Bonds**” means the Bonds scheduled to mature in the year 2046.]

[ “**Term Bonds**” means collectively, the \_\_\_ Term Bonds and the 2046 Term Bonds.]

“**Treasurer**” means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“**United States Government Obligations**” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

## **ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS**

*Creation of Funds and Accounts.* Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund.
- (b) Debt Service Account (within the Bond and Interest Fund).
- (c) Rebate Fund.
- (d) Costs of Issuance Account.
- (e) Compliance Account.

The above Funds and Accounts shall be administered in accordance with the provisions of the Bond Resolution so long as the Bonds are Outstanding.

*Deposit of Bond Proceeds.* The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) Excess proceeds, if any, received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) An amount necessary to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.
- (c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

***Application of Moneys in the Improvement Fund.*** Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Bonds during construction of the Improvements; (c) paying Costs of Issuance; and (d) transferring any amounts to the Rebate Fund. Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Bond Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Bond Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

***Substitution of Improvements; Reallocation of Proceeds.*** The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Bonds provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section; and (c) the use of the proceeds of the Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax status of the Bonds under State or federal law.

The Issuer may reallocate expenditure of Bond proceeds among all Improvements financed by the Bonds; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Bonds allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax status of the Bonds under State or federal law.

***Application of Moneys in the Debt Service Account.*** All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

***Payments Due on Saturdays, Sundays and Holidays.*** In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

***Application of Moneys in the Rebate Fund.*** There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money.

***Application of Moneys in the Costs of Issuance Account.*** Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of

issuance of the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Issuer for deposit into the Debt Service Account.

***Application of Moneys in the Compliance Account.*** Moneys in the Compliance Account shall be used by the Issuer to pay the fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws. Any funds remaining in the Compliance Account not necessary for such payments shall be transferred to the Debt Service Account.

## **DEPOSIT AND INVESTMENT OF MONEYS**

***Deposits.*** Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank which are members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law, and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

***Investments.*** Moneys held in any Fund or Account may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

## **DEFAULT AND REMEDIES**

***Remedies.*** The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

***Limitation on Rights of Owners.*** The covenants and agreements of the Issuer contained in the Bond Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

***Remedies Cumulative.*** No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

## **DEFEASANCE**

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the

State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption.

## TAX COVENANTS

**General Covenants.** The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will take such actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**Survival of Covenants.** The covenants contained in the Bond Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds or any other provision of the Bond Resolution until such time as is set forth in the Federal Tax Certificate.

## CONTINUING DISCLOSURE REQUIREMENTS

**Disclosure Requirements.** The Issuer covenants in the Bond Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

**Failure to Comply with Continuing Disclosure Requirements.** In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

## MISCELLANEOUS PROVISIONS

**Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Director of Finance. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

**Levy and Collection of Annual Tax.** The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

**Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be

evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to provide for Substitute Improvements, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

**Notices, Consents and Other Instruments by Owners.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

**Electronic Transactions.** The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Severability.** If any section or other part of the Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Bond Resolution.

**Governing Law.** The Bonds and the Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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*APPENDIX D*

**FORM OF DISCLOSURE UNDERTAKING**

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**CONTINUING DISCLOSURE UNDERTAKING**

**DATED AS OF APRIL 23, 2026**

**BY**

**CITY OF EMPORIA, KANSAS**

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**\$13,315,000\***  
**CITY OF EMPORIA, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2026**  
**DATED APRIL 23, 2026**

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## CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of April 23, 2026 (the “Continuing Disclosure Undertaking”), is executed and delivered by **THE CITY OF EMPORIA, KANSAS** (the “Issuer”).

### RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2026 (the “Bonds”), pursuant to an Ordinance and Resolution adopted by the governing body of the Issuer (collectively the “Bond Resolution”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”). The Issuer is the only “obligated person” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

**Section 1. Definitions.** In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking, which may include the Issuer's Annual Comprehensive Financial Report, if any, so long as the Annual Comprehensive Financial Report contains the financial information and operating data described in **Section 2(a)(1)** and **(2)**.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

“**Financial Obligation**” means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on January 1 and ending on December 31 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in *Section 3* of this Continuing Disclosure Undertaking.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

## **Section 2. Provision of Annual Reports.**

(a) The Issuer shall, not later than September 15<sup>th</sup> immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, in substantially the format contained in the Official Statement relating to the Bonds. A more detailed explanation of the accounting basis and method of preparation of the financial statements is contained in the Official Statement relating to the Bonds. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in *Exhibit A*, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under *Section 3*, and the Annual Report deadline provided above shall automatically become the first day of the tenth month after the end of the Issuer’s new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

**Section 3. Reporting of Material Events.** Not later than 10 Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

**Section 4. Termination of Reporting Obligation.** The Issuer’s obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer’s obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

**Section 5. Dissemination Agents.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Additional Information.** Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Section 8. Default.** If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

**Section 9. Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 10. Severability.** If any provision in this Continuing Disclosure Undertaking, the Bond Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 11. Electronic Transactions.** The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12. Governing Law.** This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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**IN WITNESS WHEREOF**, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

**CITY OF EMPORIA, KANSAS**

(SEAL)

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Mayor

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Clerk

***EXHIBIT A***

**FINANCIAL INFORMATION AND OPERATING DATA  
TO BE INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in tables in the following sections contained in ***Appendix A*** of the final Official Statement relating to the Bonds:

- Assessed Valuation
- Tax Levies
- Aggregate Tax Levies
- Tax Collection Record
- Major Taxpayers
- Current Indebtedness of the Issuer\*
- Lease Obligations\*
- State Loans\*

\* This Operating Data is also available in the Issuer's financial information portion of its Annual Report.