

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2026**

**BANK QUALIFIED  
NEW ISSUE - BOOK-ENTRY ONLY**

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

*In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds [(including any original issue discount properly allocable to the owner of a Bond)] is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. The City has designated the Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986. Bond Counsel is also of the opinion that, under existing State of Kansas statutes, interest on the Bonds is excluded from computation of Kansas adjusted gross income. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.*

**\$3,750,000\*  
CITY OF EDWARDSVILLE, KANSAS  
GENERAL OBLIGATION BONDS  
SERIES 2026**

**Dated: Date of Delivery**

**Due: December 1, As shown on inside cover**

The General Obligation Bonds, Series 2026 (the “Bonds”) will be issued by the City of Edwardsville, Kansas (the “City” or the “Issuer”), 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 December 1, beginning in 2027, and semiannual interest will be payable on June 1 and December 1, beginning on June 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 (the “Record Date”) by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to any owner that is a securities depository, 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.

**BIDS WILL BE RECEIVED ON MONDAY, MAY 11, 2026  
AT 10:00 A.M., APPLICABLE CENTRAL TIME**

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 Bonds maturing on December 1, 2034 and thereafter will be subject to redemption and payment prior to maturity, at the option of the Issuer, on December 1, 2033 or any date thereafter as described herein. [The Term Bonds are also subject to mandatory redemption as 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 Kutak Rock LLP, Kansas City, Missouri, Bond Counsel. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about June 4, 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.*

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

*\*Preliminary, subject to change*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities 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.

**\$3,750,000\***  
**CITY OF EDWARDSVILLE, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2026**

**MATURITY SCHEDULE**

**SERIAL BONDS**

<b><u>Stated Maturity</u></b> <b><u>December 1</u></b>	<b><u>Principal</u></b> <b><u>Amount*</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP</u></b> <sup>(1)</sup>
2027	\$50,000			
2028	135,000			
2029	135,000			
2030	145,000			
2031	145,000			
2032	155,000			
2033	155,000			
2034	165,000			
2035	170,000			
2036	175,000			
2037	185,000			
2038	195,000			
2039	205,000			
2040	215,000			
2041	225,000			
2042	235,000			
2043	245,000			
2044	260,000			
2045	270,000			
2046	285,000			

**[TERM BONDS**

<b><u>Stated Maturity</u></b> <b><u>December 1</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP</u></b> <sup>(1)</sup>
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(All plus accrued interest, if any)

<sup>(1)</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

\* 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 PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**THIS PRELIMINARY OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS PRELIMINARY 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 EDWARDSVILLE, KANSAS**

690 S. 4<sup>th</sup> St.  
Edwardsville, Kansas 66113  
(913) 356-6000

**GOVERNING BODY**

Carolyn Caiharr, Mayor

Margaret Shriver, President  
Camila Adcox, Councilmember  
Christy Everhart, Councilmember  
Garrett Mellott, Councilmember  
Michael Moulin, Councilmember

**CITY MANAGER**

Mark Mathies

**ASSISTANT CITY MANAGER  
AND FINANCE DIRECTOR**

Doug Gerber

**ISSUER'S COUNSEL**

Kriegshauser Ney LLC  
Topeka, Kansas

**BOND COUNSEL**

Kutak Rock LLP  
Kansas City, Missouri

**FINANCIAL ADVISOR**

Piper Sandler & Co.  
Leawood, Kansas

No dealer, broker, salesman or other person has been authorized by the Issuer or the Financial Advisor to give any information or to make any representations with respect to the Bonds other than those contained in this Preliminary 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 Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of 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 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 Preliminary 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 Preliminary 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 Preliminary 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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# OFFICIAL STATEMENT

**\$3,750,000\***  
**CITY OF EDWARDSVILLE, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2026**

## INTRODUCTION

### General Matters

The purpose of this Preliminary Official Statement is to furnish information relating to the City of Edwardsville, Kansas (the “Issuer” or the “City”), and the General Obligation Bonds, Series 2026 (the “Bonds”), of the Issuer, dated June 4, 2026 (the “Dated Date”).

The Appendices to this Preliminary 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 Preliminary 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 the Issuer. 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. Bond Counsel has not assisted in the preparation nor reviewed this Official Statement, except to the extent described under the section captioned “LEGAL MATTERS,” and accordingly 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 the resolution of the Issuer prescribing the form and details of the Bonds, a copy of which is available upon request to the Issuer.

### Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. Subject to the requirements of the Rule, the Issuer has covenanted to provide continuous secondary market disclosure. To the knowledge of the officer of the Issuer executing this Official Statement, and except as set forth below, for the past five years the Issuer has complied in all material respects with its obligations to provide continuing disclosure. The Issuer’s filings relating to financial and operating data, including audited financials, for the past five years are set forth in the table below:

<b>Fiscal Year</b>		<b>Financial Statement</b>	<b>Operating Data</b>
<b><u>Ending December 31</u></b>	<b><u>Report Date</u></b>	<b><u>Filing Date</u></b>	<b><u>Filing Date</u></b>
2020	September 1, 2021	June 03, 2021	June 03, 2021
2021	September 1, 2022	August 24, 2022	August 24, 2022
2022	September 1, 2023	August 11, 2023	August 11, 2023
2023	September 1, 2024	August 19, 2024	August 19, 2024
2024	September 1, 2024	August 25, 2025	August 25, 2025

*\*Preliminary, subject to change.*

During the past five years, the Issuer has made filings of event notices on EMMA with respect to bond calls, defeasances, and rating changes, however, during said time period, the Issuer may not have made timely filings of event notices on EMMA relating to all bond calls, defeasances or rating changes. On October 1, 2020, the Issuer posted notice to EMMA that, though it had timely filed audited financial statements for fiscal years 2015 through 2019, certain financial and operating data that the Issuer had agreed to update was not included with such audited financial statements. The missing financial and operating data was, however, contained in a filing posted to EMMA on September 28, 2020. Further, notice was posted to EMMA on August 16, 2022, that the Issuer had failed to file a semi-annual report in connection with certain economic development revenue bonds. The missing semi-annual report was posted to EMMA on August 17, 2022.

For more information regarding the Issuer's continuing disclosure undertaking, see “*APPENDIX C-FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS*”

### **Additional Information**

Additional information regarding the City or the Bonds may be obtained from the City at the address set forth in the preface to this Official Statement, or from the Financial Advisor, Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas 66211, (913) 345-3300.

## **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, but not limited to, Article 12, Section 5, of the Constitution of the State, K.S.A. 10-101 to 10-125, inclusive, K.S.A. 12-685 *et seq.*, and Charter Ordinance No. 2025-03 of the City, all as amended or supplemented from time to time (collectively, the “Act”), an ordinance to be passed by the governing body of the Issuer and a resolution to be adopted by the governing body of the Issuer (jointly, 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 of the Issuer and shall be used 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, shall become due in the amounts, on the stated maturities, and 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 Preliminary 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, premium, if any, 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 of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (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 any owner that is a securities depository, 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 or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. 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 DTC, 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, DTC 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 DTC is unable to properly discharge its responsibilities, or (2) that DTC is no longer qualified to act as a securities depository and registered clearing agency under the Securities 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 DTC (and certified to such effect by DTC), 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 DTC herein shall relate to the period of time when DTC 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 DTC shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such replacement bonds. If DTC resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of DTC, 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 DTC 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 DTC 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 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 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 as described in this paragraph, 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 December 1, 2034 and thereafter will be subject to redemption and payment prior to their stated maturity on December 1, 2033, 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.** 20 Term Bonds. The 20 Term Bonds shall be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements hereinafter set forth at a redemption price equal to 100% (expressed as a percentage of the principal amount), plus accrued interest to the redemption date. The payments which are to be deposited into the Principal and Interest Account shall be sufficient to redeem, and the Issuer shall redeem on December 1 in each year, the following principal amounts of such 20 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 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 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 State Treasurer. 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 DTC is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified to DTC. It is expected that DTC 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 DTC 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, DTC, 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 Continuing Disclosure Letter of Instructions attached as APPENDIX C to this Official Statement. 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 Standard & Poor’s 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 PROJECTS

The proceeds of the Bonds will be used to: (i) fund certain street and main trafficway improvements within the City (ii) redeem a portion of the City's General Obligation Temporary Notes, Series 2023, and (iii) pay the costs of issuance of the Bonds. Proceeds of the Bonds may also be used to pay the cost of additional or substitute projects upon compliance with the terms of the Bond Resolution.

## 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	\$3,750,000.00*
Reoffering Premium	
Total	<u>\$</u>

### Uses of Funds:

Deposit to Redemption Fund	\$
Deposit to Project Fund	
Underwriter's Discount	
Costs of Issuance	
Total	<u>\$</u>

*\*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 PRELIMINARY 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.***

### 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.

### 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.**"

### **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.

### **Premium on Bonds**

[The initial offering prices of certain maturities of the Bonds that are subject to optional redemption are in excess of the respective principal amounts 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".

### **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 gross 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 Preliminary 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.

### **Infectious Diseases**

The City's finances may be materially adversely affected by unforeseen impacts from outbreaks of infectious diseases, such as the Coronavirus (COVID-19) pandemic. The City cannot predict future impacts of outbreaks, epidemics, or pandemics, or their impact on travel, on assemblies or gatherings, on the 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 of debt service on any of its outstanding debt obligations. Future revenue collections, including property tax collections that are essential to repayment of the Bonds, may deviate from historical or anticipated levels due to COVID-19 or other infectious diseases.

## 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, tornados, earthquakes, floods or droughts, could damage the Issuer and its systems and infrastructure, and interrupt services or otherwise impair operations of the Issuer.

## Market for the Bonds

**Bond Rating.** The Bonds have been assigned the financial rating set forth in the section hereof entitled "BOND 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 effect 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. 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 to suspend indefinitely secondary market trading in the Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the City, 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 may give rise to uncertainty concerning prudent secondary market practices.

## 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 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 is 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.

## BOND RATING

S&P Global Ratings, a division of the S&P Global, Inc. has assigned an independent rating of "A" 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 Kutak Rock LLP, Kansas City, Missouri, Bond Counsel to the City. 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 not participated in the preparation of the Official Statement and 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* – Form of Continuing Disclosure Letter of Instructions.” Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds. Certain legal matters have been passed on for the Issuer by Kriegshauser Ney, LLC, the City Attorney.

### Certain Relationships

Bond Counsel has represented the Financial Advisor in transactions unrelated to the issuance of the Bonds, but is not representing the Financial Advisor in connection with the issuance of the Bonds.

## TAX MATTERS

**General Matters.** In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds [(including any original issue discount properly allocable to the owner of a Bond)] is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Issuer with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Kansas statutes, interest on the Bonds is excluded from computation of Kansas adjusted gross income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Kansas or any other state or jurisdiction.

**[Original Issue Discount.** The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding “qualified stated interest” within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.]

**[Original Issue Premium.** The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.]

**Backup Withholding.** An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the Bond if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to properly report interest, dividends or other “reportable payments” (as defined in the Code), or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

**Bank Qualified.** The Issuer has represented that it does not reasonably anticipate issuing greater than \$10,000,000 of tax-exempt obligations in calendar year 2026 (excluding certain private activity and refunding bonds) and that it has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80 percent of that portion of such institutions’ interest expense allocable to interest on such bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such bonds.

**Internal Revenue Service Audits.** The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is included in the gross income for federal income tax purposes. It cannot be predicted whether or not the Internal Revenue

Service will commence an audit of any of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service may treat the related issuer as a taxpayer, and the registered owners of the Bonds may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the related Bonds until the audit is concluded, regardless of the ultimate outcome.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

**PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.**

### **FINANCIAL ADVISOR**

Piper Sandler & Co. serves as financial advisor (the "Financial Advisor") to the City. The Financial Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Financial Advisor has participated in the preparation of this Preliminary Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the affairs of the City for the purpose of passing upon the accuracy or completeness of this Preliminary Official Statement. The Financial Advisor's fee is contingent upon the actual issuance and delivery of the Bonds. The Financial Advisor will not submit a bid for the Bonds.

### **UNDERWRITING**

The Bonds have been sold at public sale by the Issuer to \_\_\_\_\_, \_\_\_\_\_ (the "Underwriter") on the basis of lowest true interest cost. [ ] bids were received by the Issuer. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at the purchase price of 100% of the principal amount of the Bonds plus the net reoffering premium in the amount of \$\_\_\_\_\_, minus the Underwriter's Discount in the amount of \$\_\_\_\_\_. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds.

The Bonds will be offered to the public initially at the prices determined to produce the yield to maturity or applicable redemption date 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 EDWARDSVILLE, KANSAS**

## *APPENDIX A*

### **INFORMATION CONCERNING THE ISSUER**

#### **GENERAL**

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

The City of Edwardsville, Kansas (the "City") is located in Wyandotte County, Kansas, and is located between Kansas City, Kansas on the east and Bonner Springs, Kansas on the west. The City is bounded on the south by Johnson County, Kansas and is approximately 18 miles west of downtown Kansas City, Missouri. The City encompasses approximately 12 square miles and has a current estimated population of 4,748 people.

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

The City was incorporated in 1915 and is a city of the second class.

The City operates under the Mayor-Council-Manager form of government. The five Council members elected at large serve four-year staggered terms. The Mayor is elected at large for a four-year term. The City Manager is appointed by the Mayor, subject to Council approval, and is charged with the efficient and effective administration of the City.

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

The City's water service is supplied by the City of Kansas City, Kansas Board of Public Utilities (the "BPU"). Sewer collection is provided by the City with treatment provided by the Unified Government through an interlocal agreement. Residential solid waste disposal is provided by Waste Management through a contract with the City.

Electricity is provided by Evergy, which serves the majority of the greater Kansas City Metropolitan Area.

Natural gas service is supplied by Atmos Energy. The City's telephone service is provided by AT&T (formerly Southwestern Bell Telephone Company) which also serves the greater Kansas City Metropolitan Area. Spectrum provides cable television service to certain portions of the City.

The City has 17 sworn police officers and 17 firefighters which provide continuous full-time protection and emergency medical services to the City. The City currently has 48 full-time and approximately 10 part-time employees.

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

Because of its geographic proximity to Kansas City, Kansas, and Kansas City, Missouri, the City has access to the transportation system located in the area, consisting of air, rail, highway and river port facilities.

Kansas City International Airport is located 25 miles north of the City on Interstate 435. The Kansas City Metropolitan Area is one of the nation's largest rail centers and is an important hub of the transcontinental rail system, providing both freight and passenger services. The City is serviced specifically by the Union Pacific Railroad.

The City is also served by a modern network of interstate highways and trucking centers. Specifically, the City is served by Interstate Highways 1-70 and 1-435 and by Kansas Highways K-7 and K-32.

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

The Unified School District No. 204 (Bonner Springs) provides the City's educational programs for students from kindergarten through high school. The District serves approximately 2,500 students. The high school is accredited by the State Department of Education and the North Central Association of Colleges and Secondary Schools. The City is approximately seven miles southwest of Kansas City, Kansas Community College, which is supported by Wyandotte County resident taxpayers, including the City's residents. The City is also 10 miles from Donnelly College, a two-year Roman Catholic college and 14 miles from Johnson County Community College. Both the University of Kansas in Lawrence, Kansas, and the University of Missouri at Kansas City are located within a thirty-minute driving distance of the City. The University of Kansas also has a Johnson County campus (Edwards Campus) located approximately 15 minutes from Edwardsville.

## Medical and Health Facilities

The City has easy access to the two major hospitals, both located in Kansas City, Kansas. The hospitals are the University of Kansas Medical Center and Providence Medical Center. Ambulance service is provided by the Edwardsville Fire Department.

## Recreational, Cultural and Religious Facilities

The City owns and operates a sixteen and one-half acre community park, which was purchased and improved through donations, county funds and internal financing. The park has two softball diamonds, soccer fields, a concession stand and restrooms. The City also built a boat ramp to access the Kansas River and has developed a trail system connecting its parks and other public facilities. The City also has access to two large public parks that are maintained by Wyandotte County. Activities and facilities such as tennis courts, picnic shelters, boating, fishing, camping and hiking are available at these parks as well as Sunflower Golf Course. The City has a recreation and parks program which conducts a summer recreation program for the City's youth and which conducts athletic programs for both adults and youth.

## ECONOMIC INFORMATION

### Major Employers in the City

The following is a list of what are believed to be the major employers located in or near the City:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full- &amp; Part-time Employees</u>
Swift Transportation	Freight Hauler	800
TKC KCY, Inc (FED EX)	Freight Hauler	600
Fastenal	Retailer/Wholesaler	373
Veritiv	Distributor, Publisher, Logistics	175
Lineage Master RE3, LLC	Logistic Service	160
Sunopta	Food Products	160
Herff Jones	Yearbook Publisher	150
Standard Motor Products	Auto Parts Manufacturer	130
American Dish	Manufacturer-Washing Equipment	125
MWI Veterinary	Animal Health-Distributor, Logistics	124

*Source:* Wyandotte Economic Development Council

### Labor Force

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

#### WYANDOTTE COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2015	76,236	71,589	4,647	6.1%
2016	76,448	72,195	4,253	5.6%
2017	77,204	73,194	4,010	5.2%
2018	76,791	73,124	3,667	4.8%
2019	77,251	73,917	3,334	4.3%
2020	78,193	72,029	6,164	7.9%
2021	77,936	74,238	3,698	4.7%
2022	78,206	75,487	2,719	3.5%
2023	81,290	78,387	2,903	3.6%
2024	82,455	78,948	3,507	4.3%

**STATE OF KANSAS**

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2015	1,489,165	1,426,764	62,401	4.2%
2016	1,484,001	1,422,122	61,879	4.2%
2017	1,478,783	1,425,216	53,567	3.6%
2018	1,477,847	1,429,229	48,618	3.3%
2019	1,486,620	1,439,563	47,057	3.2%
2020	1,503,002	1,415,445	87,557	5.8%
2021	1,500,677	1,451,204	49,473	3.3%
2022	1,504,932	1,464,834	40,098	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:* Kansas Statistical Abstract, Kansas Department of Labor

**Retail Sales Tax Collections**

The following table lists Wyandotte County's sales tax and use tax collections for the State of Kansas portion of the total sales tax during the years as indicated:

<u>Year*</u>	<u>Total Sales Tax Collections</u>	<u>Per Capita Sales Tax Collections</u>
2015	\$139,885,425	\$768.73
2016	148,436,033	892.52
2017	144,610,351	867.03
2018	152,675,255	936.59
2019	192,921,016	1,119.40
2020	187,493,543	1,136.42
2021	219,740,667	1,236.71
2022	234,928,234	1,366.98
2023	238,109,274	1,435.93
2024	241,959,174	1,424.70

\* Use tax collections included beginning in 2019

*Source:* Kansas Statistical Abstract

**Financial and Banking Institutions**

There are currently 19 banks with 39 banking locations located in the County. For the years listed, bank deposits of the County's banks are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2016	\$2,033,168,000
2017	1,922,012,000
2018	2,059,770,000
2019	2,068,991,000
2020	2,368,966,000
2021	2,621,547,000
2022	2,687,732,000
2023	2,716,317,000
2024	2,809,808,000
2025	2,425,340,000

*Source:* FDIC

**Population**

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

<u>Year</u>	<u>City of Edwardsville Population</u>	<u>Wyandotte County Population</u>
1960	n/a	185,495
1970	n/a	186,845
1980	n/a	172,335
1990	4,219	162,026
2000	4,193	157,882
2010	4,340	157,505
2020	4,492	169,245
2024	4,748	169,418

The median age of persons in the County and the State of Kansas is 34.5 and 37.4, respectively, per the 2020 Census.

*Source:* Kansas Statistical Abstract

**Personal Income Trends**

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

<u>Year</u>	<u>Wyandotte County Personal Income</u>	<u>Wyandotte County Per Capita Personal Income</u>	<u>State of Kansas Per Capita Personal Income</u>
2015	\$6,574,820,000	\$40,242	\$47,229
2016	5,141,826,000	31,273	47,496
2017	5,303,254,000	32,085	48,559
2018	5,507,718,000	33,315	51,471
2019	5,686,972,000	33,582	52,156
2020	6,160,627,000	36,472	55,101
2021	6,458,633,000	38,614	59,021
2022	6,605,121,000	39,880	62,326
2023	6,906,079,000	41,371	63,513
2024	7,264,235,000	42,878	65,856

*Source:* Kansas Statistical Abstract, Bureau of Economic Analysis

**FINANCIAL INFORMATION**

**Accounting, Budgeting and Auditing Procedures**

The City follow a statutory basis of accounting that demonstrates compliance with the Kansas cash-basis and budget laws. The City has received from the state a waiver from generally accepted accounting principles (GAAP) accounting.

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 prior to August 25 of each year (unless exceeding the revenue neutral rate as described under “Tax Rates” 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.

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 Michael D. Peroo, CPA, PA, Olathe, 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 Wyandotte 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.

All property in the state of Kansas has been reevaluated as a result of a bill passed by the 1985 session of the Kansas Legislature requiring county appraisers to reassess property for tax purposes, with an effective date of January 1, 1989. In conjunction with the November 1986 general election, Kansas voters approved a proposition to modify the state constitution with respect to classification of property for ad valorem taxation. For taxable years 1989 through 1992, real and personal property was divided into classes and assessed at different percentages of fair market value. Land devoted to agricultural use was valued on the basis of its agricultural income or productivity and assessed at 30% of the value so obtained; commercial and industrial machinery and equipment was assessed at 20% of its fair market value; residential property and vacant lots were assessed at 12% of fair market value; and all other property was assessed at 30% of fair market value. Farm machinery and equipment, merchants' and manufacturers' inventories, and livestock were exempt from property taxation.

In conjunction with the November, 1992 general election, Kansas voters approved a proposition to further modify the state constitution with respect to classification of property for ad valorem taxation. The modified classification provisions shall be effective for assessment and taxation of property on and after January 1, 1993 and each year thereafter. Property 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.

## Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the City for the following years:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2016	\$45,738,802	\$3,219,614	\$2,922,019	\$4,283,967	\$56,164,402
2017	50,992,532	3,088,044	2,939,002	4,357,038	61,376,616
2018	55,614,092	3,360,499	3,110,097	4,584,026	66,668,714
2019	63,211,114	3,121,583	3,301,700	4,825,223	74,459,620
2020	68,860,211	3,061,074	3,742,754	4,602,169	80,266,208
2021	76,014,421	2,948,832	3,968,253	4,954,321	87,885,827
2022	83,127,850	2,898,468	5,044,255	4,726,328	95,796,901
2023	92,015,494	2,919,126	5,161,499	4,830,843	104,926,962
2024	104,645,522	2,908,050	5,441,389	5,047,389	118,042,350
2025	115,811,321	3,164,138	5,508,737	5,520,232	130,004,428

*Source:* Unified Government

## Estimated Actual Valuation

Based on an average assessment percentage of 16%, 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>
2016	\$351,027,513
2017	383,603,850
2018	416,679,463
2019	465,372,625
2020	501,663,800
2021	549,286,419
2022	598,730,631
2023	655,793,513
2024	737,764,688
2025	812,527,675

## 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.

**Tax Rates:**

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 rating on the Bonds, or the general rating of the City. A change in the rating on the Bonds or a change in the general rating of the City may adversely impact the market price of the Bonds 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 following table shows the City's tax levies by fund (per \$1,000 of assessed valuation) for the years set forth below:

<u>Year</u>	<u>General Fund</u>	<u>Library Fund</u>	<u>G.O. Bonds</u>	<u>Cemetery</u>	<u>Total Levy</u>
2016/17	36.244	0.000	11.123	0.000	47.367
2017/18	35.316	0.000	10.838	0.000	46.154
2018/19	35.304	0.000	10.835	0.000	46.139
2019/20	35.303	0.000	10.584	0.000	45.887
2020/21	32.856	0.000	10.442	0.000	43.298
2021/22	31.856	0.000	10.442	0.000	42.298
2022/23	31.274	0.000	10.418	0.000	41.692
2023/24	30.522	0.000	10.418	0.000	40.940
2024/25	29.609	0.000	10.448	0.000	40.057
2025/26	25.940	0.000	10.485	0.000	36.425

**Source:** Unified Government

**Aggregate Tax Levies:**

The aggregate tax levies (per \$1,000 assessed valuation) of the City and overlapping jurisdictions for the years indicated are included in the following table:

<u>Year</u>	<u>City</u>	<u>Wyandotte County</u>	<u>School District #204</u>	<u>State</u>	<u>Other</u>	<u>Total Levy</u>
2016/17	47.367	38.813	62.659	1.500	33.395	183.734
2017/18	46.155	38.880	62.575	1.500	33.425	182.535
2018/19	46.139	39.011	60.568	1.500	33.543	180.761
2019/20	45.887	39.263	62.359	1.500	33.682	182.691
2020/21	43.298	39.327	60.911	1.500	33.556	178.592
2021/22	42.298	39.338	57.137	1.500	33.521	173.794
2022/23	41.692	37.328	52.138	1.500	33.498	166.156
2023/24	40.940	37.313	53.291	1.500	31.809	164.853
2024/25	40.057	33.459	52.695	1.500	28.522	156.233
2025/26	36.425	35.704	52.458	1.500	29.126	155.213

**Source:** Unified Government

**Tax Collection Record:**

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

<u>Tax Roll Year</u>	<u>Total Levy</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected</u>	
			<u>Amount</u>	<u>Percentage</u>
2016/17	47.367	\$2,457,421	\$2,382,566	96.95%
2017/18	46.155	2,631,723	2,581,504	98.09%
2018/19	46.139	2,864,619	2,854,879	99.66%
2019/20	45.887	3,195,289	3,186,023	99.71%
2020/21	43.298	3,276,144	3,313,933	101.15%
2021/22	42.298	3,547,548	3,460,268	97.54%
2022/23	41.692	3,806,945	3,697,460	97.12%
2023/24	40.940	4,097,969	4,070,522	99.33%
2024/25	40.057	4,256,391	4,547,138	106.83%
2025/26*	36.425	4,534,576	2,688,834	59.30%

\*Partial collections through 12/01/2025.

**Source:** Unified Government / Treasurer

**Major Taxpayers:**

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

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes to be Paid</u>
LINEAGE MASTER RE3, LLC	\$9,692,853	\$1,504,456.80
SNL EDWARDSVILLE KC TERMINAL, LLC	8,800,448	1,365,943.94
CITY OF EDWARDSVILLE KS	6,929,739	1,075,585.60
MOUNTAIN EDWARDSVILLE KS LLC	4,694,250	728,608.64
FASTENAL COMPANY	4,142,123	652,670.76
WPT 2440 MIDPOINT DRIVE, LLC	3,356,178	530,588.62
EVERGY KANSAS CENTRAL, INC	3,199,519	496,606.96
ISCO LLC	3,017,100	468,293.14
WPT 2401 MIDPOINT DRIVE LLC	2,911,425	451,891.02
MOUNTAIN INDUSTRIAL PROPERTIES LLC	2,817,651	437,336.06

**Source:** Unified Government

## Pension and Employee Retirement Plans

The City 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 June 30, 2024, KPERs serves approximately 346,000 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 more than 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 2023 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 9.71% 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 City is a member, carried an unfunded accrued actuarial liability (“UAAL”) of approximately \$2.173 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 [www.kspers.gov/about/reports](http://www.kspers.gov/about/reports). The City 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 2024 Valuation Report sets the employer contribution rate for the period beginning January 1, 2027, for the KPERs Local Group, and KPERs’ actuaries identified that an employer contribution rate of 9.44% 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

### Debt Summary

The following table summarizes certain key statistics with respect to the Issuer's general obligation debt, including the Bonds:

Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations <sup>(1)</sup> .....	\$130,004,428
Estimated Actual Valuation .....	\$812,527,675
Outstanding General Obligation Debt <sup>(2)</sup> .....	\$28,605,000
Net Overlapping Indebtedness .....	\$44,554,241
Direct Debt Per Capita (Population = 4,748) .....	\$6,024.64
Direct and Net Overlapping Debt Per Capita .....	\$15,408.43
Direct Debt as a Percentage of Assessed Valuation .....	22.00%
Direct Debt as a Percentage of Estimated Actual Valuation .....	3.52%
Direct and Net Overlapping Debt as a Percentage of Assessed Valuation .....	56.27%
Direct and Net Overlapping Debt as a Percentage of Estimated Actual Valuation .....	9.00%

<sup>(1)</sup> See "Property Valuations" *infra*

<sup>(2)</sup> Includes all outstanding Temporary Notes and Bonds, including this issuance. Preliminary, subject to change.

### Current Indebtedness of the Issuer

The following table sets forth as of the date of issuance of the Bonds all of the outstanding obligations of the Issuer:

#### GENERAL OBLIGATION BONDS

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Refunding & Improvement Bonds	2013	5/15/2013	\$6,140,000	\$220,000
General Obligation Bonds	2015	8/12/2015	1,535,000	310,000
General Obligation Bonds	2019	7/15/2019	3,760,000	3,085,000
General Obligation Bonds	2020	10/15/2020	2,475,000	2,035,000
General Obligation Bonds <sup>(1)</sup>	2026	6/4/2026	3,750,000	<u>3,750,000</u>
			Total =	<u>\$9,400,000</u>

<sup>(1)</sup> This issue. Preliminary, subject to change.

#### GENERAL OBLIGATION TEMPORARY NOTES

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Temporary Notes <sup>(1)</sup>	2023	11/14/2023	\$5,075,000	\$3,205,000
General Obligation Temporary Notes	2025	3/20/2025	16,000,000	<u>16,000,000</u>
			Total =	<u>\$19,205,000</u>

<sup>(1)</sup> Excludes \$1,870,000 to be redeemed by this issuance.

**SPECIAL OBLIGATION REVENUE BONDS**

While the City is the issuer of the bonds noted below, each series of bonds is supported solely by the economic development district benefitting from the issuance of such bonds and is not secured by any general obligation or annual appropriation pledge by the City.

<u>Purpose</u>	<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
CID – Village South CID 2	2019A	10/30/2019	\$745,000	\$745,000
CID – Village South CID 2	2019B	10/30/2019	875,000	875,000
Transient Guest Tax – Village South	2019	10/30/2019	10,655,000	6,947,200
TIF – Village South TIF 2	2019	10/30/2019	11,005,000	<u>11,005,000</u>
			Total =	<u>\$19,572,200</u>

The four series of special obligation revenue bonds reflected above are currently in default. Notices of such default, and the circumstances relating thereto, have been posted to EMMA under the following 6-digit base CUSIP numbers: 281863A, 281866A, and 281867A.

**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.

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding<sup>(1)</sup></u>
Capital Lease-Ferrara Fire Truck	2018	10/5/2029	\$695,565	\$309,893
Capital Lease-Ambulance	2021	10/1/2025	232,636	48,537
Capital Lease-Variou s Vehicles	2024	7/31/2026	429,441	285,866
Capital Lease- Police Dept	2023	7/07/2025	164,211	<u>56,201</u>
			Total =	<u>\$700,497</u>

<sup>(1)</sup> Amounts outstanding are as of 12/31/2024.

**STATE REVOLVING FUND LOANS**

The City does not have any outstanding state revolving fund/loans.

**REVENUE OBLIGATIONS**

The City does not have any outstanding utility system revenue bonds.

**PUBLIC BUILDING COMMISSION BONDS**

The Public Building Commission does not have any outstanding bonds.

## Overlapping Indebtedness

The following table sets forth overlapping indebtedness, and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Assessed Valuation</u>	<u>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>
Wyandotte County	\$2,338,086,768	\$10,525,000	5.32%	\$559,930	\$559,930
U.S.D. No. 204 (Bonner Springs) <sup>(1)</sup>	351,001,139	34,975,000	35.47%	12,405,633	12,405,633
U.S.D. No. 500 (Kansas City) <sup>(2)</sup>	1,358,211,990	422,210,000	9.17%	<u>38,716,657</u>	<u>31,588,678</u>
			Total =	<u>\$51,682,220</u>	<u>\$44,554,241</u>

**Source:** County Clerk

<sup>(1)</sup> For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 1% of debt service for the School District's bonds; for bonds approved by voters after July 1, 2015, the State of Kansas will pay 0% of debt service for the School District's bonds.

<sup>(2)</sup> For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 70% of debt service for the School District's bonds; for bonds approved by voters after July 1, 2015 but before July 1, 2022 the State of Kansas will pay 15% of debt service for the School District's bonds, and for bonds approved by voters after July 1, 2022 the State of Kansas will pay for 23% of debt service for the School District's bonds.

## Future Indebtedness

The City expects to issue additional general obligation notes/bonds in 2027.

**APPENDIX B**

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



**CITY OF EDWARDSVILLE, KANSAS**

**Financial Statements for the  
Year December 31, 2024  
And Independent Auditors' Report**

# CITY OF EDWARDSVILLE, KANSAS

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council  
City of Edwardsville, Kansas

### *Adverse and Unmodified Opinions*

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Edwardsville, Kansas (City), as of and for the year ended December 31, 2024 and the related notes to the financial statement.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2024, or changes in financial position and cash flows thereof for the year then ended.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### *Basis for Adverse and Unmodified Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

#### *Matter Giving Rise to Adverse Opinion on U.S. General Accepted Accounting Principles*

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial 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 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 GAAS, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis

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

The 2023 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The City’s basic financial statement for the year ended December 31, 2023 (not presented herein), was audited by other auditors whose report dated April 17, 2024, expressed an unmodified opinion on the basic financial statement. The 2023 basic financial statement and the other auditor’s report are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services>. The report of the other auditors dated April 17, 2024 stated that the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended December 31, 2023 was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2023, on the basis of accounting described in Note 1.

*Michael D. Peroo, CPA, PA*

Olathe, Kansas

June 19, 2025

*Michael D. Peroo, CPA*

Michael D. Peroo, CPA, PA

In Charge of and Actively  
Engaged on this Audit

**CITY OF EDWARDSVILLE, KANSAS**

**SUMMARY OF CASH RECEIPTS AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2024**

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Fund	\$ 875,281	\$ 7,932,406	\$ 7,336,142	\$ 1,471,545	\$ 68,838	\$ 1,540,383
Special Revenue Funds:						
Special Highway Fund	449,432	678,886	463,938	664,380		664,380
Special Parks and Recreation Fund	8,164	13,995	17,086	5,073	330	5,403
Economic Development Fund	318,270	2,000	15,000	305,270		305,270
Special Sales Tax Fund	313,333	527,794	454,907	386,220		386,220
Special Events Fund	428	-	428	-		-
Transient Guest Tax Fund	20,228	2,630	-	22,858		22,858
Technology Fund	21,599	39,571	61,170	-	1,671	1,671
Law Enforcement Trust Fund	24,011	23,815	28,081	19,745		19,745
Cemetery Fund	31,572	8,650	9,200	31,022	1,600	32,622
Governmental Grants Fund	677,760	1,846,622	977,541	1,546,841	53,893	1,600,734
Opioid Settlement Fund	10,431	-	-	10,431		10,431
Community Improvement District Fund	18,793	20,297	2,723	36,367		36,367
Tax Increment Financing Fund	215,960	-	1,056	214,904		214,904
Municipal Equipment Reserve Fund	104,082	680,602	488,160	296,524	11,143	307,667
Capital Project Funds:						
Capital Improvement Program Fund	62,381	-	-	62,381		62,381
Riverview Crossroads Fund	194,056	1,996	3,943	192,109		192,109
Property Acquisitions Fund	445,379	4,622	-	450,001		450,001
Towne Center Fund	845,467	165,749	227,682	783,534		783,534
4th Street Improvements Fund	322,613	3,348	-	325,961		325,961
98th Street Improvements Fund	15,189	301,071	253,011	63,249		63,249
Street and Drainage Improvements Fund	116,020	1,469	14,276	103,213		103,213
Kansas and Richland Street Improvements	3,596,325	32,029	738,765	2,889,589		2,889,589
Enterprise Funds:						
Sewer Fund	552,488	721,913	758,354	516,047	31,909	547,956
Solid Waste Fund	51,838	248,947	257,518	43,267	489	43,756
Debt Service Funds:						
Bond and Interest Fund	<u>685,655</u>	<u>1,170,858</u>	<u>1,149,375</u>	<u>707,138</u>		<u>707,138</u>
Total Reporting Entity	<u>\$ 9,976,755</u>	<u>\$ 14,429,270</u>	<u>\$ 13,258,356</u>	<u>\$ 11,147,669</u>	<u>\$ 169,873</u>	<u>\$ 11,317,542</u>
Less transfers		<u>751,790</u>	<u>751,790</u>			
Net Receipts and Expenditures		<u><u>13,677,480</u></u>	<u><u>12,506,566</u></u>			

COMPOSITION OF CASH:

Petty Cash	\$ 550
Bank Midwest Checking	5,299,336
Bank Midwest CD	15,856
UBT	6,067,638
Total Cash and Certificates of Deposit	<u>11,383,380</u>
Agency Funds per Schedule 3	(65,838)
Total Reporting Entity (excluding Agency Funds)	<u><u>\$ 11,317,542</u></u>

# CITY OF EDWARDSVILLE, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Edwardsville, Kansas (City) are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2024.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special revenue funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Capital project funds – to account for major capital expenditures not financed by other funds.

Debt service funds – to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- b. Basis of Accounting - These financial statements are presented on a basis of accounting that demonstrates compliance with the regulatory basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles.

- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation that shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General

fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by 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 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 municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20<sup>th</sup> and not later than September 20<sup>th</sup>, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1<sup>st</sup> but may not be adopted prior to the revenue neutral rate hearing. The municipality did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statute permits transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, reserve funds, trust funds and certain special purpose funds.

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

In accordance with K.S.A. 79-2929a and amendments thereto, the City amended its 2024 budget to reflect necessary adjustments to the Technology and Special Highway Funds on December 16, 2024, as required by law.

e. Component units -

The component units are reported separately to emphasize that they are legally separate from the City. The City is not aware of any component units at December 31, 2024.

f. Comparative Amounts -

The amounts shown for the year ended December 31, 2023 in the accompanying financial statements are included to provide a basis for comparison with 2024 and are not intended to present all information necessary for a fair presentation in accordance with the regulatory basis and budget laws of the State of Kansas.

2. TAXES

The City collects the following taxes from the city, state and county:

**Property Taxes** – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads 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 following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following May 10.

**Motor Vehicle Taxes** – Since 1981, most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles from 30% to 20% of market value.

**Sales Tax** – On January 1, 2015, the City under Ordinance No. 938, levied a City-wide retailers' sales tax at the rate of .50%. The tax will be used for the improvement and maintenance of the public streets, city parks, and fire equipment. The City established Special Sales Tax Fund to account for the sales tax. In 2024, the City received \$527,794 from the sales tax. The sales tax was renewed for another 10 years beginning in 2025.

**Gaming Tax** – Casinos gaming operations are state-owned and managed under the Kansas Expanded Lottery Act. Private entities operate these casinos under contract, and the revenues generated are distributed among state and local governments. The Hollywood Casino at Kansas Speedway allocates 3% of its gaming revenues to Wyandotte County.

In 2024, the City received the following from city, county and state taxes:

	<b>General</b>	<b>Bond &amp; Interest</b>	<b>Special Highway</b>	<b>Special Parks</b>
Property Taxes	\$ 3,001,833	\$ 1,024,570	\$	\$
Delinquent Taxes	26,813	8,773		
Motor Vehicle Taxes	166,399	55,430		
Payment in Lieu of Taxes	238,610	81,396		
State Highway Aid			126,240	
Gaming Taxes	503,286			
Sales Taxes	2,259,535			
Local Alcohol Taxes	3,896			3,895
	<u>\$ 6,200,372</u>	<u>\$ 1,170,169</u>	<u>\$ 126,240</u>	<u>\$ 3,895</u>

The assessed valuations in 2024 and 2023 were \$100,091,192 and \$91,070,573 respectively, which were used to determine the mill levy for 2024 and 2023.

The mill levy's were 40.942 and 41.692 for 2024 and 2023 for the following funds:

	<b>2024</b>	<b>2023</b>
General	30.524	31.274
Bond & Interest	<u>10.418</u>	<u>10.418</u>
	<u>40.942</u>	<u>41.692</u>

### 3. DEPOSITS

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak period."

At year-end, the carrying amount of the City’s cash balance was \$11,452,403 and the bank balances were \$11,587,194. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City’s name.

The following represents information regarding deposit interest bearing accounts:

Under K.S.A. 12-1675, the City is limited to investment of idle funds.

		Interest Rate	Amount
Union Bank & Trust	Money Market	4.60%	\$ 6,067,638
Bank Midwest	Operating	0.50%	355,255
Bank Midwest	GO Bond	2.75%	4,863,275
Bank Midwest	Cemetery CD	0.00%	15,856
			\$ 11,302,024

4. UTILITIES

The City provides sewer and solid waste utility services. The services are billed every two months. The City generates the utility bills on the 12<sup>th</sup> of each even month. The bills are due by the 20<sup>th</sup> of the following month.

Sewer bills are comprised of a base rate and a variable rate. The sewer variable rate is based on the average water usage for the months of December, January and February (winter use). The sewer bill is calculated by multiplying the winter use average by the variable usage rate set by the council and adding the base rate. For new accounts the sewer bill is \$48.53 a month, or \$97.06 every two months. The average water usage that impacts sewer bills is reset each year beginning with the April 12<sup>th</sup> billing. The sewer monthly base rate at December 31, 2024 was \$24.95 for residential customers and \$28.95 for commercial customers. The variable usage rate at December 31, 2024 was \$3.93 for residential customers and \$4.53 for commercial customers.

The solid waste rate for residential customers was \$21.25 per month at December 31, 2024.

## 5. LONG-TERM DEBT

The City's long-term debt is comprised of general obligation bonds to finance various infrastructure improvements and finance leases to finance variance vehicles. The general obligation bonds are backed by the full faith and credit of the City at large and City's inherent power to levy general ad valorem taxes.

### Changes in Long-Term Debt:

	<u>Payable at</u> <u>12/31/2023</u>	<u>Advances</u>	<u>Payments</u>	<u>Payable at</u> <u>12/31/2024</u>
GO Bonds, Series 2013	\$ 640,000	\$	\$ 260,000	\$ 380,000
GO Bonds, Series 2015	515,000		150,000	365,000
GO Bonds, Series 2019	3,440,000		175,000	3,265,000
GO Bonds, Series 2020	<u>2,260,000</u>		<u>110,000</u>	<u>2,150,000</u>
Total GO Bonds	6,855,000		695,000	6,160,000
Temporary Notes:				
GO Temporary Notes	5,075,000			5,075,000
Finance Leases:				
2017 Ferrara Fire Truck	381,276		71,383	309,893
2021 Ambulance	95,670		47,133	48,537
2022 Police Vehicles	32,064		32,064	
Various Vehicles		429,441	143,575	285,866
2023 Police Vehicles	<u>110,179</u>		<u>53,978</u>	<u>56,201</u>
	<u>619,189</u>	<u>429,441</u>	<u>348,133</u>	<u>700,497</u>
	<u>\$ 12,549,189</u>	<u>\$ 429,441</u>	<u>\$ 1,043,133</u>	<u>\$ 11,935,497</u>
Interest Payments:				
GO Bonds			\$ 188,642	
GO Temporary Note			265,733	
Finance Leases			<u>31,782</u>	
			<u>\$ 486,157</u>	
Total Debt Service:				
Bond & Interest Fund			\$ 1,149,375	
Municipal Equipment Fund			<u>379,915</u>	
			<u>\$ 1,529,290</u>	

### General Obligation Bonds

In 2013, the City issued General Obligation Bonds, Series 2013, in the amount of \$6,140,000 (\$380,000 outstanding at December 31, 2024). The purpose of the bonds was to refinance an outstanding Kansas Department of Health and Environmental loan related to a sewer project and to refinance a 2012 a temporary note. The City will make principal payments from \$70,000 to \$770,000 through December 1, 2028. The interest rate ranges from 2.00% to 2.45%.

In August 2015, the City issued General Obligation Bonds, Series 2015, in the amount of \$1,535,000 (\$365,000 outstanding at December 31, 2024). The purpose of the bonds was to finance various main trafficway and trafficway connection improvements. The City will make annual principal payments ranging from \$65,000 to \$150,000 through December 1, 2030. The interest rate is 3.00%.

In July 2019, the City issued General Obligation Bonds, Series 2019, in the amount of \$3,760,000 (\$3,265,000 outstanding at December 31, 2024). The purpose of the bonds was to finance various infrastructure improvements. The City will make annual principal payments ranging from \$150,000 to \$260,000 through December 1, 2039. The interest rate ranges from 3.00% to 4.00%.

In October 2020, the City issued General Obligation Bonds, Series 2020, in the amount of \$2,475,000 (\$2,150,000 outstanding at December 31, 2024). The purpose of the bonds was to finance the improvements of various streets. The City will make annual principal payments ranging from \$100,000 to \$160,000 through December 1, 2040. The interest rate ranges from 1.200% to 3.00%.

In November 2023, the City issued General Obligation Temporary Notes, Series 2023 in the amount of \$5,075,000 (\$5,075,000 outstanding at December 31, 2024). The purpose of the notes was to finance various street improvements. The notes mature June 1, 2027. Interest is at 5.00% and paid semi annually beginning June 1, 2024.

Principal and interest payments for the general obligation bonds are as follows:

<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 510,000	\$ 168,643	\$ 678,643
2026	440,000	153,143	593,143
2027	445,000	138,505	583,505
2028	445,000	123,668	568,668
2029	385,000	110,703	495,703
2030	400,000	200,905	600,905
2031	350,000	182,105	532,105
2032	350,000	166,100	516,100
2033	360,000	150,095	510,095
2034	360,000	131,825	491,825
2035	370,000	112,430	482,430
2036	385,000	92,130	477,130
2037	395,000	70,780	465,780
2038	405,000	48,640	453,640
2039	410,000	18,780	428,780
2040	150,000	5,100	155,100
	<u>\$ 6,160,000</u>	<u>\$ 1,873,552</u>	<u>\$ 8,033,552</u>

## Finance Leases

The City entered into a lease agreement with BMW in 2022 for two 2022 Ford Utility Police Vehicles and Equipment for \$95,088. The City will make annual payments of \$32,917 beginning July 1, 2022 and ending July 1, 2024. The interest rate is 2.63%.

The City entered into a lease agreement with Truist Government Finance for a 2018 Ferrara Fire Truck for \$695,565. The City will make \$85,453 annual payments beginning October 5, 2018 ending October 5, 2029. The interest rate is 3.92%

The City entered into a lease agreement with BMW in 2024 for two 2024 Ford F-250, three 2023 Ford Police Interceptors, and one 2024 Ford F-550 for \$429,441. The City will make annual payments of \$154,200 beginning July 31, 2024 and ending July 31, 2026. The interest rate is 5.19%.

The City entered into a lease agreement with Union Bank and Trust for a 2023 Police Vehicles for \$164,211. The City will make annual payments of \$58,517 beginning July 7, 2023 and ending July 7, 2025. The interest rate is 4.12%.

The City entered into a lease agreement with Union Bank and Trust for a 2021 Ambulance for \$232,636. The City will make annual payments of \$49,992 beginning October 1, 2021 and ending October 1, 2025.

Annual lease payments subsequent to December 31, 2024 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 317,408	\$ 30,754	\$ 348,162
2026	222,680	16,877	239,557
2027	79,164	6,288	85,452
2028	81,245	3,185	84,430
	<u>\$ 700,497</u>	<u>\$ 57,104</u>	<u>\$ 757,601</u>

## 6. CONDUIT DEBT OBLIGATIONS

The City issued Industrial Revenue Bonds for the capital needs of unrelated parties. The principal and interest payments on the bonds are payable solely from funds generated from leases, etc., from such unrelated parties. Accordingly, the bonds and related leases, etc., are not recorded in the City's accounts. As of December 31, 2024, there were 11 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$80 million.

## 7. RISK MANAGEMENT

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

## 8. CONTRACTS

In July 2024 the City entered into an agreement with Professional Engineering Consultants to provide on-call land use planning services a period of one year not to exceed \$3,600 per month unless warranted and approved by the City Manager. The agreement is renewable at the end of the term.

In August 2024 the City entered into an agreement with Lamp Rynearson Inc for stormwater management plan services for a period of ten months.

In December 2024 the City entered into an agreement with Professional Engineering Consultants PA for on-call engineering services. The agreement is for a period of one year with automatic renewals.

## 9. PENSION PLAN

### General Information about the Pension Plan

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414 (h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2024.

The contribution requirement for the year ended December 31, 2024 was \$146,147 for KPERS which consisted of \$53,683 and \$92,464 from the employee and City, respectively. The City also contributed \$8,947 for insurance.

The contribution requirement for the year ended December 31, 2024 was \$796,552 for KP&F which consisted of \$174,874 and \$621,678 from the employee and City, respectively.

## Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was \$770,734 and \$5,443,931 for KP&F. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## 10. COMPENSATED ABSENCES FOR EMPLOYEES

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

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

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

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

## 11. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Technology	K.S.A 12-1,118	\$ 29,900
Special Sales Tax	Municipal Equipment	K.S.A 12-1,117	233,512
General	Municipal Equipment	K.S.A 12-1,117	142,950
Sewer	Municipal Equipment	K.S.A 12-1,117	17,000
Sewer	General	K.S.A 12-825d	28,000
KS and Richland	98th Street	Council	300,000
Special Events	Special Parks	Council	428
			<u>\$ 751,790</u>

## 12. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of sewer and solid waste to customers located in Wyandotte County in Kansas. The City grants credit to those customers and requires no collateral.

13. RELATED PARTY TRANSACTIONS

In 2024 there were no material transactions with related parties.

14. CAPITAL PROJECTS

The following represents the capital improvement expenditures in 2024, excluding transfers:

<u>Project</u>	<u>Capital</u> <u>Improvement</u>
Riverview Crossroads	\$ 3,943
Towne Center	227,682
98th Street	253,011
Street and Drainage	14,276
Kansas and Richland	438,765
Totals	<u>\$ 937,677</u>

15. ADEQUACY OF UTILITY RATES

To determine whether the City was charging adequate rates for sewer and solid waste we calculated the operating ratio. The target minimum for this ratio is 1.20. The City uses these ratios to facilitate management in measuring the adequacy of the rates. There is no penalty for falling below these benchmarks.

The Operating Ratio for the following funds is as follows:

	Sewer	Solid Waste
Operating Revenues	\$ 721,912	\$ 248,947
Operating Expenses	<u>\$ 705,812</u>	<u>\$ 257,518</u>
Operating Ratio	<u>1.02</u>	<u>0.97</u>

16. COMPLIANCE

Kansas statutes require that fixed budgets be legally adopted for special revenue and enterprise funds. Actual expenditures compared to budgeted expenditures are included within this report

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations,

In October 2023, the Internal Revenue Service notified the City of its intention to examine its federal tax filings for the tax years 2021 and 2022. The Internal Revenue Service determined the City failed and timely furnish certain tax forms, erroneously classified employees as contract workers, and submitted a tax credit to which the City was not entitled. The City Council approved \$130,000 for payment of taxes and penalties.

In 2023, Kansas Department of Transportation (KDOT) launched the stormwater management program to regulate pollutants in stormwater runoff. On July 10, 2024, Kansas Department of Health and Environment conducted an onsite evaluation. They deemed the City out of compliance. As a result, the City is required to submit an updated stormwater management document along with the annual report by February 28, 2025. The City contracted with a third-party to assist in the reporting and compliance.

## 17. SUBSEQUENT EVENTS

In preparing the financial statements, and according to ASC 855, Subsequent Events, the City has evaluated events and transactions for potential recognition or disclosure through June 19, 2025, the date the financial statements were available to be issued.

The following represents significant events subsequent to December 31, 2024:

The City Council passed ordinance 1080 levying a special purpose retailers sales tax of one-half of one percent (.05%) within the City. The purpose of the sales tax is to fund the principal and interest payments on general obligation bonds for the municipal facility expansion. The sales tax will take effect on April 1, 2025. There are no events or transactions that require adjustment to or disclosure in these financial statements.

The City Council adopted resolution 2024-14, general obligation temporary notes, series 2025, for \$16,000,000 to be closed on March 20, 2025. The expected rate is 3.5%.

The City Council approved the purchase of two police vehicles 2025 For F150. Total costs of the vehicles is \$119,289 expected delivery is spring 2025.

Fastenal has submitted an application for Industrial Revenue Bonds and property tax abatement for the construction of a new 50,000 sq ft expansion of its existing facility. The resolution will expire December 2025.

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**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 1**

**SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

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	<u>Total Expenditures</u>	<u>Total Budget</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund	\$ 7,336,142	\$ 8,853,930	\$ 1,517,788
Special Revenue Funds:			
Special Highway Fund	463,938	725,000	261,062
Special Parks and Recreation Fund	17,086	20,700	3,614
Economic Development Fund	15,000	70,000	55,000
Special Sales Tax Fund	454,907	591,512	136,605
Technology Fund	61,170	65,000	3,830
Enterprise Funds:			
Sewer Fund	758,354	861,015	102,661
Trash Fund	257,518	269,707	12,189
Debt Service Funds:			
Bond and Interest Fund	<u>1,149,375</u>	<u>2,098,243</u>	<u>948,868</u>
Total Budgeted Funds	<u>\$ 10,513,490</u>	<u>\$ 13,555,107</u>	<u>\$ 3,041,617</u>

CITY OF EDWARDSVILLE, KANSAS

SCHEDULE 2A

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS

YEAR ENDING DECEMBER 31, 2024

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>	<u>2024</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Ad Valorem Tax	\$ 2,831,325	\$ 3,028,646	\$ 3,113,971	\$ (85,325)
Motor Vehicle Tax	166,068	166,399	165,258	1,141
Sales Tax	2,016,484	2,259,536	2,198,095	61,441
State Alcohol Tax		3,896	3,368	528
Payment in lieu of	249,270	238,610	199,358	39,252
Franchise Fees	557,328	592,826	565,000	27,826
Gaming	439,141	503,286	450,000	53,286
License Permits and Fees	80,408	122,670	74,450	48,220
Municipal Court	572,155	566,716	661,500	(94,784)
Ambulance	129,295	197,468	-	197,468
Parks and Recreation Fees	27,264	24,867	36,600	(11,733)
Reimbursed Expense	25,984	15,425	-	15,425
Miscellaneous	81,092	86,237	155,200	(68,963)
Transfer	25,000	28,000	25,000	3,000
Interest on Idle Funds	28,950	97,824	25,000	72,824
Total Cash Receipts	<u>7,229,764</u>	<u>7,932,406</u>	<u>\$ 7,672,800</u>	<u>\$ 259,606</u>
<b>CASH EXPENDITURES:</b>				
General Administration	1,233,204	1,304,096	\$ 1,259,209	\$ (44,887)
Fire Department and Emergency Medical Ser	2,268,430	2,358,340	2,458,835	100,495
Police Department	2,672,716	2,491,309	2,774,627	283,318
Municipal Court	391,097	408,892	383,066	(25,826)
Public Works	407,442	418,118	490,782	72,664
Parks and Recreation	301,745	325,987	298,248	(27,739)
Community Center	27,617		22,264	22,264
Transfers to Other Funds	27,398	29,400	-	(29,400)
Contingency Reserve			1,166,899	1,166,899
Total Cash Expenditures	<u>7,329,649</u>	<u>7,336,142</u>	<u>\$ 8,853,930</u>	<u>\$ 1,517,788</u>
Receipts over (under) Expenditures	(99,885)	596,264		
<b>CASH, BEGINNING BALANCE</b>	<u>975,166</u>	<u>875,281</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 875,281</u>	<u>\$ 1,471,545</u>		

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2B**

**SPECIAL HIGHWAY FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS**

**YEAR ENDING DECEMBER 31, 2024**

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>	<u>2024</u> <u>Budget</u>	<b>Variance</b> <b>Favorable</b> <b>(Unfavorable)</b>
<b>CASH RECEIPTS:</b>				
State Special Highway Tax	\$ 125,199	\$ 126,240	\$ 121,630	\$ 4,610
County Special Highway Tax	101,862	88,093	76,540	11,553
Miscellaneous	148,389	464,553	375,000	89,553
Total Cash Receipts	<u>375,450</u>	<u>678,886</u>	<u>\$ 573,170</u>	<u>\$ 105,716</u>
<b>CASH EXPENDITURES:</b>				
Materials and services	48,467	463,938	\$ 425,000	\$ (38,938)
Capital outlay	-	-	300,000	300,000
Total Cash Expenditures	<u>48,467</u>	<u>463,938</u>	<u>\$ 725,000</u>	<u>\$ 261,062</u>
Receipts over expenditures	326,983	214,948		
<b>CASH, BEGINNING BALANCE</b>	<u>122,449</u>	<u>449,432</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 449,432</u>	<u>\$ 664,380</u>		

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2C**

**SPECIAL AND RECREATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>	<u>2024</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
State alcohol tax	\$ 4,585	\$ 3,895	\$ -	\$ 3,895
Sponsorships	-	10,100	23,500	(13,400)
Total Cash Receipts	<u>4,585</u>	<u>13,995</u>	<u>\$ 23,500</u>	<u>\$ (9,505)</u>
<b>CASH EXPENDITURES:</b>				
Contractual Services	-	12,216	\$ 14,200	\$ 1,984
Commodities	-	-	6,500	6,500
Capital Outlay	-	4,870	-	(4,870)
Total Cash Expenditures	<u>-</u>	<u>17,086</u>	<u>\$ 20,700</u>	<u>\$ 3,614</u>
Receipts over (under) Expenditures	4,585	(3,091)		
<b>CASH, BEGINNING BALANCE</b>	<u>3,579</u>	<u>8,164</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 8,164</u>	<u>\$ 5,073</u>		

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2D**

**ECONOMIC DEVELOPMENT FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS**

**YEAR ENDING DECEMBER 31, 2024**

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2024 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Miscellaneous	\$ -	\$ 2,000	\$ -	\$ 2,000
Total Cash Receipts	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<b>CASH EXPENDITURES:</b>				
Economic development	<u>19,775</u>	<u>15,000</u>	<u>\$ 70,000</u>	<u>\$ 55,000</u>
Total Cash Expenditures	<u>19,775</u>	<u>15,000</u>	<u>\$ 70,000</u>	<u>\$ 55,000</u>
Receipts under Expenditures	(19,775)	(13,000)		
<b>CASH, BEGINNING BALANCE</b>	<u>338,045</u>	<u>318,270</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 318,270</u>	<u>\$ 305,270</u>		

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2E**

**SPECIAL SALES TAX FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2024 Budget</u>	<b>Variance Favorably (Unfavorably)</b>
<b>CASH RECEIPTS:</b>				
Retail sales and use taxes	\$ 455,973	\$ 527,794	\$ 508,110	\$ 19,684
Total Cash Receipts	<u>455,973</u>	<u>527,794</u>	<u>508,110</u>	<u>19,684</u>
<b>CASH EXPENDITURES:</b>				
Capital Outlay				
Fire department	199,529	31,483	\$ 366,512	\$ 335,029
Public works	133,183	86,491	100,000	13,509
Highways and streets	42,876	-	-	-
Parks and recreation	47,623	27,299	125,000	97,701
Equipment	-	76,122	-	(76,122)
Transfer to other funds	-	233,512	-	(233,512)
Total Cash Expenditures	<u>423,211</u>	<u>454,907</u>	<u>\$ 591,512</u>	<u>\$ 136,605</u>
Receipts over Expenditures	32,762	72,887		
	-			
<b>CASH, BEGINNING BALANCE</b>	<u>280,571</u>	<u>313,333</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 313,333</u>	<u>\$ 386,220</u>		

**CITY OF EDWARDSVILLE, KANSAS****SCHEDULE 2F****SPECIAL EVENTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURE - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Sponsorship and vendor fees	\$ 14,990	\$ -
	<u>14,990</u>	<u>-</u>
<b>CASH EXPENDITURES:</b>		
Culture and recreation	16,944	-
Transfer to Special Park and Recreation Fund	<u>          </u>	<u>428</u>
Total Cash Expenditures	<u>16,944</u>	<u>428</u>
Receipts under Expenditures	(1,954)	(428)
<b>CASH, BEGINNING BALANCE</b>	<u>2,382</u>	<u>428</u>
<b>CASH, ENDING BALANCE</b>	\$ <u><u>428</u></u>	\$ <u><u>          </u></u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2G**

**TRANSIENT GUEST TAX FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Transient guest tax	\$ 1,752	\$ 2,630
Total Cash Receipts	<u>1,752</u>	<u>2,630</u>
<b>CASH EXPENDITURES:</b>		
General administration	<u>-</u>	<u>-</u>
Total Cash Expenditures	<u>-</u>	<u>-</u>
Receipts over Expenditures	1,752	2,630
<b>CASH, BEGINNING BALANCE</b>	<u>18,476</u>	<u>20,228</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 20,228</u>	<u>\$ 22,858</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2H**

**TECHNOLOGY FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2024 Budget</u>	<b>Variance Favorably (Unfavorably)</b>
<b>CASH RECEIPTS:</b>				
Technology fee	\$ 13,432	\$ 9,671	\$ 15,000	\$ (5,329)
Transfers from other funds	110,000	29,900	15,000	14,900
Total Cash Receipts	<u>123,432</u>	<u>39,571</u>	<u>\$ 30,000</u>	<u>\$ 9,572</u>
<b>CASH EXPENDITURES:</b>				
Contractual	138,875	51,161	\$ 65,000	\$ 13,839
Equipment	24	5,051	-	(5,051)
Transfers to other funds	-	4,958	-	(4,958)
Total Cash Expenditures	<u>138,899</u>	<u>61,170</u>	<u>\$ 65,000</u>	<u>\$ 3,830</u>
Receipts under Expenditures	(15,467)	(21,599)		
<b>CASH, BEGINNING BALANCE</b>	<u>37,066</u>	<u>21,599</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 21,599</u>	<u>\$ -</u>		

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2I**

**LAW ENFORCEMENT TRUST FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
State grants	\$ 21,467	\$ 11,833
Confiscations		11,982
Total Cash Receipts	<u>21,467</u>	<u>23,815</u>
<b>CASH EXPENDITURES:</b>		
Contractual	-	-
Commodities	<u>8,832</u>	<u>28,081</u>
Total Cash Expenditures	<u>8,832</u>	<u>28,081</u>
Receipts over (under) Expenditures	12,635	(4,266)
<b>CASH, BEGINNING BALANCE</b>	<u>11,376</u>	<u>24,011</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 24,011</u>	<u>\$ 19,745</u>

**CITY OF EDWARDSVILLE, KANSAS****SCHEDULE 2J****CEMETARY FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS****YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
<b>CASH RECEIPTS:</b>		
Fees for services	\$ 14,985	\$ 8,635
Interest	16	15
Total Cash Receipts	<u>15,001</u>	<u>8,650</u>
<b>CASH EXPENDITURES:</b>		
Contractual	11,884	8,850
Refunds		350
Total Cash Expenditures	<u>11,884</u>	<u>9,200</u>
Receipts over (under) Expenditures	3,117	(550)
	-	
<b>CASH, BEGINNING BALANCE</b>	<u>28,455</u>	<u>31,572</u>
<b>CASH, ENDING BALANCE</b>	<u><u>\$ 31,572</u></u>	<u><u>\$ 31,022</u></u>

**CITY OF EDWARDSVILLE, KANSAS****SCHEDULE 2K****GOVERNMENTAL GRANTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
<b>CASH RECEIPTS:</b>		
Grants	\$ 357,394	\$ 1,835,494
Reimbursements		11,128
Total Cash Receipts	<u>357,394</u>	<u>1,846,622</u>
<b>CASH EXPENDITURES:</b>		
Public Safety	364,243	977,541
Transfers to other funds	95,000	-
Total Cash Expenditures	<u>459,243</u>	<u>977,541</u>
Receipts over (under) Expenditures	(101,849)	869,081
<b>CASH, BEGINNING BALANCE</b>	<u>779,609</u>	<u>677,760</u>
<b>CASH, ENDING BALANCE</b>	<u><u>\$ 677,760</u></u>	<u><u>\$ 1,546,841</u></u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2L**

**OPIOID SETTLEMENT FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Grant	\$ 10,431	\$ _____
Total Cash Receipts	10,431	-
<b>CASH EXPENDITURES:</b>		
Public safety	-	-
Total Cash Expenditures	-	-
Receipts over Expenditures	10,431	-
<b>CASH, BEGINNING BALANCE</b>	-	10,431
<b>CASH, ENDING BALANCE</b>	\$ <u>10,431</u>	\$ <u>10,431</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2M**

**COMMUNITY IMPROVEMENT DISTRICT FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
<b>CASH RECEIPTS:</b>		
Retail sales tax	\$ 18,010	\$ 20,297
Total Cash Receipts	<u>18,010</u>	<u>20,297</u>
<b>CASH EXPENDITURES:</b>		
Contractual	<u>8,694</u>	<u>2,723</u>
Total Cash Expenditures	<u>8,694</u>	<u>2,723</u>
Receipts over Expenditures	9,316	17,574
<b>CASH, BEGINNING BALANCE</b>	<u>9,477</u>	<u>18,793</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 18,793</u>	<u>\$ 36,367</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2N**

**TAX INCREMENT FINANCING FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES -REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Tax receipts	\$ 144,627	\$ -
Total Cash Receipts	<u>144,627</u>	<u>-</u>
<b>CASH EXPENDITURES:</b>		
Contractual		1,056
Capital Outlay	45,071	
Total Cash Expenditures	<u>45,071</u>	<u>1,056</u>
Receipts over (under) Expenditures	99,556	(1,056)
<b>CASH, BEGINNING BALANCE</b>	<u>116,404</u>	<u>215,960</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 215,960</u>	<u>\$ 214,904</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 20**

**MUNICIPAL EQUIPMENT RESERVE FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Grants	\$	\$ 272,652
Reimbursed expense	104,082	14,488
Transfers from other funds		393,462
Total Cash Receipts	<u>104,082</u>	<u>680,602</u>
<b>CASH EXPENDITURES:</b>		
Lease payments		
Fire department		187,629
Police department		244,120
Public works department		56,411
Total Cash Expenditures	<u>-</u>	<u>488,160</u>
Receipts over Expenditures	104,082	192,442
<b>CASH, BEGINNING BALANCE</b>	<u>-</u>	<u>104,082</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 104,082</u>	<u>\$ 296,524</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2P**

**CAPITAL IMPROVEMENT PROGRAM FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
	<u>          </u>	<u>          </u>
<b>CASH RECEIPTS:</b>		
Temporary note proceeds	\$ 5,113,469	\$ -
Total Cash Receipts	<u>5,113,469</u>	<u>-</u>
<b>CASH EXPENDITURES:</b>		
Issuance costs	33,242	-
Transfer to Kansas & Richland St Imp Fund	3,657,651	-
Transfer to 98th St Imp Fund	<u>1,422,576</u>	<u>-</u>
Total Cash Expenditures	<u>5,113,469</u>	<u>-</u>
Receipts over Expenditures	-	-
<b>CASH, BEGINNING BALANCE</b>	<u>62,381</u>	<u>62,381</u>
<b>CASH, ENDING BALANCE</b>	<u><u>\$ 62,381</u></u>	<u><u>\$ 62,381</u></u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2Q**

**RIVERVIEW CROSSROADS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Interest received	\$ 1,408	\$ 1,996
Total Cash Receipts	<u>1,408</u>	<u>1,996</u>
<b>CASH EXPENDITURES:</b>		
Contractual	<u>-</u>	<u>3,943</u>
Total Cash Expenditures	<u>-</u>	<u>3,943</u>
Receipts over (under) Expenditures	1,408	(1,947)
<b>CASH, BEGINNING BALANCE</b>	<u>192,648</u>	<u>194,056</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 194,056</u>	<u>\$ 192,109</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2R**

**PROPERTY ACQUISITIONS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
	<u>          </u>	<u>          </u>
<b>CASH RECEIPTS:</b>		
Interest	\$ <u>2,768</u>	\$ <u>4,622</u>
Total Cash Receipts	2,768	4,622
<b>CASH EXPENDITURES:</b>		
Capital outlay	<u>-</u>	<u>-</u>
Total Cash Expenditures	<u>-</u>	<u>-</u>
Receipts over Expenditures	2,768	4,622
<b>CASH, BEGINNING BALANCE</b>	<u>442,611</u>	<u>445,379</u>
<b>CASH, ENDING BALANCE</b>	\$ <u><u>445,379</u></u>	\$ <u><u>450,001</u></u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2S**

**TOWNE CENTER FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS**

**YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
	<u>          </u>	<u>          </u>
<b>CASH RECEIPTS:</b>		
Reimbursements	\$	\$ 157,500
Interest received	5,580	8,249
Total Cash Receipts	<u>5,580</u>	<u>165,749</u>
<b>CASH EXPENDITURES:</b>		
Capital outlay	<u>73,055</u>	<u>227,682</u>
Total Cash Expenditures	<u>73,055</u>	<u>227,682</u>
Receipts under Expenditures	(67,475)	(61,933)
<b>CASH, BEGINNING BALANCE</b>	<u>912,942</u>	<u>845,467</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 845,467</u>	<u>\$ 783,534</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2T**

**4TH STREET IMPROVEMENTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Interest	\$ <u>2,006</u>	\$ <u>3,347.96</u>
Total Cash Receipts	2,006	3,348
<b>CASH EXPENDITURES:</b>		
Capital outlay	<u>-</u>	<u>-</u>
Total Cash Expenditures	<u>-</u>	<u>-</u>
Receipts over Expenditures	2,006	3,348
<b>CASH, BEGINNING BALANCE</b>	<u>320,607</u>	<u>322,613</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ <u>322,613</u></u>	<u>\$ <u>325,961</u></u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2U**

**98TH STREET IMPROVEMENTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
<b>CASH RECEIPTS:</b>		
Interest	\$ 1,163	\$ 1,071
Transfers from other funds	1,422,576	300,000
Total Cash Receipts	<u>1,423,739</u>	<u>301,071</u>
<b>CASH EXPENDITURES:</b>		
Capital outlay	<u>1,656,368</u>	<u>253,011</u>
Total Cash Expenditures	<u>1,656,368</u>	<u>253,011</u>
Receipts over (under) Expenditures	(232,629)	48,060
<b>CASH, BEGINNING BALANCE</b>	<u>247,818</u>	<u>15,189</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 15,189</u>	<u>\$ 63,249</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2V**

**STREET AND DRAINAGE IMPROVEMENTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
<b>CASH RECEIPTS:</b>		
Interest	\$ 2,293	\$ 1,469
Total Cash Receipts	<u>2,293</u>	<u>1,469</u>
<b>CASH EXPENDITURES:</b>		
Capital outlay	<u>283,983</u>	<u>14,276</u>
Total Cash Expenditures	<u>283,983</u>	<u>14,276</u>
Receipts under Expenditures	(281,690)	(12,807)
<b>CASH, BEGINNING BALANCE</b>	<u>397,710</u>	<u>116,020</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 116,020</u>	<u>\$ 103,213</u>

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2W**

**KANSAS AND RICHLAND STREET IMPROVEMENTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

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	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Interest received	\$ 1,787	\$ 32,029
Transfers from Capital Improvement Program Fund	3,657,651	-
Total Cash Receipts	<u>3,659,438</u>	<u>32,029</u>
<b>CASH EXPENDITURES:</b>		
Capital outlay	63,113	438,765
Transfers to other funds		300,000
Total Cash Expenditures	<u>63,113</u>	<u>738,765</u>
Receipts over (under) Expenditures	.	(706,736)
<b>CASH, BEGINNING BALANCE</b>	<u>-</u>	<u>3,596,325</u>
<b>CASH, ENDING BALANCE</b>	<u>\$ 3,596,325</u>	<u>\$ 2,889,589</u>

CITY OF EDWARDSVILLE, KANSAS

SCHEDULE 2X

SEWER FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS  
 YEAR ENDING DECEMBER 31, 2024

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>	<u>2024</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Charges for services	\$ 803,107	\$ 699,871	\$ 910,699	\$ (210,828)
Fee income		15,955	-	15,955
Reimbursements		6,087	-	6,087
Total Cash Receipts	<u>803,107</u>	<u>721,913</u>	<u>910,699</u>	<u>(188,787)</u>
<b>CASH EXPENDITURES:</b>				
Personal Services	89,646	74,719	100,620	25,901
Contractual Services	689,817	507,378	438,720	(68,658)
Commodities	101,118	123,448	95,500	(27,948)
Equipment		-	17,000	17,000
Capital outlay		7,809	-	(7,809)
Transfer to Bond and Interest Fund	183,525	-	-	-
Transfers to other funds	85,000	45,000	209,175	164,175
Total Cash Expenditures	<u>1,149,106</u>	<u>758,354</u>	<u>\$ 861,015</u>	<u>\$ 102,661</u>
Receipts under Expenditures	(345,999)	(36,441)		
<b>CASH, BEGINNING BALANCE</b>	<u>898,487</u>	<u>552,488</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 552,488</u>	<u>\$ 516,047</u>		

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2Y**

**SOLID WASTE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2024 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Charges for services	\$ 257,880	\$ 248,947	\$ 264,330	(15,383)
Transfers from other funds	60,000	-	3,500	(3,500)
Total Cash Receipts	<u>317,880</u>	<u>248,947</u>	<u>267,830</u>	<u>(18,883)</u>
<b>CASH EXPENDITURES:</b>				
Contractual Services	<u>277,073</u>	<u>257,518</u>	<u>269,707</u>	<u>12,189</u>
Total Cash Expenditures	<u>277,073</u>	<u>257,518</u>	<u>\$ 269,707</u>	<u>12,189</u>
Receipts over (under) Expenditures	40,807	(8,571)		
<b>CASH, BEGINNING BALANCE</b>	<u>11,031</u>	<u>51,838</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 51,838</u>	<u>\$ 43,267</u>		

**CITY OF EDWARDSVILLE, KANSAS**

**SCHEDULE 2Z**

**BOND AND INTEREST FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS  
YEAR ENDING DECEMBER 31, 2024**

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2024 Budget</u>	<b>Variance Favorably (Unfavorably)</b>
<b>CASH RECEIPTS:</b>				
Ad Valorem Tax	\$ 936,165	\$ 1,034,033	\$ 1,192,637	\$ (158,604)
Motor Vehicle Tax	54,174	55,429	-	55,429
Payment in lieu of	82,947	81,396	265,000	(183,604)
Miscellaneous	103		450,000	(450,000)
Transfers from other funds	183,525	-	-	-
Total Cash Receipts	<u>1,256,914</u>	<u>1,170,858</u>	<u>\$ 1,907,637</u>	<u>\$ (736,779)</u>
<b>CASH EXPENDITURES:</b>				
Principal	680,000	695,000	\$ 1,500,000	\$ 805,000
Interest	208,193	454,375	598,243	143,868
Compliance	51,030		-	-
Total Cash Expenditures	<u>939,223</u>	<u>1,149,375</u>	<u>\$ 2,098,243</u>	<u>\$ 948,868</u>
Receipts over Expenditures	317,691	21,483		
<b>CASH, BEGINNING BALANCE</b>	<u>367,964</u>	<u>685,655</u>		
<b>CASH, ENDING BALANCE</b>	<u>\$ 685,655</u>	<u>\$ 707,138</u>		

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS - AGENCY FUNDS - REGULATORY BAS  
YEAR ENDED DECEMBER 31, 2024**

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	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
<b>Fund</b>				
Fire Insurance Proceeds Fund	\$ 3,113	\$ 835	\$ -	\$ 3,948
Cash Bond Fund	<u>57,020</u>	<u>113,510</u>	<u>108,640</u>	<u>61,890</u>
Total Agency Funds	<u>\$ 60,133</u>	<u>\$ 114,345</u>	<u>\$ 108,640</u>	<u>\$ 65,838</u>

**APPENDIX C**

**FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS**

## *APPENDIX C*

### FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS

[Closing Date]

Governing Body of the  
City of Edwardsville, Kansas

Re: Continuing Disclosure Letter of Instructions for \$3,750,000\* General  
Obligation Bonds, Series 2026, of the City of Edwardsville, Kansas,  
Dated June 4, 2026 (the “Bonds”)

The purpose of this letter is to assist the Underwriter (as defined below) in complying with the requirements of the SEC Rule (as defined below). It being the intention of the City that there be full and complete compliance with the SEC Rule and EMMA (as defined below), this letter shall be construed in accordance with the written interpretative guidance and no-action letters published from time to time by the Commission (as defined below) and its staff or the MSRB (as defined below) and its staff with respect to the SEC Rule or EMMA, as the case may be. The City represents that it will be the only Obligated Person (as defined below) with respect to the Bonds at the time the Bonds are delivered to the Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds.

**Section 1. Definitions.** Unless the context otherwise requires, the following capitalized terms have the following meanings:

“**Annual Financial Information**” means the financial information or operating data with respect to the City, provided at least annually, of the type included in the portions of the Final Official Statement set forth in *Exhibit A* to this Letter.

“**Audited Financial Statements**” means the City’s annual financial statements, prepared in accordance with the Kansas Municipal Accounting and Audit Guide, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

“**Bond Counsel**” means the firm of Kutak Rock LLP, 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 City.

“**Bond Resolution**” means the resolution of the City prescribing the terms and details of the Bonds.

“**Bonds**” means the “Bonds” as previously defined herein.

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\**Subject to change.*

“**City**” means the City of Edwardsville, Kansas.

“**Commission**” means the Securities and Exchange Commission.

“**Continuing Disclosure Letter of Instructions**” or “**Letter**” means this Continuing Disclosure Letter of Instructions, the execution of which is authorized by the Bond Resolution, as the same may be amended or supplemented in accordance with its terms.

“**EMMA**” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB, or any other market access method approved under the SEC Rule.

“**Final Official Statement**” means the final official statement prepared by the City or its representatives in connection with the sale of the Bonds and delivered to the Underwriter within seven business days after the sale of the Bonds in accordance with the SEC Rule. The Final Official Statement includes the information in the Preliminary Official Statement as supplemented or amended.

“**Financial Obligation**” means a Financial Obligation as defined in the SEC Rule.

“**MSRB**” means the Municipal Securities Rulemaking Board and any successors or assigns, or any other entities or agencies approved under the SEC Rule.

“**Obligated Person**” means an Obligated Person as defined in the SEC Rule.

“**Outstanding**” means as of a particular date of determination, all Bonds authenticated and delivered under the provisions of the Bond Resolution, except:

- A. Bonds canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;
- B. Bonds for the payment or redemption of which moneys or investments have been deposited in accordance with the defeasance provisions of the Bond Resolution; and
- C. Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Bond Resolution.

“**Paying Agent**” means the paying agent for the Bonds as described in the Bond Resolution.

“**Preliminary Official Statement**” means the Preliminary Official Statement which was prepared by the City and its advisors in connection with the sale of the Bonds and distributed to

potential purchasers of the Bonds before the Final Official Statement, as described in the SEC Rule, was made available.

“**Prescribed Form**” means such electronic format accompanied by such identifying information as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of the applicable information.

“**Reporting Event**” means any of the following events with respect to the Bonds:

- A. principal and interest payment delinquencies;
- B. non-payment related defaults, if material;
- C. unscheduled draws on debt service reserves reflecting financial difficulties;
- D. unscheduled draws on credit enhancements reflecting financial difficulties;
- E. substitution of credit or liquidity providers, or their failure to perform;
- F. 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 security, or other material events affecting the tax status of the security;
- G. modifications to rights of security holders, if material;
- H. bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;
- I. defeasances;
- J. release, substitution, or sale of property securing repayment of the securities, if material;
- K. rating changes;
- L. bankruptcy, insolvency, receivership or similar event of the Obligated Person (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in proceedings under the U.S. Bankruptcy Code or in any other proceedings under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or

governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person);

M. the consummation of a merger, consolidation, or acquisition involving an 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;

N. appointment of a successor or additional trustee or the change of name of a trustee, if material;

O. 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

P. 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.

**“Reporting Event Notice”** means notice in Prescribed Form in accordance with EMMA of a Reporting Event.

**“SEC Report Date”** means September 1 of each year, beginning September 1, 2026.

**“SEC Rule”** means the Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (17 CFR § 240.15c2-12).

**“State”** means the State of Kansas.

**“Underwriter”** means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

## **Section 2. Undertaking.**

A. This Letter constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (b)(5)(i) of the SEC Rule.

B. The City, as an “Obligated Person” within the meaning of the SEC Rule, undertakes to provide the following information as provided in this Letter:

- (1) Annual Financial Information;
  - (2) Audited Financial Statements, if any; and
  - (3) Reporting Event Notices.
- C.
- (1) The City shall while any Bonds are Outstanding provide the Annual Financial Information in Prescribed Form in accordance with EMMA to the MSRB, on or before the SEC Report Date. The City may adjust the SEC Report Date if the City changes its fiscal year by providing written notice of the change of fiscal year and the new SEC Report Date to the MSRB; provided that the new SEC Report Date shall be six months after the end of the new fiscal year and provided further that the period between the final SEC Report Date relating to the former fiscal year and the initial SEC Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the City provides to the MSRB the Annual Financial Information by specific reference to documents available to the public on the MSRB's Internet website, or filed with the Commission.
  - (2) If not provided as part of the Annual Financial Information, the City shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to the MSRB in Prescribed Form in accordance with EMMA.
  - (3) If a Reporting Event occurs while any Bonds are Outstanding, the City shall file a Reporting Event Notice in a timely manner not in excess of ten business days after the occurrence of such event in Prescribed Form in accordance with EMMA with the MSRB. Each Reporting Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.
  - (4) The City shall provide in Prescribed Form in accordance with EMMA in a timely manner not in excess of ten business days after the occurrence of such event to the MSRB notice of any failure by the City while any Bonds are Outstanding to provide to the MSRB Annual Financial Information on or before the SEC Report Date.
- D. Any failure by the City to perform in accordance with this Letter shall not constitute an "event of default" under the Bond Resolution, and the rights and remedies provided therein upon the occurrence of an event of default shall not apply to any such failure.

**Section 3. Method of Transmitting Continuing Disclosure.** The information listed in Section 2 shall be provided by the City to the MSRB, at [www.emma.msrb.org](http://www.emma.msrb.org) (or such other

address or addresses as the MSRB may from time to time specify), in the Prescribed Form or by such other method of transmitting information that is approved by the Commission.

**Section 4. Amendments; Waiver.** Notwithstanding any other provision of this Letter, the City may amend this Letter, and any provision of this Letter may be waived, if:

- A. The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;
- B. This Letter, as amended, or the provision, as waived, would have complied with the requirements of the SEC Rule at the time of the primary offering, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and
- C. The amendment or waiver either (i) is approved by a vote of the owners of the Bonds holding a majority of the aggregate principal amount of the Bonds (excluding Bonds held by or on behalf of the City or its affiliates) or (ii) in the opinion of nationally recognized bond counsel, does not materially impair the interests of the owners of the Bonds; or
- D. The amendment or waiver is otherwise permitted by the SEC Rule.

Following any amendment or waiver of a provision of this Letter, the City shall give notice in the same manner as for the occurrence of a Reporting Event under Section 2 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 City.

**Section 5. Termination of Obligation to Provide Continuing Disclosure.** The continuing obligation hereunder of the City to provide Annual Financial Information, Audited Financial Statements, if any, and Reporting Event Notices shall terminate immediately once the Bonds no longer are Outstanding. This Letter, or any provision hereof, shall be null and void in the event that the City delivers to the MSRB an opinion of Bond Counsel to the effect that those portions of the SEC Rule which require this Letter, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds.

**Section 6. Dissemination Agent.** The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Letter and may discharge any such agent with or without appointing a successor agent.

**Section 7. Additional Information.** Nothing in this Letter shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this subsection or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Reporting Event in addition to that which is required by this Letter. If the City chooses to include any information from any document or notice of occurrence of a Reporting Event in addition to that which is specifically required by this Letter, the City shall not have any obligation under this Letter to update such information or include it in any future disclosure or notice of the occurrence of a Reporting Event.

**Section 8. Beneficiaries.** This Letter has been executed in order to assist the Underwriter in complying with the Rule; however, this Letter shall inure solely to the benefit of the holders of the Bonds as required by Section (b)(5)(i) of the SEC Rule, and shall create no rights in any other person or entity.

**Section 9. Recordkeeping.** The City shall maintain records of all disclosure made pursuant to this Letter, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

KUTAK ROCK LLP

**THIS CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS**, received,  
acknowledged and agreed to as of [Closing Date].

**CITY OF EDWARDSVILLE, KANSAS**

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

## **EXHIBIT A**

### **ANNUAL FINANCIAL INFORMATION**

“Annual Financial Information” shall include the City’s Audited Financial Statements and, if not included in the City’s Audited Financial Statements, the following portions of the Final Official Statement:

1. APPENDIX A, FINANCIAL INFORMATION section, “Assessed Valuation” subsection
2. APPENDIX A, FINANCIAL INFORMATION section, “Property Tax Levies and Collections” subsection
3. APPENDIX A, DEBT STRUCTURE section, “Current Indebtedness of the Issuer” subsection