

Research Update:

Edwardsville, KS Series 2026 GO Bonds Assigned 'A' Rating

April 2, 2026

Overview

- S&P Global Ratings assigned its 'A' long-term rating to [Edwardsville](#), Kan.'s anticipated \$3.79 million series 2026 general obligation (GO) bonds.
- At the same time, we affirmed our 'A' long-term rating on Edwardsville's GO debt outstanding and our 'SP-1' short-term rating on the city's GO temporary notes.
- The outlook on the long-term rating is stable.

Rationale

Security

The city's full-faith-and-credit pledge, including its ability to levy ad valorem property taxes without limitation as to rate or amount, secures the GO bonds.

The short-term rating on the notes reflects our view of Edwardsville's long-term rating and low market risk profile, including its authority to issue takeout debt and the availability of pertinent disclosure information. Kansas law requires the authorization of long-term takeout GO debt before the issuance of temporary notes. Although the notes feature a four-year maturity, the city expects to take them out with long term-debt before maturity by using an optional call feature. Due to this, and because of a bullet maturity structure, the notes carry a short-term rating.

Officials intend to use series 2026 bond proceeds to fund street improvements and take out the series 2023 short-term notes.

Credit highlights

The rating reflects the city's improved financial performance in fiscal 2024, which restored Edwardsville's general fund reserves to its formal policy; adequate economic metrics; and elevated debt. While the city is not responsible for the payment of special obligation bonds, the long-term rating also reflects our view of weak risk management, culture, and oversight--the city defaulted on the bonds due to lack of pledged revenues.

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Edwardsville, in northeastern Kansas, benefits from access to Kansas City, less than 20 miles away. The predominantly industrial tax base has grown consistently during the past several years, and economic activity remains strong due to the city's strategic location. Financial performance improved in fiscal 2024 due to strong revenue performance and conservative budgeting, restoring reserves to above the city's 15% policy levels. Based on unaudited figures, management reports another surplus of about \$575,000 in fiscal 2025 due to expenditure controls and higher-than-budgeted revenues. For fiscal 2026, the city anticipates at least balanced operations, attributable to assumed growth in sales tax and assessed value. We note that the Kansas legislature passed a bill (HB 2745) on March 27, 2026, that, if enacted into law, could severely limit property tax revenue-raising flexibility for cities, counties, and school districts in the state, including levies for debt service. It remains to be seen if the governor signs the bill by the April 9 deadline. Edwardsville would be affected, but management notes that the city relies on sales tax revenues to a greater extent than some of its peers, including for debt service, which would potentially lessen the negative impact of HB 2745.

We understand the city intends to issue long-term GO bonds, with a 20-year maturity, to take out the 2025-A notes in the next couple of years. Edwardsville will also issue about \$4.4 million in additional debt over the next few years to take out the remaining series 2023 notes and to fund street improvements; the issuance will also include short-term notes for a Federal Highway Administration cost-share project.

The city defaulted on four special obligation debt series that will likely remain in default due to insufficient pledged revenue. A Hard Rock Hotel and Conference Center was scheduled for construction in a special taxing area in 2020, but the project never progressed because of the developer's failure to obtain construction loan financing. Therefore, there is essentially no revenue from the pledged revenue sources. About \$19.6 million of the special obligation debt remains outstanding. While we acknowledge there is no financial recourse to the city, we view the situation as a risk management, culture, and oversight weakness because Edwardsville is the debt issuer and its debt obligation disclosure is weaker than that of many of its peers.

The long-term rating reflects our view of the following:

- The city's population is small, at under 5,000 residents, with a predominantly industrial tax base, including a large trucking terminal, which contributes to moderately concentrated taxpayer composition. The city benefits from its proximity to Kansas City, which produces a strong gross county product. The city's incomes are a credit strength, with household incomes that exceed the county and national averages.
- Financial policies and practices lack formal long-term planning, and until recently the city has produced deficit budgets and reserves that fell below policy levels. Our view of management also reflects weak debt management resulting in default of four special obligations related to the Hard Rock Hotel and Conference Center.
- Reserves have improved after falling below the city's policy requirement but are still fairly low nominally, combined with use of cash basis of accounting.
- Elevated debt is somewhat offset by the city's adequate progress toward meeting its long-term pension liability.
- For more information on our institutional framework assessment for Kansas cities, see "[Institutional Framework Assessment: Kansas Local Governments](#)," Sept. 9, 2024," published Sept. 9, 2024.

Environmental, social, and governance

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We view environmental and social factors as neutral in our credit analysis. We think risk management, culture, and oversight risks are present. The city was the issuer of special obligation bonds that are currently in default, and its debt obligation disclosures are weaker than those of its peers.

Outlook

The stable outlook reflects S&P Global Ratings' expectation that Edwardsville will maintain reserves at policy levels given its recent implementation of budget controls and practices that resulted in improved financial operations.

Downside scenario

We could lower the rating if budgetary performance were to weaken, resulting in sustained draws on available cash-based reserves that weaken our view of budgetary flexibility.

Upside scenario

We could raise the rating if cash-based reserves were to increase materially and operations were to remain balanced. In addition, if our view of risk management and oversight improves, we could raise the rating.

Edwardsville, Kansas--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.97
Economy	3.0
Financial performance	2
Reserves and liquidity	3
Management	3.35
Debt and liabilities	3.50

Edwardsville, Kansas--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	105	105	106	106
County PCPI % of U.S.	59	59	59	60
Market value (\$000s)	812,528	655,794	598,731	549,286
Market value per capita (\$)	165,653	133,699	122,041	116,251
Top 10 taxpayers % of taxable value	38.1	37.7	40.0	--
County unemployment rate (%)	4.5	4.3	3.6	3.4
Local median household EBI % of U.S.	112	112	105	104
Local per capita EBI % of U.S.	86	86	77	82
Local population	4,905	4,905	4,906	4,725
Financial performance				
Operating fund revenues (\$000s)	--	7,904	7,205	7,148
Operating fund expenditures (\$000s)	--	7,307	7,303	7,059

Edwardsville, Kansas--key credit metrics

	Most recent	2024	2023	2022
Net transfers and other adjustments (\$000s)	--	(1)	(2)	10
Operating result (\$000s)	--	596	(100)	99
Operating result % of revenues	--	7.5	(1.4)	1.4
Operating result three-year average %	--	2.5	(0.3)	(0.1)
Reserves and liquidity				
Available reserves % of operating revenues	--	18.6	12.1	13.6
Available reserves (\$000s)	--	1,472	875	975
Debt and liabilities				
Debt service cost % of revenues	--	9.0	5.9	8.3
Net direct debt per capita (\$)	8,226	4,839	5,053	1,739
Net direct debt (\$000s)	40,348	23,735	24,788	8,217
Direct debt 10-year amortization (%)	59	41	--	--
Pension and OPEB cost % of revenues	--	6.0	5.0	7.0
NPLs per capita (\$)	--	1,267	1,432	1,185
Combined NPLs (\$000s)	--	6,215	7,024	5,600

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

Ratings List

New Issue Ratings

US\$3,790,000 City of Edwardsville, Kansas, General Obligation Bonds, Series 2026, dated: Date of Delivery, due: December 1, 2046

Long Term Rating A/Stable

Ratings Affirmed

Local Government

Edwardsville, KS Unlimited Tax General Obligation A/Stable

Edwardsville, KS Unlimited Tax General Obligation BAN SP-1

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

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