OFFICIAL STATEMENT

BANK QUALIFIED
BOOK-ENTRY ONLY

BOND RATING: S&P "A-"

In the opinion of Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax, and is exempt from income taxation by the State of Kansas. The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS - Opinion of Bond Counsel" herein.

$2,960,000
CITY OF STERLING, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2026

Dated: October 29, 2026

Due: October 1, as shown on inside cover

The City of Sterling, Kansas General Obligation Bonds, Series 2026 (the "Series 2026 Bonds" or the "Bonds"), will be issued by the City of Sterling, 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 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 bond registrar, and paying agent (the "Paying Agent," and "Bond Registrar"). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner. 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.

Principal of the Bonds will mature annually on each October 1, in the amounts and years set forth on the inside cover hereof, beginning October 1, 2027 and semiannual interest will be payable on April 1 and October 1, beginning on October 1, 2027. The Bonds maturing on October 1, 2034 and thereafter will be subject to redemption prior to maturity, in whole or in part, at the option of the Issuer, on October 1, 2033 or any date thereafter.

The Bonds and 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. See "THE BONDS - Security for the Bonds" herein.

The payment of the principal of, redemption premium, if any, and interest on the Bonds is subject to certain risk factors and investment considerations as described under the caption "RISK FACTORS AND INVESTMENT CONSIDERATIONS" herein.

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Spencer Fane LLP, Wichita, Kansas, Bond Counsel. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about October 29, 2026.



The date of this Official Statement is October 5, 2026

MATURITY SCHEDULES

CITY OF STERLING, KANSAS

$2,960,000
GENERAL OBLIGATION BONDS
SERIES 2026

Series 2026 Serial Bonds

Stated Maturity October 1	Principal Amount	Interest Rate	Yield	CUSIP[(1)]
2027	$145,000	5.00%	3.77%	859366CG9
2028	145,000	5.00%	3.83%	859366CH7
2029	150,000	5.00%	3.88%	859366CJ3
2030	160,000	5.00%	3.94%	859366CK0
2031	165,000	5.00%	4.01%	859366CL8
2032	175,000	5.00%	4.08%	859366CM6
2033	185,000	5.00%	4.15%	859366CN4
2034	195,000	5.00%	4.25%	859366CP9
2035	205,000	5.00%	4.35%	859366CQ7
2036	210,000	5.00%	4.45%	859366CR5

Series 2026 Term Bonds

Stated Maturity October 1	Principal Amount	Interest Rate	Yield	CUSIP[(1)]
2038	$460,000	5.00%	4.75%	859366CT1
2041	765,000	5.00%	4.95%	859366CW4

(All plus accrued interest, if any)

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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 BONDS LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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

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.

CITY OF STERLING, KANSAS
City Hall – 114 North Broadway
PO Box 287
Sterling, Kansas 67579
Telephone: (620) 278-3423

Mayor
Brian Inwood

City Commission
Todd Rowland, Vice-Mayor and Commissioner
Bob Boltz, Commissioner
Clint Bundy, Commissioner
Richard Jones, Commissioner

City Staff
Ian Hutcheson, City Manager
Candice Daley-Groth, Interim City Clerk

Bond Counsel
Spencer Fane LLP
Wichita, Kansas

Paying Agent/Bond Registrar
Office of State Treasurer
Topeka, Kansas

Financial Advisor
Piper Sandler & Co.
Leawood, Kansas

Underwriter
Robert W. Baird & Co., Inc.
Milwaukee, Wisconsin

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

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OFFICIAL STATEMENT

CITY OF STERLING, KANSAS

$2,960,000
GENERAL OBLIGATION BONDS
SERIES 2026

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Sterling, Kansas (the "Issuer" or the "City"), and the Issuer's General Obligation Bonds, Series 2026, dated October 29, 2026, to be issued in the principal amount of $2,960,000 (the "Series 2026 Bonds" or the "Bonds"). The Bonds are being issued pursuant to an ordinance and supplemental resolution adopted by the City on October 5, 2026 (collectively, the "Bond Ordinance").

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

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

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. All financial and other information presented herein has been compiled by 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.

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Ordinance.

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Bonds, the Issuer will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") wherein the Issuer covenants to annually provide certain financial information and operating data (collectively the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the MSRB. Pursuant to the Disclosure Undertaking, the Issuer has agreed to file its Annual Report with the national repository ("EMMA") not later than December 31st of each year immediately following the end of the Issuer's Fiscal Year, commencing with the fiscal year ending December 31, 2026. The Issuer has also entered into a continuing disclosure undertaking in connection with previous bonds.

The Issuer issued its General Obligation Bonds, Series 2024 in the original principal amount of $410,000 on November 20, 2024. The Issuer failed to file a material event notice under the Rule within 10 days of the issuance of such bonds. The Issuer has since filed an event notice and a failure to file notice.

Additional Information

All of the summaries of statutes, opinions, financial and statistical data, and other related reports and documents described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at 114 North Broadway, Sterling, Kansas 67579. Additional information regarding the City or the Bonds may be obtained from Ian Hutcheson, City Manager, (620) 278-3423 or from the Financial Advisor for the Bonds, Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas 66211 (913) 345-3377, Attn: Clayton Kelley.

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Kansas Constitution and statutes of the State of Kansas (the "State"), including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq*. and Article 12, Section 5 of the Constitution of the State of Kansas, all as amended and supplemented, and Charter Ordinance No. 17 of the City (collectively, the "Act"), and the Bond Ordinance.

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 hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due. The governing body of the City shall annually make provisions for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the City in the manner provided by law.

Description of the Bonds

The Bonds will be dated October 29, 2026 (the "Dated Date") and, subject to the Book-Entry Only System hereinafter described, will consist of fully registered certificated bonds, without coupons, in the denomination of $5,000 or any integral multiple thereof. The Bonds will be numbered in such manner as the Bond Registrar shall determine. The Bonds will mature, subject to early redemption, on the dates and in the years and in the principal amounts set forth on the inside cover page of the Official Statement. Interest on the Bonds will be payable semiannually on the dates set forth on the cover page of this Official Statement (the "Interest Payment Dates"). The Bonds shall bear interest (computed on the basis of a 360-day year consisting 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.

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 Ordinance.

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 the bond registrar with respect to the registration, transfer and exchange of the Bonds.

Method and Place of Payment of the Bonds

Subject to the Book-Entry Only System hereinafter described, the principal of the Bonds is payable in lawful money of the United States of America, by check or draft of the Paying Agent, upon presentation and surrender of the Bonds for payment and cancellation by the registered owners thereof. Interest on the Bonds is payable in lawful money of the United States of America, by check or draft, at the office of the Paying Agent mailed to the person in whose name the Bond is registered, at the address as it appears on the registration books maintained by the Bond Registrar, as of the fifteenth day of the month (whether or not a business day) preceding any Interest Payment Date (the "Record Dates").

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 "BOOK-ENTRY ONLY SYSTEM" HEREIN.

Payments Due on Saturdays, Sundays and Holidays

In any case where a stated maturity date, redemption date, or Interest Payment Date (a "Bond Payment Date") is not a business day, then payment of principal, redemption price or interest need not be made on such Bond Payment Date but may be made on the next succeeding business day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Book-Entry Bonds; Securities Depository

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

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

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

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

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

Registration, Transfer and Exchange of Bonds

The provisions governing the registration, transfer and exchange of Bonds are set out in the Issuer/Agent Agreement (the "Agreement") between the Issuer and the Bond Registrar and are generally described as follows.

As long as any Bonds remain outstanding, subject to the Book-Entry Only System described above, the Bond Registrar will maintain a bond register and all transfers and exchanges of the Bonds will be registered therein. All Bonds presented for transfer or exchange shall be accompanied by a written instrument of transfer in a form, and with guarantee of signature in a form, satisfactory to the Bond Registrar. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Bond Registrar, subject to the terms, conditions and limitations set forth in the Bond Resolution, and upon payment of any tax, fees or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

The City and Bond Registrar shall not be required to issue, register, transfer, or exchange any Bonds during a period beginning on the day following the Record Date preceding any Interest Payment Date and ending on such Interest Payment Date or within 30 days of a date on which Bonds are to be redeemed after proper notice of redemption has been given.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event any certificate representing a Bond is mutilated, lost, stolen or destroyed, the City shall execute, and the Paying Agent shall authenticate and deliver, a new certificate of like date, maturity, denomination and interest rate as that mutilated, lost, stolen or destroyed; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Paying Agent, and, in the case of any lost, stolen or destroyed Bond there shall first be furnished to the Paying Agent and the City, evidence of such loss, theft or destruction satisfactory to them, together with an indemnity satisfactory to the City and the Paying Agent. In the event any such Bond shall have matured or is about to mature, or been called for redemption, instead of issuing a duplicate bond the City may pay the same without the surrender thereof. The City and the Paying Agent may require 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 reasonable fees and expenses of the Paying Agent) in connection with the replacement of such Bond or Bonds.

Non-presentment of Bonds

If any Bond is not presented for payment when the principal thereof becomes due at its stated maturity, and if funds sufficient to pay such Bond have been made available to the Paying Agent, all liability of the City 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 the Bond Ordinance 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 its stated maturity, the Paying Agent shall repay to the City the funds therefore 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 City, and the owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and City 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 City, the Bonds maturing in the years 2034 and thereafter, may be called for redemption and payment prior to their respective maturities, on October 1, 2033, or thereafter, in whole or in part at any time, as determined by the City, at a price equal to the principal amount thereof, plus accrued interest to the date established for such redemption and payment, without premium.

Mandatory Redemption. Each of the Bonds maturing on October 1, 2038 (the "2038 Term Bonds"), shall be subject to mandatory redemption and payment from the sinking fund hereinafter described, on October 1, 2037, and continuing on October 1 of each year thereafter pursuant to the redemption schedule hereafter set out, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

As and for a sinking fund for the retirement of the 2038 Term Bonds, the transfers to the Series 2026 Principal and Interest Account required by the Bond Ordinance which are to be made for payments commencing on October 1, 2037, shall be sufficient to redeem, and the City hereby agrees to redeem, the principal amount of the 2038 Term Bonds on October 1 in each of the following years:

Redemption Date	Principal Amount
2037	$225,000

(Leaving $235,000 to mature on October 1, 2038)

Each of the Bonds maturing on October 1, 2041 (the "2041 Term Bonds"), shall be subject to mandatory redemption and payment from the sinking fund hereinafter described, on October 1, 2039, and continuing on October 1 of each year thereafter pursuant to the redemption schedule hereafter set out, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

As and for a sinking fund for the retirement of the 2041 Term Bonds, the transfers to the Series 2026 Principal and Interest Account required by the Bond Ordinance which are to be made for payments commencing on October 1, 2039, shall be sufficient to redeem, and the City hereby agrees to redeem, the principal amount of the 2041 Term Bonds on October 1 in each of the following years::

Redemption Date	Principal Amount
2039	$245,000
2040	255,000

(Leaving $265,000 to mature on October 1, 2041)

Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in face amounts of $5,000 or integral multiples thereof. If the City elects to call for redemption less than all of the Bonds at the time outstanding, the Bonds shall be redeemed in such equitable manner as the City shall determine, with Bonds of less than a full maturity to be selected by lot in units of $5,000; and the City shall, in the case of Bonds registered in denominations greater than $5,000, treat each $5,000 of face value of a Bond so registered as though it were a separate Bond in the denomination of $5,000. If it is determined that one or more, but not all, of the $5,000 units of face value represented by any fully registered Bond certificate is selected for redemption, then the owner of such Bond shall forthwith present and surrender such Bond to the Paying Agent for payment of the redemption price of $5,000 unit or units of face value called for redemption, and 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 of a denomination greater than $5,000 shall fail 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 principal amount thereof called for redemption (and to that extent only).

Notice of Redemption. The City shall give notice of any call for redemption and payment in writing to the Paying Agent not less than forty-five (45) days prior to the Redemption Date; and the Paying Agent shall give notice of such call for redemption and payment in writing mailed via United States first class mail to the owners of the Bonds so called not less than thirty (30) days prior to the Redemption Date, unless any owner has waived such written notice of redemption. The City shall also give or cause to be given such additional notice of any call for redemption and payment as may be required by the laws of the State which are in effect as of the date of giving any such notice. All notices of redemption shall be dated at least thirty (30) days prior to the Redemption Date, and shall state (i) the Redemption Date, (ii) the Redemption Price, (iii) if less than all outstanding Bonds are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the Redemption Date the principal amount, and premium, if any, will become due and payable upon each such Bond or portion thereof which has been selected for redemption, and that the interest thereon shall cease to accrue from and after the Redemption Date, (v) any conditions required prior to redemption and payment and (vi) that the Bonds so selected for redemption are to be surrendered to or at the principal office of the Paying Agent for payment.

With respect to optional redemptions, at the option of the City, such notice may be conditional upon moneys being on deposit with the Paying Agent on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If such notice is conditional and moneys are not received, such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

THE DEPOSITORY TRUST COMPANY

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

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

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, 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, certificates will be printed and delivered to DTC.

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

THE PROJECT

The Series 2026 Bonds are being issued to (i) provide funds to purchase and install a new 3-megawatt generator and (ii) pay certain costs of issuance of the Series 2026 Bonds.

SOURCES AND USES OF FUNDS

The following table itemizes the sources and uses of funds, including the proceeds from the sale of the Bonds (exclusive of accrued interest).

Sources of Funds:	
Principal Amount	$2,960,000.00
Reoffering Premium	72,646.25
Total	***$3,032,646.25***
Uses of Funds:	
Project Costs	$2,867,838.50
Costs of Issuance	93,575.00
Underwriter's Discount	71,232.75
Total	***$3,032,646.25***

RISK FACTORS AND INVESTMENT CONSIDERATIONS

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

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 City or the taxing authority of the City.

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 within the territorial limits of the Issuer. The Kansas Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Legislation adopted by the 2021 Kansas Legislature provides that, effective January 1, 2022 no Kansas municipality may approve an appropriation or budget or levy a tax rate exceeding the municipality's revenue neutral rate without first conducting a public hearing pursuant to certain notice procedures. In 2026, the Kansas legislature passed a bill that, among other things, would have restricted the ability of taxing subdivisions, including the City, to levy unlimited ad valorem taxes to pay the debt service requirements on general obligation debt. Although the bill was vetoed by the Governor and did not become law, the City cannot predict whether similar bills will be introduced in the future or what effect such bills may have on the City's general obligation debt. 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 City's property tax collections. If a taxpayer valuation challenge is successful, the liability of the City to refund property taxes previously paid under protest may have a material impact on the City's financial situation. See discussion in "***APPENDIX A*** – General Tax Levies and Collections – Accounting, Budgeting and Auditing Procedures". Changes in laws affecting the taxing and fee authority of the City could limit the ability of the City to collect revenue sufficient to pay principal and interest on the Bonds.

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.

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 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 Ordinance 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-Opinion of Bond Counsel" 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 the 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 Ordinance 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 Ordinance does not provide for the payment of any additional interest or penalty on the Bonds if the interest thereon becomes includable in gross income for Kansas income tax purposes.

Suitability of Investment

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

Market for the Bonds

Rating. The Bonds have been assigned the financial ratings set forth in the section hereof entitled “RATING.” There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse 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. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal bonds which the Underwriters distributes. The Underwriter intends to continue this practice with respect to the Bonds, but is not obligated to do so. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary for the Underwriter to suspend indefinitely secondary market trading in the Bonds as a result of the financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Bonds are in default as to principal and interest payments, and other factors which in the opinion of the Underwriter may give rise to uncertainty concerning prudent secondary market practices.

Forward Looking Statements

This Official Statement may contain statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "intend," "expect" and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty and risks that would cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Inevitably, some assumptions used to develop forward looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results; those differences could be material.

Potential Impact of Epidemics or Pandemics

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

The Issuer, like the rest of the country, has recently experienced significant increases in costs of gas, energy, and food, in addition to associated wage and salary pressures. Some cost increases were being driven by COVID-19- related supply chain disruptions, whereas others appear unrelated to the pandemic. Due to the varying contributors to the current inflationary environment, it is not possible to state with certainty the time period over which the recent price increases will continue. The Issuer cannot predict the extent of inflationary pressures on its wages and salaries or other operating costs.

Recent events with the COVID-19 pandemic have shown that an outbreak of infectious disease can trigger governmentally imposed restrictions and changes in consumer behavior which could negatively impact local economic conditions. Such changes can cause unemployment rates to rise, taxable sales to decrease, delinquencies in tax payments, and other negative pressures on economic activity which could result in decreased or delayed tax collections for the Issuer.

With respect to the COVID-19 pandemic, economic conditions have stabilized in the State. While conditions have significantly improved, new, more harmful variants of the virus or significant spreading of existing variants of the virus could cause reduced health care availability and reduced economic activity. Such reduced economic activity could in turn negatively impact sales taxes, property values, or the delays in the collections of such taxes, and the operations and finances of the Issuer could be negatively impacted.

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 or Terrorist Attacks

The occurrence of a terrorist attack 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.

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 are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERS' Valuation Reports, KPERS had an aggregate UAAL of approximately $10.049 billion in calendar year 2024, of which approximately $2.173 billion was attributable to the Local Group.

THE FOREGOING 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.

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 securities, 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 Spencer Fane LLP, Wichita, Kansas, Bond Counsel ("Bond Counsel"). 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 therefore 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" and "TAX MATTERS – Opinion of Bond Counsel."

TAX MATTERS

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

Opinion of Bond Counsel

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

Federal Tax Exemption. In the opinion of Bond Counsel, under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes under Section 103 of the Code. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Bonds have been designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Kansas Tax Exemption. The interest on the Bonds is excluded from computation of Kansas adjusted gross income.

No Other Opinions. Bond Counsel expresses no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

Other Tax Consequences

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Bond. Under Code § 171, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no Federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

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

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

Other Tax Consequences. Prospective purchasers of the Bonds should be aware that there may be tax consequences of purchasing the Bonds other than those discussed under the caption "Opinion of Bond Counsel," including the following: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, except with

respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code); (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(b)(I) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds; (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (iv) passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25 percent of the gross receipts of such Subchapter S corporations is passive investment income, and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds. Bond Counsel notes that the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of the Bonds should consult their own tax advisors as to the applicability of these tax consequences.

Changes in Federal Tax Law. From time to time, there are legislative proposals in the Congress that, if enacted, could alter or amend the federal tax matters referred to above 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 notes issued prior to enactment. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation 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.

FINANCIAL ADVISOR

Piper Sandler & Co., Leawood, Kansas has acted as a Financial Advisor to the Issuer in connection with the sale of the Bonds. 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 assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The fees of the Financial Advisor are contingent upon the issuance of the Bonds. The Financial Advisor will not be a manager or a member of any underwriting group submitting a proposal for the purchase of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23.

UNDERWRITING

The Bonds have been sold at public sale by the Issuer to Robert W. Baird & Co., Inc., Milwaukee, Wisconsin (the "Underwriter") on the basis of lowest true interest cost. Two 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 a premium in the amount of $72,646.25, minus the Underwriter's Discount in the amount of $71,232.75. 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 yields as 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 overallot 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 STERLING, KANSAS

By: _____
Mayor

By: _____
Interim City Clerk

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APPENDIX A

FINANCIAL OVERVIEW AND GENERAL INFORMATION REGARDING THE CITY

Size and Location

The City is located in Rice County, Kansas on K-96/14, which is approximately 80 miles northwest of Wichita, Kansas, and 82 miles southwest of Salina, Kansas. The following table shows the approximate population of the City and Rice County in the years indicated.

Year	City of Sterling Population	Rice County Population
1980	2,312	11,900
1990	2,191	10,610
2000	2,642	10,761
2010	2,328	10,083
2020	2,248	9,427
2024	2,309	9,284

Source: U.S. Census Bureau; Kansas Statistical Abstract

Government and Organization

The City is a city of the second class under the laws of the State of Kansas and has had a Manager-Commission form of government since 1925. The City Commission conducts all legislative functions for the City and establishes general policies which are executed by the City Manager, who serves at its pleasure. The City Manager oversees the City Staff.

Municipal Services and Utilities

The City provides a full range of services, which include police and fire protection, construction and maintenance of infrastructure, community development and planning and cultural activities. All revenues to enable the City to provide sewer service are generated by user fees. The City owns all of the water lines within the community. Private companies or other governmental entities provide all other public services in the City, including trash collection, cable, telephone, and internet. The City and Black Hills Energy supply electricity and natural gas to the area.

Transportation

The area is served by two major highways: U.S. Highway 14 and Kansas Highway 96. Rail service is provided by the Union Pacific, Burlington Northern and Central Kansas railroads. Regularly scheduled air service is available at Wichita Dwight D. Eisenhower National Airport in Wichita, Kansas located 80 miles southeast of the City.

Education

Unified School District No. 376 (the "District") is located in the City of Sterling and extends into parts of both Rice and Reno counties. The District has a current estimated population of approximately 3,000 persons and a current student enrollment of approximately 480.

Sterling College also serves the City and is a four-year institution affiliated with the Presbyterian Church.

Health and Medical Services

Residents of the City have access to hospitals located in Hutchinson, Lyons and Wichita.

Financial Institutions

There are currently 4 banks located in Rice County with 8 banking locations. For the years listed, bank deposits of the County's banks are as follows:

RICE COUNTY

Year	Total Bank Deposits
2021	$311,083,000
2022	321,805,000
2023	303,928,000
2024	313,750,000
2025	341,817,000

Source: FDIC

ECONOMIC INFORMATION

Major Employers

In addition to employers located within the City, residents have employment opportunities throughout Rice County. Listed below are the largest employers within Rice County:

Employer	Product/Service	Employees
JACAM Chemical	Oil Exploration	520
IMC Salt	Salt Mining	161
North American Salt	Packaging of salt products	150
Sterling Services	Outsourcing services for non-profit businesses	140
Sterling College	Private educational institution of higher learning	120
Unified School District No. 376	Public educational institution PK - 12	100
Rice County	Government	98
Rice County Hospital District No. 1	Health Care	96
Good Samaritan Center	Long Term Care	85
KMW	Manufacturing & distribution of front-end loaders & backhoes	64

Source: City Clerk

Labor Force

The following tables set forth the labor force and employment figures for Rice County, Kansas and the State of Kansas for the years indicated:

RICE COUNTY

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	4,908	4,773	135	2.8%
2022	5,059	4,934	125	2.5%
2023	4,756	4,617	139	2.9%
2024	4,745	4,588	157	3.3%
2025	4,790	4,621	169	3.5%

STATE OF KANSAS

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	1,499,635	1,448,835	50,800	3.4%
2022	1,507,842	1,466,588	41,254	2.7%
2023	1,524,404	1,480,579	43,825	2.9%
2024	1,548,387	1,493,815	54,572	3.5%
2025	1,572,150	1,512,600	59,550	3.8%

Source: Kansas Department of Labor

Personal Income

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

Year	Rice County Total Personal Income	Rice County Per Capita Income	State of Kansas Per Capita Income
2020	$460,227,000	$49,039	$55,231
2021	467,165,000	49,762	59,209
2022	460,477,000	49,055	61,875
2023	531,909,000	57,164	63,513
2024	554,468,000	59,723	65,856

Source: Bureau of Economic Analysis

Retail Sales and Use Tax Collections

The following table lists the sales and use tax collections for the State of Kansas portion of the total sales tax for the years indicated for sales occurring in Rice County, Kansas:

RICE COUNTY

Year	Sales and Use Tax Collections	Per Capita Sales and Use Tax
2020	$9,807,493	$1,135.48
2021	9,692,086	956.84
2022	10,129,030	1,078.32
2023	9,678,489	1,109.39
2024	9,599,060	1,023.19

The State sales and use tax increased to 6.50%, effective July 1, 2015. For sales of food and food ingredients, beginning January 1, 2023, the State sales and use tax rate was reduced to 4%, beginning January 1, 2024, such rate was reduced to 2%, and beginning January 1, 2025, such rate was reduced to 0%. During such times, the State sales and use tax rate on non-food and non-food ingredients sales remained at 6.50%.

Source: Kansas Statistical Abstract

Oil Production

The oil production (in number of barrels) for Rice County for the years listed is indicated in the following table:

RICE COUNTY

Year	Oil Production
2021	522,543
2022	509,854
2023	524,011
2024	496,992
2025	517,081

Source: Kansas Geological Survey

FINANCIAL INFORMATION REGARDING THE CITY

Financial Overview

The following table summarizes key statistics with regard to the City's general obligation debt as of the close of this Issue:

Estimated Appraised Valuation	$125,817,990
Assessed Valuation (including Motor Vehicle valuation)	$20,776,720
Population	2,309
Outstanding General Obligation Notes and Bonds*	$9,180,000
General Obligation Debt Per Capita	$3,975.75
Ratio of General Obligation Debt to Assessed Valuation	44.18%
Ratio of General Obligation Debt to Estimated Appraised Valuation	7.30%
Direct and Net Overlapping Debt	$12,987,288
Direct and Net Overlapping Debt Per Capita	$5,624.64
Ratio of Direct and Net Overlapping Debt to Assessed Valuation	62.51%
Ratio of Direct and Net Overlapping Debt to Estimated Appraised Valuation	10.32%

**Includes the Bonds.*

Authority to Incur Debt

Pursuant to Kansas law, the City is authorized to incur applicable bonded debt of 30% of the current years' Assessed Tangible Valuation, including the City's valuation of motor vehicles. The City's current applicable bonded debt is 5.16% of its Assessed Tangible Valuation for computation of bond debt limitation.

Assessed Tangible Valuation	$17,748,916
Motor Vehicle Valuation (2025)	3,027,804
Total Valuation for Computation of Bonded Indebtedness Limitations	$20,776,720
Legal Limitation of Bonded Debt (30%)	$6,233,016
Applicable General Obligation Debt to Debt Limit	1,072,690
Additional Debt Capacity	$5,160,326

History of Equalized Assessed Valuation of Taxable Tangible Property

The Equalized Assessed Valuation of Taxable Tangible Property in the City for the last ten years is as follows:

Year	Estimated Appraised Valuation	Assessed Valuation Of Tangible Taxable Property	Assessed Valuation Of Motor Vehicles	Total Assessed Valuation
2017	$73,102,537	$9,679,356	$2,017,050	$11,696,406
2018	77,366,837	10,191,594	2,187,100	12,378,694
2019	76,476,927	10,227,972	2,258,026	12,485,998
2020	78,288,775	10,485,061	2,427,214	12,912,275
2021	81,461,570	10,873,909	2,445,091	13,319,000
2022	98,253,751	13,542,923	2,446,033	15,988,956
2023	113,402,862	15,857,589	2,553,266	18,410,855
2024	122,581,885	17,318,087	2,815,017	20,133,104
2025	125,857,043	17,755,365	3,027,804	20,783,169
2026*	125,817,990	17,748,916	3,027,804	20,776,720

**Preliminary 2026 assessed valuation figures used for budgeting purposes. 2026 motor vehicle valuation not yet available; 2025 data used for estimation purposes only.*
Source: County Clerk

Major Taxpayers

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

Taxpayer	Assessed Valuation	Taxes Paid
Black Forest Farms, LLC	$694,560	$118,782.96
KMW, Ltd.	551,983	94,399.58
Central Prairie Co-op	410,713	70,239.78
JaCam Chemical Co 2013, LLC	378,549	64,739.08
Aduddell Development Group, LLC	313,566	53,453.24
Black Hills Corp.	250,239	42,795.62
Hyatt Life Sciences, Inc.	238,333	40,759.48
Casey's Retail Company	160,825	27,504.14
P3 Real Estate LLC	147,642	25,249.60
FAC Installation LLC	146,130	24,991.02

Source: County Clerk

Local Option Sales Tax

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

The current total sales tax rate for goods and services in the City is 7.50%, which consists of 6.50% imposed by the State of Kansas, 0.00% imposed by Rice County and a 1.00% city-wide local option sales tax.
The following table provides the amount of local sales tax collected and received by the City during the years indicated:

Year	Sales Tax Rates	Collections
2016	7.50%	$400,937
2017	7.50%	452,903
2018	7.50%	498,820
2019	7.50%	532,372
2020	7.50%	550,590
2021	7.50%	587,057
2022	7.50%	648,983
2023	7.50%	627,007
2024	7.50%	655,179
2025	7.50%	684,353

Source: City Clerk

Current Indebtedness of the City

The following tables show the City's outstanding debt as of the dated date:

General Obligation Bonds

Issue	Final Maturity	Original Principal	Principal Outstanding	Portion Paid From General Taxes	Portion Paid From Special Assessments	Amount Applicable to Debt Limit
Series 2020	10/1/2040	$1,450,000	$1,065,000	$1,065,000	$-0-	$227,690
Series 2024-Taxable	10/1/2044	410,000	380,000	380,000	-0-	380,000
Series 2026[(1)]	10/1/2041	2,960,000	2,960,000	2,960,000	-0-	-0-
		Total =	$4,405,000	$4,405,000	$-0-	$607,690

[(1)] *This issue.*

Temporary Notes

Issue	Final Maturity	Original Principal	Principal Outstanding	Amount Applicable to Debt Limit
Series 2025	10/1/2028	$4,775,000	$4,775,000	$465,000
		Total =	$4,775,000	$465,000

Overlapping Indebtedness

The following table sets forth the overlapping general obligation indebtedness as of the dated date, (excluding public building commission and other revenue obligations of Rice County), and the percent attributable (on the basis of assessed valuation) to the City:

Taxing Jurisdiction	Current Assessed Valuation	Outstanding General Obligation Indebtedness	Percent Applicable to Issuer	Gross Amount Applicable to Issuer	Net Amount Applicable to Issuer
Rice County	$190,488,847	$3,935,000	9.32%	$366,646	$366,646
Unified School Dist. 376 [(1)]	49,921,383	13,630,000	35.55%	4,845,974	3,440,642
			Total =	$5,212,620	$3,807,288

[(1)] *For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 29% of debt service for the outstanding general obligation bonds of the Unified School District No. 376. For bonds approved by voters after July 1, 2015, the State of Kansas will pay 0% of debt service for the Unified School District No. 376. The aforementioned state aid rates are applicable to fiscal year 2026-2027.*

Retirement and Pension Plans

All full-time employees, except police and fire employees, participate in the City's Simplified Employee Pension Plan ("Plan"), a single-employer, defined contribution retirement plan. All full-time employees are eligible to participate in the Plan immediately upon employment. Benefits are fully vested upon eligibility to participate in the Plan. The City's contribution, as required by the Plan document, for 2024 was based upon 6% of the gross compensation and was $254,736. Employees are not required to make contributions to the Plan, but if they do, the City matches the employee's elective contributions up to 1%. In 2024, the total employee elective contributions were $141,546. The City retains no ownership rights to the accounts and, accordingly, the account balances are not included in the financial statements of the City.

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 are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL.

According to the Valuation Report as of December 31, 2024 (the "2024 Valuation Report") the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately $2.173 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. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2024 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 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.

General Tax Levies and Collections

Accounting and Budgeting Procedures

The City follows a modified accrual basis of accounting for funds of the City, including the general fund, special revenue funds, capital project fund and debt service fund. Enterprise funds are reported on the accrual basis of accounting. The City has received a GAAP waiver from the State of Kansas.

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

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

The Revenue Neutral Tax Act provides that by June 15 of every year (or by July 1 for tax year 2024), 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 notify the county clerk by July 20 of the taxing subdivision's intent to exceed the revenue neutral rate and provide to the county clerk the date, time and location of the related public hearing and the taxing subdivision's proposed tax rate. The county clerk is required to provide notice of such intent to exceed the revenue neutral rate to each taxpayer with property in the taxing subdivision at least 10 days in advance of the public hearing. The notice must include the following information: (1) the heading "NOTICE OF PROPOSED PROPERTY TAX INCREASE AND PUBLIC HEARINGS"; (2) a statement that the notice contains estimates of the property tax and proposed property tax increases, actual taxes may increase or decrease from the estimates provided, the governing body will vote at a public hearing to exceed the revenue neutral rate, taxpayers may attend and comment at the hearing, and property tax statements will be issued after mill rates are finalized and taxes are calculated; (3) the appraised value and assessed value of the taxpayer's property for the current year and the previous year; (4) the amount of property tax of the taxing subdivision on the taxpayer's property from the previous year's tax statement; (5) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the revenue neutral rate of the taxing subdivision; (6) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the proposed tax rate provided by the taxing subdivision; (7) the difference between the amount of the current year's maximum tax and the previous year's tax, reflected in dollars and a percentage, for the taxing subdivision; (8) the date, time and location of the public hearing of the taxing subdivision; and (9) the difference between the current year's maximum tax and the estimated amount of property tax based on the revenue neutral rate of the taxing subdivision.

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 will 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 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. However, if a taxing subdivision does not comply with the notice and hearing requirements of the Revenue Neutral Tax Act because it did not intend to exceed its revenue neutral rate, but the final assessed valuation of such taxing subdivision used to calculate the actual levy is less than the estimated assessed valuation used to calculate the revenue neutral rate, such taxing subdivision is permitted to levy a tax rate that generates the same amount of property tax revenue as levied the prior year or less.

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.

City Mill Levy History

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:

Levy Year	Budget Year	City of Sterling	Rice County	USD 376 District	State
2016	2017	53.883	51.478	71.298	1.500
2017	2018	47.315	52.989	75.342	1.500
2018	2019	50.540	37.072	70.399	1.500
2019	2020	50.077	37.093	66.918	1.500
2020	2021	50.007	37.944	70.288	1.500
2021	2022	49.999	36.154	72.017	1.500
2022	2023	45.325	31.819	69.670	1.500
2023	2024	42.297	30.059	67.330	1.500
2024	2025	40.643	32.918	66.958	1.500
2025	2026	42.650	36.932	69.189	1.500

Source: County Clerk

Property 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 penalized at a statutorily prescribed rate until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale in July 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 property 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, 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 taxpayers' tax levy unit.

Tax Collection Record

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

		Collections within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Taxes Levied	Amount	Percentage of Levy	Collections in Subsequent Years[(1)]	Amount	Percentage of Levy
2015	$476,230	$457,741	99.43%	$15,787	$473,528	99.43%
2016	510,108	491,789	99.04%	13,424	505,213	99.04%
2017	515,717	492,363	98.31%	14,644	507,007	98.31%
2018	516,369	494,023	96.66%	5,124	499,147	96.66%
2019	529,686	515,312	97.29%	10,877	526,189	99.34%
2020	541,597	521,303	96.07%	16,264	537,567	99.26%
2021	562,162	555,829	98.87%	1,600	557,429	99.16%
2022	615,267	606,029	98.50%	N/A	N/A	N/A
2023	671,824	666,153	99.16%	N/A	N/A	N/A
2024	705,107	694,441	98.49%	N/A	N/A	N/A
2025*	746,165	698,229	93.58%			

[(1)]County Treasurer's records do not provide a determination of which year the collection in subsequent years is applied to. For this schedule all collections of delinquent taxes are applied to the preceding year.
** Partial collections through 8/31/26.*

Source: County Clerk / Treasurer

Appraisal and Assessment Procedures

The determination of appraised and assessed valuation 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 the appraised valuation of property located in the County. The Appraiser's determination is based on a number of criteria established by Kansas statute. All property, with the exception of agricultural land, is appraised based on estimated fair market value. Agricultural property is appraised based on productivity value. Kansas statutes require that each parcel of real property be reviewed and inspected by the county appraiser once every four years for taxation purposes. Once appraised valuations have been determined, they are multiplied by the applicable statutory assessment rates to arrive at the assessed valuations. The total assessed valuation is then used to establish property tax rates.

Property Assessment Rates

In order to determine the assessed valuation of a parcel of property for taxation purposes, the county appraiser multiplies the appraised value of the parcel by the applicable assessment rate. Current property assessment rates were established in 1986, effective in 1989, and slightly modified in 1992. The most significant 1992 modifications involved lowering the assessment rate on commercial and industrial real property from 30% to 25% and on residential property from 12% to 11.5%. The following table shows the current assessment rates for the different classes of taxable tangible property within the State of Kansas.

Real Property:	
Residential	11.5%
Commercial and Industrial-Real Property	25.0%
Agricultural Land (1)	30.0%
Agricultural Improvements	25.0%
Vacant Lots	12.0%
Not-for-Profit (2)	12.0%
All Other	30.0%
Personal Property (3):	
Mobile Homes	11.5%
Mineral Leaseholds (large)	30.0%
Mineral Leaseholds (small)	25.0%
Commercial & Industrial Machinery & Equipment	25.0%
All Other	30.0%
Utilities:	
Railroads	federally mandated rate
All Other Public Utilities	33.0%
Motor Vehicles:	22.0%

Property Exempt:

Property used for the following purposes, or portions thereof, are exempt from taxation provided certain statutory requirements are met: religious, educational, literary, scientific, benevolent, alumni associations, veterans' organizations, or charitable purposes, including parsonages and community service organizations providing humanitarian services.

(1) Agricultural land is valued based on the productivity value of the property and not estimated market valuation.

(2) A bill passed by the Kansas Legislature in 1994 clarified this class of property to include all property owned and operated by not-for-profit organizations not subject to federal income taxation pursuant to paragraphs (2), (3), (4), (7), (8), or (10) of Subsection C of Section 501 of the federal internal revenue code. This bill specifically established that private, not-for-profit country clubs would be assessed at 12% for all land which does not accommodate buildings or improvements.

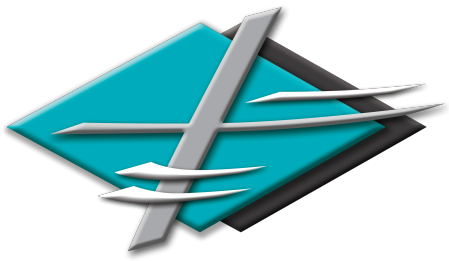
(3) The 2006 Kansas Legislature exempted from all property or ad valorem property taxes levied under the laws of the State, all commercial, industrial, telecommunications, and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after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

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CITY OF STERLING, KANSAS

FINANCIAL STATEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2024



LOYD GROUP, LLC

Certified Public Accountants

CITY OF STERLING, KANSAS
CITY OF THE SECOND CLASS
For the Year Ended December 31, 2024

CITY COMMISSION

Clinton Bundy	Brian Inwood Mayor	Richard Jones, Jr.
Todd Rowland		Robert Boltz, Jr.

CITY OFFICERS

Candice Groth Treasurer	Ian Hutcheson Manager	Scott Bush Attorney
James Smith Police Chief	Jessi Dobson Clerk	Richard Burgess, Jr. Municipal Judge

CITY OF STERLING, KANSAS

For the Year Ended December 31, 2024

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CITY OF STERLING, KANSAS

For the Year Ended December 31, 2024

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LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Sterling, Kansas 67579

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 Sterling, Kansas (City), a Municipal Financial Reporting Entity, 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. Generally 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 statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS 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 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 statement.

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 statement, 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 statement.
- 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 statement.
- 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, expenditures-actual and budget, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 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.

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Sterling, Kansas as of and for the year ended December 31, 2023 (not presented herein), and have issued their report thereon dated April 12, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and their accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2024 (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. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information 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. In our opinion, the 2023 comparative information is 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.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
May 22, 2025

CITY OF STERLING, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2024

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	$ 363,378	$ 1,442,416	$ 1,108,236	$ 697,558	$ -	$ 697,558
SPECIAL PURPOSE FUNDS:						
Library Fund	2,446	76,910	77,485	1,871	-	1,871
Cemetery Fund	2,475	83,899	71,460	14,914	-	14,914
Special Highway Fund	883,334	676,331	556,419	1,003,246	-	1,003,246
Special Parks & Recreation Fund	10,247	1,818	-	12,065	-	12,065
Ambulance and Fire Equipment Fund	173,843	40,537	119,471	94,909	-	94,909
Sterling Community Cemetery Fund	155,115	106,947	99,500	162,562	-	162,562
Health Insurance Savings Fund	47,290	43,629	29,492	61,427	-	61,427
Rescue Projects Fund	34,384	-	34,384	-	-	-
Total Special Purpose Funds	1,227,460	986,442	924,335	1,289,567	-	1,350,994
CAPITAL PROJECTS FUNDS:						
Storm Sewer Project Fund	5,698	-	-	5,698	-	5,698
Bond Projects Fund	-	37,500	37,500	-	-	-
Total Capital Projects Funds	5,698	37,500	37,500	5,698	-	5,698
BUSINESS FUNDS:						
Water Utility Fund	81,927	754,403	438,451	397,879	-	397,879
Electric Utility Fund	1,250,256	2,685,864	2,888,527	1,047,593	45,982	1,093,575
Electric Equipment Reserve Fund	148,460	-	-	148,460	-	148,460
Sewer Utility Fund	172,470	412,801	429,046	156,225	-	156,225
Medical Services Fund	73,632	68,458	73,825	68,265	-	68,265
Total Business Funds	1,726,745	3,921,526	3,829,849	1,818,422	45,982	1,864,404
Total Reporting Entity (Excluding Agency Funds)	$ 3,323,281	$ 6,387,884	$ 5,899,920	$ 3,811,245	$ 45,982	$ 3,918,654

COMPOSITION OF CASH:	
Checking Accounts	$ 253,517
Savings Accounts	2,584,500
Certificates of Deposit	727,836
Sterling Community Cemetery	456,606
Cash on Hand	500
Total Cash	4,022,959
Less Agency Funds per Schedule 3	(104,305)
Total Reporting Entity (Excluding Agency Funds)	$ 3,918,654

The notes to the financial statement are an integral part of this statement.

CITY OF STERLING, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The City of Sterling is a municipal financial reporting entity governed by an elected Commission. The financial statement presents all funds that are administered and controlled by the Commission.

Related Municipal Entity. The City of Sterling has the following related municipal entity:

Cemetery. Financial information for the Cemetery may be obtained from the City of Sterling at 114 North Broadway, Sterling, Kansas 67579. The Cemetery is presented as a special purpose fund.

(b) Regulatory Basis Fund Types

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

(c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Basis of Accounting (Cont.)

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

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, 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 1st 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. There were no budget amendments for the year 2024.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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

(e) Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABLILITY

Compliance with Kansas Statutes

No statute violations were noted during 2024.

3. DEPOSITS AND INVESTMENTS

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. All deposits were legally secured at December 31, 2024.

At December 31, 2024, the City's carrying amount of deposits was $4,022,459 and the bank balance was $4,103,978. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $972,381 (for City and Cemetery) was covered by federal depository insurance and the remaining $3,131,597 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Electric Utility Fund	General Fund	K.S.A. 12-825d	$ 95,000

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2024, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2020	2.5-4%	2-20-20	1,450,000	10-01-40	$ 1,290,000	$ -	$ 70,000	$ 1,220,000	$ 35,913
Series 2024		10-24-24	410,000	10-01-44	-	410,000	-	410,000	-
Total General Obligation Bonds					1,290,000	410,000	70,000	1,630,000	35,913
Other:									
Kansas Water Pollution Control Revolving Loan	2.79%	08-20-08	1,220,348	09-01-29	432,271	-	67,148	365,123	11,595
Capital Lease:									
Equipment Lease	2.65%	04-16-21	60,400	04-16-26	37,112	-	12,071	25,041	912
Grasshopper Mower '24	6.69%	04-05-24	13,157	04-05-27	-	13,157	-	13,157	-
Total Capital Leases					37,112	13,157	12,071	38,198	912
Total Contractual Indebtedness					$ 1,759,383	$ 423,157	$ 149,219	$ 2,033,321	$ 48,420

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year								
	2025	2026	2027	2028	2029	2030 to 2034	2035 to 2039	2040 to 2041	Total
PRINCIPAL:									
General Obligation Bonds:									
Series 2020	$ 75,000	$ 80,000	$ 90,000	$ 95,000	$ 100,000	$ 350,000	$ 355,000	$ 75,000	$ 1,220,000
Series 2024	15,000	15,000	15,000	15,000	15,000	85,000	110,000	140,000	410,000
Total General Obligation Bonds	90,000	95,000	105,000	110,000	115,000	435,000	465,000	215,000	1,630,000
Other:									
Kansas Water Pollution Control Revolving Loan	69,035	70,975	72,968	75,018	77,127	-	-	-	365,123
Capital Leases:									
Equipment Lease	12,369	12,672	-	-	-	-	-	-	25,041
Grasshopper Mower '24	4,105	4,379	4,673	-	-	-	-	-	13,157
Total Capital Leases	16,474	17,051	4,673	-	-	-	-	-	38,198
TOTAL PRINCIPAL	175,509	183,026	182,641	185,018	192,127	435,000	465,000	215,000	2,033,321
INTEREST:									
General Obligation Bonds:									
Series 2020	33,112	30,112	26,913	23,313	20,463	71,587	35,200	1,875	242,575
Series 2024	18,595	20,738	19,950	19,163	18,375	79,800	54,862	22,837	254,320
Total General Obligation Bonds	51,707	50,850	46,863	42,476	38,838	151,387	90,062	24,712	496,895
Other:									
Kansas Water Pollution Control Revolving Loan	9,709	7,769	5,775	3,725	1,618	-	-	-	28,596
Capital Leases:									
Equipment Lease	614	310	-	-	-	-	-	-	924
Grasshopper Mower '24	880	606	313	-	-	-	-	-	1,798
Total Capital Leases	1,494	916	313	-	-	-	-	-	2,722
TOTAL INTEREST	62,910	59,535	52,951	46,201	40,456	151,387	90,062	24,712	528,213
TOTAL PRINCIPAL AND INTEREST	$ 238,419	$ 242,561	$ 235,592	$ 231,219	$ 232,583	$ 586,387	$ 555,062	$ 239,712	$ 2,561,534

6. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain Workers Compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other Cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 178 participating members. The City pays an annual premium to KMIT for its Workers Compensation insurance coverage. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $850,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management. The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain property insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other municipal entities in both Kansas and Missouri to participate in the Midwest Public Risk Pool (MPR), a public entity risk pool currently operating as a common risk management and insurance program for 166 participating members. The City pays an annual premium to MPR for its property and liability insurance coverage. The agreement to participate provides that MPR will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 (property) and $500,000 (liability) for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by MPR management. The City continues to carry commercial insurance for all other risks of loss, including workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. DEFINED BENEFIT 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 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. 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 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $122,040 for the year ended December 31, 2024.

Net Pension Liability. At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was $1,298,159. 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.

7. DEFINED BENEFIT PENSION PLAN (CONT.)

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 or can be obtained as described above.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Death and Disability Other Post Employment Benefits

K.S.A. 74-4927, disabled members in KPERS receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2024.

(c) Defined Contribution Pension Plan

The City participates in a defined contribution plan administered by the International City Manager's Association Retirement Corporation (ICMA Retirement). Employees become eligible for participation in the plan upon hire. The City contributes 1% of the participants' base wage and the participants may contribute any amount they determine up to IRS limits. For the year ended December 31, 2024, actual contributions by the City and plan participants were $28,620 and $19,042 respectively. ICMA Retirement includes 22 participants. Participants vest at service inception and are entitled to 100 percent of vested contributions. The plan is a money purchase plan qualified under Section 457 of the Internal Revenue Code.

(d) Other Employee Benefits

Vacation – Vacation time shall be earned on the basis of complete calendar months of service. Accrual of vacation shall start from the original date of employment and may be used within the first year. Vacation may not be used for any periods spent on unauthorized leave. Employees should make every effort to take their vacation in the calendar year in which it was earned. The City Manager at his discretion may allow vacation leave to be carried over from one calendar year to the next.

Each regular full-time employee will earn vacation leave as follows:

Years of Service	Per Year	Maximum Accumulation
Start through 9 years	80 hours	None
10 years and beyond	120 hours	None

Regular part-time employees earn vacation leave as follows:

Years of Service	Per Year	Maximum Accumulation
Start through 9 years	40 hours	None
10 years and beyond	80 hours	None

Upon separation of employment, employees shall be compensated for all earned but unused vacation leave at their final rate of pay, provided the employee has been employed with the City for at least twelve consecutive months.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

Sick leave – All regular full time employees shall accrue sick leave at a rate of eight hours for each complete calendar month they are on paid status. Regular part-time employees shall accrue sick leave at a rate of four hours for each complete calendar month they are on paid status.

Accumulation of sick leave – Employees may accrue sick leave up to a maximum of seventy-five working days. Upon separation of employment, employees shall be compensated for one fourth (1/4) of accrued and unused sick leave at their final rate of pay, provided the employee has been employed with the City of Sterling for at least twelve consecutive months.

Compensation – Compensation time for authorized overtime work shall be at a rate of one and one-half times the employee's rate of pay. Employees shall be entitled to receive overtime compensation for all hours worked in excess of forty hours per week. Vacation, sick leave, personal days and holidays are generally counted as hours worked when computing overtime. However, no person employed in an administrative, executive or professional position, shall be eligible for overtime compensation.

9. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2023 to 2024 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

10. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as

	Project Authorization	Expenditures To Date
Roadway Maintenance Project	$ 351,749	$ 250,447

11. RELATED PARTIES

A Commission member is an officer of one of the financial institutions where the City has funds deposited. At December 31, 2024, funds deposited at this institution totaled $1,818,501.

12. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF STERLING, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF STERLING, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2024

	Certified Budget	Adjustment for for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
GENERAL FUND:					
General Fund	$ 1,501,630	$ -	$ 1,501,630	$ 1,108,236	$ (393,394)
SPECIAL PURPOSE FUNDS:					
Library Fund	77,485	-	77,485	77,485	-
Cemetery Fund	85,410	-	85,410	71,460	(13,950)
Special Highway Fund	1,733,444	-	1,733,444	556,419	(1,177,025)
Special Parks and Recreation Fund	12,205	-	12,205	-	(12,205)
Ambulance and Fire Equipment Fund	169,257	-	169,257	119,471	(49,786)
BUSINESS FUNDS:					
Water Utility Fund	535,328	-	535,328	438,451	(96,877)
Electric Utility Fund	4,482,482	-	4,482,482	2,888,527	(1,593,955)
Sewer Utility Fund	646,882	-	646,882	429,046	(217,836)
Medical Services Fund	143,064	-	143,064	73,825	(69,239)

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2024

(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes -				
Ad valorem property tax	$ 258,654	$ 273,991	$ 291,529	$ (17,538)
Delinquent tax	9,077	9,420	9,000	420
Motor vehicle tax	39,363	42,201	36,978	5,223
Recreational vehicle tax	646	693	727	(34)
16/20M vehicle tax	147	109	147	(38)
Commercial vehicle tax	5,441	5,967	5,151	816
In-Lieu of tax	-	15,050	10,000	5,050
Guest tax	8,836	9,050	9,000	50
Watercraft Tax	-	-	678	(678)
Local alcoholic liquor tax	1,732	1,818	2,002	(184)
Local sales tax	275,241	270,072	286,380	(16,308)
Total Taxes	599,137	628,371	651,592	(23,221)
Licenses and Permits -				
Licenses and permits	11,271	8,962	9,000	(38)
Utility franchise fees	89,024	65,722	89,500	(23,778)
Dog tags, impounds, adoption fees	1,812	1,505	2,050	(545)
Total Licenses and Permits	102,107	76,189	100,550	(24,361)
Charges for Services -				
Burn site	50,860	51,350	50,400	950
Camping	16,726	19,020	18,000	1,020
Impoundment	175	175	-	175
Refuse collection	89,686	90,720	88,000	2,720
Swimming and concessions	9,195	8,878	7,100	1,778
Total Charges for Services	166,642	170,143	163,500	6,643
Fines, Forfeitures and Penalties -				
Police Fines	16,222	5,576	18,000	(12,424)
Use of Money and Property -				
Interest received	18,689	19,019	8,500	10,519
Other -				
Bond proceeds	-	410,010	-	410,010
Miscellaneous	42,531	18,938	15,000	3,938
Neighborhood revitalization rebate	(20,882)	(21,827)	(25,306)	3,479
Reimbursed expense	-	14,625	-	14,625
Grants	2,701	2,372	-	2,372
Police contract	24,000	24,000	24,000	-
Total Other	48,350	448,118	13,694	434,424
Transfers In -				
Transfer from Electric Utility Fund	187,900	95,000	95,000	-
Transfer from Sewer Utility Fund	18,275	-	18,275	(18,275)
Transfer from Water Utility Fund	-	-	18,275	(18,275)
Total Transfers In	206,175	95,000	131,550	(36,550)
Total Receipts	1,157,322	1,442,416	$ 1,087,386	$ 355,030

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2024

(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
Administrative -				
Personal services	$ 121,325	$ 104,398	$ 113,725	$ (9,327)
Contractual services	234,629	232,543	173,600	58,943
Commodities	4,858	10,600	4,500	6,100
Capital outlay	188,682	51,120	70,000	(18,880)
Total Administrative	549,494	398,661	361,825	36,836
Police -				
Personal services	455,928	492,072	446,404	45,668
Contractual services	65,756	64,254	63,180	1,074
Commodities	25,093	22,215	26,450	(4,235)
Capital outlay	5,914	-	-	-
Total Police	552,691	578,541	536,034	42,507
Park -				
Contractual services	1,038	950	1,000	(50)
Commodities	25,425	11,061	25,000	(13,939)
Capital outlay	-	-	5,000	(5,000)
Total Park	26,463	12,011	31,000	(18,989)
Fire -				
Personal services	7,790	9,498	7,800	1,698
Contractual services	19,560	21,331	9,500	11,831
Commodities	679	1,336	3,200	(1,864)
Capital outlay	4,442	-	12,952	(12,952)
Total Fire	32,471	32,165	33,452	(1,287)
Swimming Pool -				
Personal services	39,509	41,506	34,000	7,506
Contractual services	19,194	933	10,500	(9,567)
Commodities	28,571	34,754	22,000	12,754
Capital outlay	-	1,860	1,000	860
Total Swimming Pool	87,274	79,053	67,500	11,553
Health & Sanitation -				
Commodities	6,780	7,805	2,750	5,055
Total Health & Sanitation	6,780	7,805	2,750	5,055
Other -				
Transfer to Capital Improvement Fund	-	-	50,000	(50,000)
Cash forward	-	-	419,069	(419,069)
Total Other	-	-	469,069	(469,069)
Total Expenditures	1,255,173	1,108,236	$ 1,501,630	$ (393,394)
Receipts Over (Under) Expenditures	(97,851)	334,180		
Unencumbered Cash, Beginning	461,229	363,378		
Unencumbered Cash, Ending	$ 363,378	$ 697,558		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 64,147	$ 67,890	$ 71,348	$ (3,458)
Delinquent tax	2,144	2,308	-	2,308
Motor vehicle tax	9,377	10,462	9,171	1,291
Recreational vehicle tax	154	172	180	(8)
16/20M vehicle tax	35	26	36	(10)
Commercial vehicle tax	1,296	1,461	1,278	183
Watercraft tax	-	-	74	(74)
Neighborhood revitalization rebate	(5,179)	(5,409)	(5,477)	68
Total Receipts	71,974	76,910	$ 76,610	$ 300
Expenditures				
Appropriation to Library Board	69,590	77,485	$ 77,485	$ -
Receipts Over (Under) Expenditures	2,384	(575)		
Unencumbered Cash, Beginning	62	2,446		
Unencumbered Cash, Ending	$ 2,446	$ 1,871		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

CEMETERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 64,147	$ 75,437	$ 79,275	$ (3,838)
Delinquent tax	2,145	2,337	-	2,337
Motor vehicle tax	9,378	10,462	9,170	1,292
Recreational vehicle tax	154	172	254	(82)
16/20M vehicle tax	35	26	36	(10)
Commercial vehicle tax	1,296	1,462	1,278	184
Neighborhood revitalization rebate	(5,179)	(5,997)	(5,477)	(520)
Total Receipts	71,976	83,899	$ 84,536	$ (637)
Expenditures				
Appropriation to Sterling Community Cemetery	69,592	71,460	$ 85,410	$ (13,950)
Receipts Over (Under) Expenditures	2,384	12,439		
Unencumbered Cash, Beginning	91	2,475		
Unencumbered Cash, Ending	$ 2,475	$ 14,914		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 175,951	$ 183,516	$ 195,857	$ (12,341)
Delinquent tax	7,117	6,673	7,500	(827)
Motor vehicle tax	31,913	28,763	25,155	3,608
Recreational vehicle tax	524	471	494	(23)
16/20M vehicle tax	119	88	99	(11)
Commercial vehicle tax	4,411	4,306	3,505	801
Local sales tax	351,767	385,107	317,000	68,107
State of Kansas gas tax	62,107	61,851	58,000	3,851
State connecting links	14,570	14,580	-	14,580
FEMA reimbursement	-	-	425,712	(425,712)
Neighborhood revitalization rebate	(14,205)	(14,624)	(16,524)	1,900
Miscellaneous	6,887	5,600	-	5,600
Total Receipts	641,161	676,331	$ 1,016,798	$ (340,467)
Expenditures				
Personal services	144,230	152,273	$ 124,132	$ 28,141
Contractual services	387,703	281,278	55,000	226,278
Commodities	118,367	73,035	88,500	(15,465)
Capital outlay	29,114	-	726,072	(726,072)
Principal and interest	44,739	49,833	51,050	(1,217)
Cash forward	-	-	688,690	(688,690)
Total Expenditures	724,153	556,419	$ 1,733,444	$ (1,177,025)
Receipts Over (Under) Expenditures	(82,992)	119,912		
Unencumbered Cash, Beginning	966,326	883,334		
Unencumbered Cash, Ending	$ 883,334	$ 1,003,246		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local alcoholic liquor tax	$ 1,732	$ 1,818	$ 2,002	$ (184)
Expenditures				
Capital outlay	-	-	$ 12,205	$ (12,205)
Receipts Over (Under) Expenditures	1,732	1,818		
Unencumbered Cash, Beginning	8,515	10,247		
Unencumbered Cash, Ending	$ 10,247	$ 12,065		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

AMBULANCE AND FIRE EQUIPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 25,659	$ 37,248	$ 39,638	$ (2,390)
Delinquent tax	862	965	-	965
Motor vehicle tax	3,751	4,185	3,668	517
Recreational vehicle tax	62	69	102	(33)
16/20M vehicle tax	14	473	14	459
Commercial vehicle tax	519	584	511	73
Neighborhood revitalization rebate	(2,072)	(2,987)	(2,191)	(796)
Total Receipts	28,795	40,537	$ 41,742	$ (1,205)
Expenditures				
Capital outlay	22,040	119,471	$ 169,257	$ (49,786)
Receipts Over (Under) Expenditures	6,755	(78,934)		
Unencumbered Cash, Beginning	167,088	173,843		
Unencumbered Cash, Ending	$ 173,843	$ 94,909		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

STERLING COMMUNITY CEMETERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2024		
	General Fund Actual	Stevenson Fund Actual	Perpetual Care Actual
Receipts			
Interest income	$ 4,845	$ -	$ -
Charges for service	14,073	-	-
Sale of lots	2,367	-	10,177
Township distribution	75,460	-	-
Total Receipts	96,745	-	10,177
Expenditures			
Personal services	82,593	-	-
Contractual services	10,067	-	-
Commodities	6,840	-	-
Capital outlay	-	-	-
Total Expenditures	99,500	-	-
Receipts Over (Under) Expenditures	(2,755)	-	10,177
Unencumbered Cash, Beginning	21,289	59,700	69,062
Unencumbered Cash, Ending	$ 18,534	$ 59,700	$ 79,239

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

STERLING COMMUNITY CEMETERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2024				
	Mausoleum Trust Funds				
	Mincer Actual	Manz Actual	Mead Actual	Total Cemetery Actual	2023 Actual
Receipts					
Interest income	$ 13	$ 9	$ 3	$ 4,870	$ 1,555
Charges for service	-	-	-	14,073	8,901
Sale of lots	-	-	-	12,544	10,010
Township distribution	-	-	-	75,460	77,592
Total Receipts	13	9	3	106,947	98,058
Expenditures					
Personal services	-	-	-	82,593	93,787
Contractual services	-	-	-	10,067	6,629
Commodities	-	-	-	6,840	9,256
Capital outlay	-	-	-	-	57,040
Total Expenditures	-	-	-	99,500	166,712
Receipts Over (Under) Expenditures	13	9	3	7,447	(68,654)
Unencumbered Cash, Beginning	2,501	1,737	826	155,115	223,769
Unencumbered Cash, Ending	$ 2,514	$ 1,746	$ 829	$ 162,562	$ 155,115

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

HEALTH INSURANCE SAVINGS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts		
Grants	$ 47,349	$ 43,629
Expenditures		
Capital outlay	28,820	29,492
Receipts Over (Under) Expenditures	18,529	14,137
Unencumbered Cash, Beginning	28,761	47,290
Unencumbered Cash, Ending	$ 47,290	$ 61,427

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

RESCUE PROJECTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts		
Grants	$ -	$ -
Expenditures		
Personal services	100,974	34,384
Receipts Over (Under) Expenditures	(100,974)	(34,384)
Unencumbered Cash, Beginning	135,358	34,384
Unencumbered Cash, Ending	$ 34,384	$ -

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUND

STORM SEWER PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts	$ -	$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	5,698	5,698
Unencumbered Cash, Ending	$ 5,698	$ 5,698

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUND

BOND PROJECTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts		
Corwin project	$ -	$ 37,500
Expenditures		
Substation project	7,696	-
Corwin project	-	37,500
Total Expenditures	7,696	37,500
Receipts Over (Under) Expenditures	(7,696)	-
Unencumbered Cash, Beginning	7,696	-
Unencumbered Cash, Ending	$ -	$ -

CITY OF STERLING, KANSAS

BUSINESS FUND

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance - Over (Under)
Receipts				
Sale to customers	$ 396,087	$ 422,196	$ 439,290	$ (17,094)
Connection fees	4,250	3,550	2,900	650
Hookups	1,388	1,340	500	840
Miscellaneous	12,764	272	5,030	(4,758)
Tower rent	14,219	327,045	17,232	309,813
Total Receipts	428,708	754,403	$ 464,952	$ 289,451
Expenditures				
Production -				
Contractual services	3,908	2,648	$ 4,800	$ (2,152)
Commodities	5,815	6,980	8,500	(1,520)
Total Production	9,723	9,628	13,300	(3,672)
Distribution -				
Personal services	118,848	121,058	108,578	12,480
Contractual services	10,821	8,609	14,100	(5,491)
Commodities	91,897	149,154	53,100	96,054
Total Distribution	221,566	278,821	175,778	103,043
General and Administrative -				
Personal services	104,521	94,872	101,581	(6,709)
Contractual services	38,966	23,941	12,900	11,041
Commodities	3,476	4,529	3,500	1,029
Revolving loan principal	25,000	15,000	24,543	(9,543)
Revolving loan interest	10,268	9,544	-	9,544
Miscellaneous	1,708	2,116	12,000	(9,884)
Transfer to General Fund	-	-	18,275	(18,275)
Transfer to Capital Improvement Fund	-	-	60,000	(60,000)
Cash forward	-	-	113,451	(113,451)
Total General and Administrative	183,939	150,002	346,250	(196,248)
Total Expenditures	415,228	438,451	$ 535,328	$ (96,877)
Receipts Over (Under) Expenditures	13,480	315,952		
Unencumbered Cash, Beginning	68,447	81,927		
Unencumbered Cash, Ending	$ 81,927	$ 397,879		

CITY OF STERLING, KANSAS

BUSINESS FUND

ELECTRIC UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sales to customers	$ 2,898,246	$ 2,531,546	$ 2,968,000	$ (436,454)
Connection fees	3,670	3,265	3,800	(535)
Street lighting	-	-	11,288	(11,288)
Installation charges	3,770	1,546	-	1,546
Capacity purchase reserve	77,571	13,469	93,449	(79,980)
Miscellaneous	106,004	136,038	136,000	38
Total Receipts	3,089,261	2,685,864	$ 3,212,537	$ (526,673)
Expenditures				
Production -				
Personal services	283,610	282,122	$ 231,777	$ 50,345
Contractual services	1,444,789	1,186,352	1,587,000	(400,648)
Commodities	59,846	56,030	71,650	(15,620)
Capital outlay	21,897	-	-	-
Total Production	1,810,142	1,524,504	1,890,427	(365,923)
Distribution -				
Personal services	303,112	305,025	308,629	(3,604)
Contractual services	50,929	65,488	49,200	16,288
Commodities	199,455	104,646	205,750	(101,104)
Total Distribution	553,496	475,159	563,579	(88,420)
General and Administrative -				
Personal services	104,815	113,149	102,098	11,051
Contractual services	275,389	293,267	81,516	211,751
Commodities	7,801	11,898	6,900	4,998
Capital outlay	18,815	339,734	-	339,734
Catalytic convertors lease payment	95,247	35,054	108,000	(72,946)
Miscellaneous	489	762	97,749	(96,987)
Transfer to Medical Services Fund	56,877	-	-	-
Transfer to Electric Equipment Reserve	-	-	333,392	(333,392)
Transfer to General Fund	187,900	95,000	95,000	-
Cash forward	-	-	1,203,821	(1,203,821)
Total General and Administrative	747,333	888,864	2,028,476	(1,139,612)
Total Expenditures	3,110,971	2,888,527	$ 4,482,482	$ (1,593,955)
Receipts Over (Under) Expenditures	(21,710)	(202,663)		
Unencumbered Cash, Beginning	1,271,966	1,250,256		
Unencumbered Cash, Ending	$ 1,250,256	$ 1,047,593		

CITY OF STERLING, KANSAS

BUSINESS FUND

ELECTRIC EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023 Actual	2024 Actual
Receipts		
Miscellaneous	$ -	$ -
Expenditures		
Commodities	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	148,460	148,460
Unencumbered Cash, Ending	$ 148,460	$ 148,460

CITY OF STERLING, KANSAS

BUSINESS FUND

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sale to customers	$ 424,062	$ 402,944	$ 416,000	$ (13,056)
Miscellaneous	6,580	9,857	36,000	(26,143)
Total Receipts	430,642	412,801	$ 452,000	$ (39,199)
Expenditures				
Collection -				
Contractual services	32,749	30,075	$ 21,500	$ 8,575
Commodities	16,984	17,406	8,300	9,106
Total Collection	49,733	47,481	29,800	17,681
Treatment -				
Personal services	141,322	134,393	112,971	21,422
Contractual services	18,475	9,050	23,750	(14,700)
Commodities	8,869	20,444	22,500	(2,056)
Total Treatment	168,666	163,887	159,221	4,666
General and Administration -				
Personal services	95,239	94,888	99,846	(4,958)
Contractual services	57,454	33,612	35,000	(1,388)
Commodities	3,170	2,008	3,400	(1,392)
Capital outlay	(5,296)	-	-	-
Revolving loan payment	89,297	87,170	88,105	(935)
Transfer to General Fund	18,275	-	18,275	(18,275)
Cash forward	-	-	213,235	(213,235)
Total General and Administrative	258,139	217,678	457,861	(240,183)
Total Expenditures	476,538	429,046	$ 646,882	$ (217,836)
Receipts Over (Under) Expenditures	(45,896)	(16,245)		
Unencumbered Cash, Beginning	218,366	172,470		
Unencumbered Cash, Ending	$ 172,470	$ 156,225		

CITY OF STERLING, KANSAS

BUSINESS FUND

MEDICAL SERVICES FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Rent	$ 31,896	$ 31,896	$ 31,696	$ 200
Reimbursements	-	-	43,655	(43,655)
Grant	-	36,562	-	36,562
Transfer from Electric Utility Fund	56,877	-	-	-
Total Receipts	88,773	68,458	$ 75,351	$ (6,893)
Expenditures				
Contractual services	29,534	73,825	$ 143,064	$ (69,239)
Receipts Over (Under) Expenditures	59,239	(5,367)		
Unencumbered Cash, Beginning	14,393	73,632		
Unencumbered Cash, Ending	$ 73,632	$ 68,265		

CITY OF STERLING, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended December 31, 2024

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
State cost analysis	$ 3,714	$ -	$ -	$ 3,714
Water utility deposits	5,052	1,350	1,030	5,372
Electric utility depostis	12,679	8,212	4,605	16,286
Police forfeiture	299	2	-	301
Peace Estates	63,632	585,000	585,000	63,632
Corwin Corner	21,232	16,268	22,500	15,000
Total	$ 106,608	$ 610,832	$ 613,135	$ 104,305

CONTINUING DISCLOSURE UNDERTAKING
Undertaking For the Purpose of Providing Continuing Disclosure
Under Section (B)(5) of SEC Rule 15c2-12

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Sterling, Kansas (the "City") in connection with the issuance of the City's $2,960,000 General Obligation Bonds, Series 2026 (the "Bonds").

In consideration of the issuance of the Bonds by the City and the purchase of the Bonds by the beneficial owners of the Bonds, the City covenants and agrees as follows:

Section 1. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Underwriter (defined below) in complying with the requirements of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240. 15c2-12) (the "SEC Rule"). The City represents that it is the only obligated person 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 the Bonds are issued.

Section 2. Definitions. Capitalized terms used in this Undertaking are defined as follows, unless the context clearly requires another meaning.

"Adverse Tax Opinion" means 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.

"Annual Financial Information" means the financial information or operating data with respect to the City, provided at least annually according to this Undertaking, of the type included in portions of the Final Official Statement and described on Exhibit A to this Undertaking and shall include the Audited Financial Statements, if available

"Audited Financial Statements" means the City's annual financial statements, prepared using accounting practices prescribed by the State to demonstrate compliance with the "Cash Basis" and budget laws of the State and audited as required or permitted by the laws of the State according to auditing standards generally accepted in the United States, and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

"Bankruptcy Event" means bankruptcy, insolvency, receivership or similar event of an Obligated Person. For the purposes of this definition, the Bankruptcy Event is considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding 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.

"Bond Counsel" means the law firm of Spencer Fane 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 Ordinance" means the ordinance and resolution of the City authorizing issuance of the Bonds.

"Bonds" means the City's $2,960,000 General Obligation Bonds, Series 2026, dated October 29, 2026.

"City" means the City of Sterling, Kansas.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Rulemaking Board consistent with the SEC Rule.

"Final Official Statement" means the final official statement prepared by the City or their representatives in connection with the sale of the Bonds and delivered to each original purchaser within seven business days after the sale of the Bonds according to the SEC Rule.

"Merger Event" means 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.

"MSRB" means the Municipal Securities Rulemaking Board, including specifically its Electronic Municipal Market Access ("EMMA") system and any successors or assigns at http://www.emma.msrb.org.

"Obligated Person" means an obligated person as defined in the SEC Rule.

"Outstanding" means, on any particular date, all Bonds authenticated and delivered under the provisions of the Bond Ordinance, except:

A. Bonds canceled by the Paying Agent or delivered to the Paying Agent for cancellation under the Bond Ordinance;

B. Bonds for which moneys or investments have been deposited to pay or redeem the Bonds according to the defeasance provisions of the Bond Ordinance; and

C. Bonds for which other Bonds have been authenticated and delivered, either in exchange for or in lieu of such Bonds, according to the provisions of the Bond Ordinance.

"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;

G. modifications to rights of security holders, if material;

H. Bond calls, 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 Events;

M. Merger Events, 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 an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an 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 an Obligated Person, any of which reflect financial difficulties.

"Reporting Event Notice" means written or electronic notice of a Reporting Event.

"SEC Report Date" means December 31 of each year the Bonds remain Outstanding, beginning December 31, 2026.

"SEC Rule" means the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR §240. 15c2-12).

"State" means the State of Kansas

"Undertaking" means this document as authorized by the Bond Ordinance, as it may be amended or supplemented according to its terms.

"Underwriter" means each broker, dealer or municipal securities dealer acting as an underwriter in the "primary offering" (as defined in the SEC Rule) of the Bonds.

Section 3. Disclosure.

A. While any Bonds are Outstanding, the City, as an Obligated Person with respect to the Bonds, undertakes the following, as required by the SEC Rule:

(1) The City shall provide the Annual Financial Information to the MSRB on or before the SEC Report Date.

(2) If the Audited Financial Statements are not available on the SEC Report Date with the Annual Financial Information then the City shall provide the Audited Financial Statements to the MSRB, if and when such statements are available.

(3) The City shall provide Reporting Event Notices to the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of a Reporting Event. Any Reporting Event Notice shall be so entitled and prominently state the title, date and CUSIP numbers of the Bonds. Notice of optional or unscheduled redemption of any Bonds or the defeasance of any Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to Bond holders under the Bond Ordinance.

(4) The City shall provide timely notice of any failure on its part provide Annual Financial Information as required hereunder to the MSRB.

B. All notices or filings made pursuant to Section 3.A above shall be made solely with the MSRB in an electronic format and accompanied by identifying information as required by the MSRB, at http://www.emma.msrb.org.

Section 4. Changing the SEC Report Date. If the City changes its fiscal year, the City may adjust the SEC Report Date by providing written notice of the change and the new SEC Report Date to the MSRB. The period between the final SEC Report Date relating to the old fiscal

year and the initial SEC Report Date relating to the new fiscal year shall not be more than one year.

Section 5. Method of Transmitting Continuing Disclosure. Unless otherwise required by law, the City shall transmit all information required by this Undertaking in electronic format and accompanied by identifying information, as required by the MSRB.

Section 6. Termination or Amendment of Obligation to Provide Continuing Disclosure. The continuing obligation of the City to provide the information and notices described in this Undertaking will terminate immediately when the Bonds are not Outstanding or the City is no longer an Obligated Person with respect to the Bonds. This Undertaking or any provision of it, shall become null and void if the City delivers to the MSRB an opinion of Bond Counsel stating that those portions of the SEC Rule which require this Undertaking, or any part of it, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. This Undertaking may be amended without the consent of the holders of the Bonds, but only if the City delivers the proposed amendment to the MSRB and obtains an opinion of Bond Counsel that the amendment will not adversely affect the City's compliance with this Undertaking and with the SEC Rule.

Section 7. Consequences of Failure to Provide Information. A failure by the City to comply with any provision of this Undertaking shall not be deemed a default or an "event of default" with respect to the Bonds, the Bond Ordinance or any other agreement and the sole remedy in the event of any failure by the City to comply with this Undertaking shall be an action to compel performance brought by a beneficial owner of any Bonds.

Section 8. Beneficiaries. This Undertaking is executed to assist the Underwriter in complying with the Rule. But this Undertaking 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 information provided according to this Undertaking, including the content of the information, the names of the entities where the information was filed, and the date of filing information.

Section 10. Appointing an Agent. The City may from time to time appoint or engage an agent to assist it in carrying out its obligations under this Undertaking and may discharge any such agent, with or without appointing a successor agent.

Section 11. Notices. Notices or requests for information pursuant to this Undertaking should be directed as follows:

City of Sterling, Kansas
Attn: City Clerk
114 N. Broadway
Sterling, Kansas 67579
Telephone: (620) 278-3423
Facsimile: (620) 278-2866
E-mail: cgroth@sterling-kansas.com

The City may designate a different address or telephone number in its Annual Financial Information to which notices or requests should be directed.

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As authorized by the Bond Ordinance this Undertaking is acknowledged and agreed to as of the 29th day of October, 2026.

CITY OF STERLING, KANSAS

[seal]

Brian Inwood, Mayor

ATTEST:

Candice Daley-Groth, Interim City Clerk

EXHIBIT A

ANNUAL FINANCIAL INFORMATION

"Annual Financial Information" shall include the City's audited financial statements and the following portions of Appendix A of the Final Official Statement:

Financial Information Regarding the City
- Financial Overview
- Authority to Incur Debt
- History of Equalized Assessed Valuation of Tangible Taxable Property
- Local Option Sales Tax
- Current Indebtedness of the City
- Tax Rates
  - City Mill Levy History
- Property Tax Collections
  - Tax Collection Record