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

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 24, 2026

BOOK-ENTRY ONLY

BOND RATING: S&P "AA-"
See "Bond Rating" herein

*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 [(including any original issue discount properly allocable to an owner thereof)] 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 **not** 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.*

$36,640,000*
CITY OF ANDOVER, KANSAS
GENERAL OBLIGATION BONDS
SERIES A, 2027

Dated: January 14, 2027 **Due: October 1, As shown on inside cover**

The City of Andover, Kansas General Obligation Bonds, Series A, 2027 (the "Series A, 2027 Bonds" or the "Bonds"), will be issued by the City of Andover, 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, 2028 and semiannual interest will be payable on April 1 and October 1, beginning on October 1, 2027. The Bonds maturing on October 1, 2035 and thereafter will be subject to redemption prior to maturity, in whole or in part, at the option of the Issuer, on October 1, 2034 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.

BIDS WILL BE RECEIVED ON TUESDAY, DECEMBER 8, 2026
UNTIL 9:00 A.M., CENTRAL TIME

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 January 14, 2027.

The date of this Official Statement is _____, 2026.

* *Preliminary, subject to change.*

MATURITY SCHEDULE

$36,640,000*
CITY OF ANDOVER, KANSAS
GENERAL OBLIGATION BONDS
SERIES A, 2027

Series A, 2027 Serial Bonds

Stated Maturity October 1	Principal Amount*	Interest Rate	Yield	CUSIP[(1)]
2028	$540,000			
2029	570,000			
2030	600,000			
2031	635,000			
2032	670,000			
2033	705,000			
2034	745,000			
2035	785,000			
2036	830,000			
2037	875,000			
2038	925,000			
2039	975,000			
2040	1,025,000			
2041	1,085,000			
2042	1,145,000			
2043	1,205,000			
2044	1,270,000			
2045	1,340,000			
2046	1,415,000			
2047	1,495,000			
2048	1,575,000			
2049	1,660,000			
2050	1,755,000			
2051	1,850,000			
2052	1,950,000			
2053	2,060,000			
2054	2,185,000			
2055	2,315,000			
2056	2,455,000			

[Series A, 2027 Term Bonds

Stated Maturity October 1	Principal Amount*	Interest Rate	Yield	CUSIP[(1)]
				]

(All plus accrued interest, if any)

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** Preliminary, subject to change.*

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

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

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

CITY OF ANDOVER, KANSAS
City Hall – 1609 E. Central
Andover, Kansas 67002
Telephone: (316) 733-1303

Mayor
Ronnie Price

City Council
Tim Berry, Council Member
Tim Brunson, Council Member
Marla Canfield, Council Member
Colin Gallagher, Council Member
Michael Henry, Council Member
Jodi Ocadiz, Council Member

City Staff
Jolene Graham, City Administrator
Matt Koehn, Finance Director
Dana Engstrom, City Clerk

City Attorney
J.T. Klaus
of
Spencer Fane LLP
Wichita, Kansas

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
TBD

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 ANDOVER, KANSAS

$36,640,000*
GENERAL OBLIGATION BONDS
SERIES A, 2027

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Andover, Kansas (the "Issuer" or the "City"), and the Issuer's General Obligation Bonds, Series A, 2027, dated January 14, 2027, to be issued in the principal amount of $36,640,000* (the "Series A, 2027 Bonds" or the "Bonds"). The Bonds are being issued pursuant to an ordinance and resolution adopted by the City on November 10, 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. The City has established an undertaking to provide ongoing disclosure concerning the City for the benefit of owners of the Bonds, as required under Section (b)(5) (I) of the Rule. A description of the City's ordinance relating to such undertaking is included as APPENDIX C to this Official Statement. Examples of the City's filings for recent years are set forth on the following table:

Fiscal Year Ending December 31	Report Date	Financial Information Filing Date	Operating Data Filing Date (†)
2020	12/31/21	12/16/2021	12/16/2021
2021	12/31/22	05/02/2023	05/02/2023
2022	12/31/23	12/29/2023	12/29/2023
2023	12/31/24	12/30/2024	12/30/2024
2024	12/31/25	12/23/2025	12/23/2025
2025	12/31/26	Not yet due	Not yet due

†Operating Data is filed with the Electronic Municipal Market Access System ("EMMA") under the caption entitled "Audited Financial Statements or ACFR" as part of the City's Annual Comprehensive Financial Report and is not separately filed under the caption "Operating Data".

The City failed to file the ACFR, which contains audited financial statements and operating data for fiscal year ending December 31, 2021, within the report date requirement. Thus, the City filed a Notice of Failure to File on May 2, 2023.

**Preliminary, subject to change.*

Ordinances of the City regarding the City's undertaking pursuant to the Rule in effect prior to January 20, 2024 defined "Audited Financial Statements" to include "general purpose financial statements for the previous fiscal year, prepared according to generally accepted accounting principles . . ." Effective January 20, 2024, the City passed a new ordinance regarding its undertaking pursuant to the Rule which defines "Audited Financial Statements" to include "annual financial statements, prepared using accounting practices prescribed by the State according to the Kansas Municipal Accounting and Audit Guide 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." Pursuant to Kansas law, going forward, the City intends to obtain a waiver of generally accepted accounting principles from the State each year and, instead, prepare its audited financial statements in accordance with the Kansas Municipal Accounting and Audit Guide.

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 from Matt Koehn, Director of Finance, 1609 E. Central Ave., Andover, Kansas 67002. Additional information regarding the City or the Bonds may be obtained from Jolene Graham, City Administrator, (316) 733-1303, 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, and K.S.A. 12-6a01 *et seq*., all as amended and supplemented, (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 in part from special assessments levied upon certain real properties in the City, and if not so paid, 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 special assessments upon certain benefitted properties and/or 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 January 14, 2027 (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"). or (b) in case of an interest payment to a registered owner of $500,000 or more principal amount of Bonds, or an owner that is a securities depository, by electronic transfer to that registered owner upon written notice given to the Paying Agent by that owner, not less than 15 days before the Record Date for such payment, containing the electronic transfer instructions, including the bank address, ABA routing number and account number where the wire transfer should be directed.

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 2035 and thereafter, may be called for redemption and payment prior to their respective maturities, on October 1, 2034, 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, 20__ (the "Term Bonds"), shall be subject to mandatory redemption and payment from the sinking fund hereinafter described, on October 1, 20__ 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 Term Bonds, the transfers to the Series A, 2027 Principal and Interest Account required by the Bond Ordinance which are to be made for payments commencing October 1, 20__, shall be sufficient to redeem, and the City hereby agrees to redeem, the principal amount of the Term Bonds on October 1, in each of the following years:

Redemption Date	Principal Amount
20__	$___,000
(Leaving $___,000 to mature on October 1, 20__)	

]

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, (viii) 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 proceeds of the Bonds will be used to pay the costs to redeem the outstanding Series A, 2025 General Obligation Temporary Note in the amount of $36,235,000 on April 1, 2027, of which the original temporary note proceeds were used to pay the cost of certain wastewater improvements in the City.

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	$36,640,000.00*
Net Reoffering Premium	
Cash Contribution	
Total	
Uses of Funds:	
Project Costs	
Costs of Issuance	
Underwriter's Discount	
Total	

* *Preliminary, subject to change*.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

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

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.

The City has adopted a Neighborhood Revitalization Plan that covers certain areas of the City and from time to time utilizes economic development tools which rebate or abate property taxes for new private improvements in the City. Such programs could affect the City's collection of tax revenues in the future, including revenues to pay principal and interest on the Bonds.

The City Attorney, J.T. Klaus, is a member and practicing attorney with Spencer Fane LLP, also acting as Bond Counsel with respect to 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" 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 do 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 "RATINGS." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Bonds.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal bonds which the 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 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. On April 29, 2022, Andover experienced severe damage to roofing, windows, storage facilities, vehicles, and a park lodge due to an Enhanced Fujita 3 (EF-3) tornado. City operations were not disrupted, and its insurance policy will substantially cover remediation costs; management does not expect major revenue disruptions.

Kansas Public Employees Retirement System

As described in "***APPENDIX A*** – FINANCIAL INFORMATION – Pension and Employee Retirement Plans," the Issuer participates in the Kansas Public Employees Retirement System ("KPERS"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERS administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen's Retirement System ("KP&F"). 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 and approximately $1.552 billion was attributable to KP&F.

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 "AA-" to the Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any 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 "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 excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (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. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal tax purposes retroactive to the date of issuance of the Bonds.

The Bonds have **not** 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 Discount.*** For Federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Code § 1288, OID on tax-exempt Bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals: (a) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods; multiplied by (b) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period); minus (c) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.]

[***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.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel 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 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

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

The Bonds will be offered to the public initially at the prices determined to produce the 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 ANDOVER, KANSAS

By: _____
Ronnie Price, Mayor

By: _____
Dana Engstrom, City Clerk

APPENDIX A

FINANCIAL OVERVIEW AND GENERAL INFORMATION REGARDING THE CITY

Size and Location

The City is located in Butler County, Kansas on U.S. Highway 54/400 and borders the City of Wichita, Kansas and Sedgwick County on the west. The following table shows the approximate population of the City and Butler County in the years indicated, as well as that of adjacent Sedgwick County:

Year	City of Andover Population	Butler County Population	Sedgwick County Population
1960	186	38,395	343,231
1970	1,880	36,658	350,694
1980	2,801	44,782	367,088
1990	4,047	50,580	403,662
2000	6,698	59,484	452,869
2010	11,791	64,073	494,241
2020	14,892	67,380	523,824
2025	17,370	69,484	538,433

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 a Mayor-Council form of government. The Mayor and six Council Members are elected at large to staggered four (4) year terms.

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, park, recreation and cultural activities. The City operates the wastewater utility system. 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, however water service and maintenance is provided by the City of Wichita. Private companies or other governmental entities provide all other public services in the City, including trash collection, gas, electricity, cable, telephone, and internet.

Transportation

The City is served by U. S. Highway 54/400 and Kansas Highway 96. In addition, an interchange to Interstate Highway 35 and the Kansas Turnpike is located at the City. The City is also served by a system of county highways maintained by Sedgwick and Butler Counties.

Commercial air transportation is provided at Wichita's Dwight D. Eisenhower National Airport. General aviation services are provided by the Col. James Jabara Airport located approximately 5 miles to the west and by the Augusta Airport located approximately 3 miles to the east of the City.

Education

The Unified School District No. 385, Butler County, Kansas (Andover) (the "District") serves the City with six elementary, two middle schools, two high schools and eAcademy. Enrollment for the year 2025-2026 was 10,942 FTE. The District serves, in addition to the City, parts of east Wichita, eastern Sedgwick County, and parts of western Butler County.

Butler Community College provides satellite locations for Butler Community College in the City. In addition, the main campuses of Wichita State University, Friends University and Newman University are all located in the City of Wichita, Kansas, just minutes away.

Health and Medical Services

The Kansas Medical Center (the "Hospital") is located at 1124 West 21st in the City. The Hospital has 58 beds and 269 employees, including 15 doctors serving the hospital. The Hospital is physician owned and performs general medicine and surgery. The Hospital has over 2,700 admissions yearly and a Trauma Center which has 6,000 patients annually. Its physicians perform over 1,000 inpatient surgeries and over 1,800 outpatient surgeries. The Hospital was built in 2006 and an addition was constructed in 2014. Wesley Andover ER was constructed in 2024. Andover is served by various medical, dental, vision and chiropractic clinics.

Residents of the City also have access to hospitals and medical clinics located in the City of Wichita, Kansas.

Financial Institutions

Seven financial institutions have locations in the City including the Andover State Bank, Equity Bank, Intrust Bank, Capitol Federal Savings, Bank of America, Emprise Bank, and Meritrust Credit Union. The financial institutions located in the Cities of Augusta, El Dorado, and Wichita also serve the needs of the community and surrounding area.

There are currently 12 banks located in Butler County. For the years listed, bank deposits of the County's banks are as follows:

Year	Total Bank Deposits
2021	$1,607,612,000
2022	1,647,074,000
2023	1,739,535,000
2024	1,722,206,000
2025	1,729,239,000

Source: FDIC

Industrial Development

The City assisted in the development of an Industrial Park where three major industries, International Cold Storage (DBA Everidge), BG Products, Inc. (previously Vornado Air, LLC), and Sherwin Williams as well as other small companies are located. In July of 2012, upon the recommendation of the Andover Envisioning Group, the City Council renamed the Industrial Park as the Andover Business Park. In 2023, Everidge built a $1.8 million expansion to their location allowing them to double their workforce in

Andover over the next decade. Everidge has since been bought and will be announcing their new name in December 2026.

In February 2026, Vornado Air, LLC announced the layoff of approximately 70 employees (the bulk of manufacturing employees at the Andover location) citing tariffs and business supply chain issues. Vornado Air, LLC facilities were subsequently sold to BG Products.

Commercial Development

In recent years, the development of the City's commercial base has generally continued to grow. In 2019 The Andover Redevelopment District was created. This is known as the Heritage Development, with projects financed through tax increment financing (TIF). This is 100+/- acres of real property with proposed mixed-use projects including: (i) an approximately 168-unit multifamily residential project; (ii) an approximately 100 room hotel; (iii) approximately 50,000 square feet of commercial uses; (iv) parking facilities; (v) an approximately 100 unit independent/senior living facility; and (vi) associated site work and infrastructure. The YMCA that was completed in 2009 was destroyed by the tornado that hit the area on April 29, 2022. They have completed rebuilding at the same location.

Economic Development

The Andover Chamber of Commerce represents businesses in Andover with promotion and other services. Additionally, the City works with the Greater Wichita Partnership and Butler County Economic Development for economic development activities. The City is also a member of the Regional Area Economic Partnership, an organization comprised of cities and counties in the south-central Kansas area.

ECONOMIC INFORMATION

The City is located in one of the richest agricultural and petroleum producing areas in the nation. The City's economy is diversified among agricultural production, oil production and industrial development of the greater Wichita Metropolitan Area. Residents of the City have employment opportunities in the City as well as throughout Butler County and Sedgwick County.

Major Employers

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

Employer	Type	Number of Employees
Unified School District No. 385	Education	644
Kansas Medical Center	Health-Hospital	270
Butler County Community College	Education -2 Year	141
Sherwin-Williams Co.	Manufacturing-Paint	129
City of Andover	Government	107
Life Care Center Andover	Health-Nursing Home	73
Dillons Real Estate Co. Inc.	Retail-Grocery	69
International Cold Storage/Everidge	Refrigeration Systems	64

Source: City CFO

The City is located to the east of the Wichita Metropolitan Area, approximately 20 miles from downtown Wichita, Kansas, and as such residents of the City also have employment opportunities throughout the City of Wichita, Kansas and Sedgwick County, Kansas.

City residents have employment opportunities nearby in the City of Wichita. Listed below are the largest employers within the Wichita Metro Area and the number employed by each:

Major Employers – Wichita Metro Area

Major Employers	Product/Service	Number of Full-time Employees
Spirit AeroSystems Inc.*	Aircraft	13,000
Textron Aviation	Aircraft	9,350
McConnell Air Force Base	Government	5,679
U.S.D. 259	Education	5,614
Ascension Via Christi Health	Healthcare	4,413
Koch Industries Inc.	Refining & Chemicals	3,100
City of Wichita	Government	2,886
U.S. Government	Government	2,830
Sedgwick County	Government	2,521
State of Kansas	Higher Education and Government	2,157

Source: "Major Employers", Wichita.gov, 2025

*Spirit Aerosystems was acquired by the Boeing Company in December 2025.

Labor Force

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

Butler County, Kansas

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	32,456	31,315	1,141	3.5%
2022	32,766	31,856	910	2.8%
2023	34,159	33,185	974	2.9%
2024	34,730	33,462	1,268	3.7%
2025	34,971	33,629	1,342	3.8%

State of Kansas

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	1,495,665	1,447,323	48,342	3.2%
2022	1,504,932	1,464,834	40,098	2.7%
2023	1,524,404	1,480,579	43,825	2.9%
2024	1,545,790	1,490,553	55,237	3.6%
2025	1,572,150	1,512,600	59,550	3.8%

Source: Kansas Department of Labor

Personal Income

The Butler 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	Butler County Total Personal Income	Butler County Per Capita Personal Income	State of Kansas Per Capita Personal Income
2020	$3,402,425,000	$50,789	$56,099
2021	3,505,999,000	51,643	58,924
2022	3,659,856,000	53,632	60,424
2023	3,964,114,000	57,754	63,513
2024	4,143,197,000	59,909	65,856

Source: Bureau of Economic Analysis

Retail Sales Tax Collections

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

Year	Sales Tax Collections	Per Capita Sales Tax
2020	$58,892,474	$861.99
2021	66,363,084	928.18
2022	74,850,689	1,033.90
2023	75,398,813	1,093.61
2024	77,405,081	1,100.87

Source: Kansas Statistical Abstract

Oil Production

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

Year	Oil Production
2021	689,731
2022	699,285
2023	704,109
2024	740,046
2025	708,940

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 dated date:

Estimated Appraised Valuation	$2,230,830,568
Assessed Valuation (including Motor Vehicle valuation)	$313,722,384
Population	17,370
Outstanding General Obligation Notes and Bonds	$125,555,000
General Obligation Debt Per Capita	$7,228.27
Ratio of General Obligation Debt to Assessed Valuation	40.02%
Ratio of General Obligation Debt to Appraised Valuation	5.63%
Direct and Net Overlapping Debt	$186,531,464
Direct and Net Overlapping Debt Per Capita	$10,740.73
Ratio of Direct and Net Overlapping Debt to Assessed Valuation	59.47%
Ratio of Direct and Net Overlapping Debt to Appraised Valuation	8.36%

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 16.46% of its Assessed Tangible Valuation for computation of bond debt limitation.

Assessed Tangible Valuation	$287,057,573
Motor Vehicle Valuation (2025)	26,664,811
Total Valuation for Computation of Bonded Indebtedness Limitations	$313,722,384
Legal Limitation of Bonded Debt (30%)	$94,116,715
Applicable General Obligation Debt to Debt Limit	51,624,443
Additional Debt Capacity	$42,492,271

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	$1,228,018,375	$145,808,167	$18,140,727	$163,948,894
2018	1,134,138,740	153,116,608	18,718,266	171,834,874
2019	1,188,012,970	161,316,473	19,472,188	180,788,661
2020	1,287,695,284	172,877,615	20,370,113	193,247,728
2021	1,328,946,016	177,713,554	21,901,890	199,615,444
2022	1,534,795,235	201,178,171	21,665,475	222,843,646
2023	1,808,292,187	232,101,160	23,203,696	255,304,856
2024	1,972,471,964	252,330,588	24,699,620	277,030,208
2025	2,105,574,894	270,755,674	26,664,811	297,420,485
2026*	2,230,830,568	287,057,573	26,664,811	313,722,384

** 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 Value	Taxes Due
FOUNDERS' REAL ESTATE LLC	$3,548,790	$541,744.10
HSMU LLC	3,350,599	511,316.54
EVERGY KANSAS SOUTH, INC	2,803,308	427,895.18
ANDOVER APARTMENTS I LLC	2,220,706	338,831.60
VORNADO AIR LLC*	2,190,885	349,776.68
FLINT HILLS NAT'L GOLF CLUB	1,943,183	296,638.56
PAUL PROPERTIES ANDOVER LLC	1,824,563	271,299.42
DILLONS COMPANIES INC	1,792,300	273,605.36
ANDOVER, CITY OF	1,673,201	255,424.18
KANSAS GAS SERVICE	1,602,681	244,658.88

Source: County Treasurer
*Vornado Air, LLC laid off approximately 70 manufacturing employees in February 2026, and its facilities are listed for sale.

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 8.50%, which consists of 6.50% imposed by the State of Kansas, 0.00% imposed by Butler County and a 2.00% 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	1.75%	$3,931,686
2017	1.75%	4,048,287
2018[(1)]	1.75% / 1.00%	4,044,396
2019	1.00%	2,323,328
2020	1.00%	2,523,697
2021	1.00%	2,865,818
2022[(2)]	1.00% / 2.00%	5,197,485
2023	2.00%	7,012,923
2024	2.00%	7,056,028
2025	2.00%	7,270,542

(1) The sales tax rate increased from 1.00% to 1.75% on October 1, 2015, and was reduced back to 1.00% on October 1, 2018.
(2) The sales tax rate increased from 1.00% to 2.00% on April 1, 2022.
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 Sales Taxes	Portion Paid from Special Assessments	Amount Applicable to Debt Limit
Series A, 2015	10/1/2036	$6,540,000	$2,035,000	$0	$0	$2,035,000	$914,482
Series B, 2015	10/1/2030	3,780,000	1,160,000	1,160,000	0	0	1,160,000
Series A, 2016	10/1/2031	9,640,000	1,850,000	0	0	1,850,000	868,189
Series A, 2017	10/1/2038	3,575,000	2,490,000	2,686	0	2,487,314	552,233
Series A, 2019	10/1/2039	7,525,000	5,145,000	3,625,000	0	1,520,000	3,166,788
Series A, 2020	10/1/2040	3,695,000	2,760,000	3,152	0	2,756,848	1,231,261
Series B, 2020	10/1/2033	4,320,000	1,000,000	1,000,000	0	0	230,546
Series C, 2020	10/1/2041	3,745,000	2,670,000	888,285	0	1,781,715	1,349,926
Series A, 2022	10/1/2042	4,160,000	3,700,000	2,367	0	3,697,633	1,642,364
Series A, 2023	10/1/2043	3,220,000	2,915,000	4,204	0	2,910,796	673,123
Series A, 2024	10/1/2044	25,155,000	19,500,000	0	9,015,000	10,485,000	14,389,386
Series A, 2025	10/1/2046	12,230,000	12,070,000	5,915,000	0	6,155,000	6,252,877
Series 2026	10/1/2046	4,915,000	4,915,000	0	0	4,915,000	1,899,942
Series A, 2027[(1)]	10/1/2056	36,640,000	36,640,000	36,640,000	0	0	0
		Total=	$98,850,000	$49,240,694	$9,015,000	$40,594,306	$34,331,117

(1) This issue. Preliminary, subject to change.

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

Tax Increment Bonds

Issue	Final Maturity	Original Principal	Principal Outstanding
Series B, 2019	10/1/2039	$3,655,000	$2,800,000
Series A, 2021	10/1/2039	9,605,000	8,655,000
Series B, 2021	10/1/2040	16,890,000	15,250,000
		Total=	$26,705,000
3% of assessed valuation of the City [(1)]			(9,411,672)
Amount of tax increment bonds applicable to the debt limit			$17,293,328

[(1)] Any aggregate amount of tax increment bonds of the City in excess of 3% of the assessed valuation of the City is applicable to the City's debt limit.

Temporary Notes

Issue	Final Maturity	Original Principal	Principal Outstanding[(1)]	Amount Applicable to Debt Limit
Series A, 2025	10/01/2028	$36,235,000	$-0-	$-0-
		Total =	$-0-	$-0-

[(1)] Amounts do not include notes to be redeemed by this issue.

Public Building Commission Revenue Bonds

The Bonds issued by the Andover Public Building Commission are payable solely from the revenues received by the Commission from lease agreements with the City. The following table sets forth the outstanding bonds of the Andover Public Building Commission as of the dated date:

Issue	Final Maturity	Original Principal	Principal Outstanding
Series A, 2017	11/1/2032	$1,150,000	$605,000
		Total=	$605,000

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 Butler 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
Butler County	$1,156,518,226	$-0-	24.82%	$-0-	$-0-
Unified School Dist. 385[(1)]	579,512,090	123,170,000	49.53%	61,011,464	61,011,464
Butler Co. Comm. College	1,156,518,226	-0-	24.82%	-0-	-0-
			Total =	$61,011,464	$61,011,464

(1) *For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 55% of debt service for USD 385 bonds; for bonds approved by voters after July 1, 2015, the State of Kansas will pay 0% of debt service for the USD 385 bonds.*

Debt Management and Fiscal Policy

The City has adopted a resolution adopting a debt management and fiscal policy. Included in the resolution is a measure of debt affordability, which provides that the amount of new general obligation debt, including temporary notes, issued in any one fiscal year shall not exceed sixty (60%) percent of the amount of new growth in the prior year of the assessed valuation of the City. In addition, any unused new growth amount in the prior year can be applied to future years as well. The policy provides for exemptions to the debt limit on a case-by-case basis.

In addition, the City of Andover, Kansas has adopted a resolution establishing a development policy for the financing of public improvements and the levying of special assessments within the City. A part of this resolution requires a financial guarantee equal to 50% of the estimated principal cost of the project(s), which guarantee the payment of the special assessments levied. This financial guarantee is released based upon the following schedule:

Upon expiration of one-half (1/2) of the original length of maturity of bonds issued for improvements, or upon issuance of certificates of occupancy for a principal building on at least one-half (1/2) of the properties within the development that received the improvements, whichever occurs first, an amount equal to 40% of the original amount of the financial guarantee shall be released, less any amounts which have been previously applied towards bond principal and interest;

Upon expiration of three-fourths (3/4) of the original length of maturity on the bonds issued for improvements, or upon issuance of certificates of occupancy of a principal building on at least three-fourths (3/4) of the properties within the development that received the improvements, whichever occurs first, an amount equal to 80% of the original amount of the financial guarantee shall be released, less any amounts which have been previously applied towards bond principal and interest; and

Upon the maturity date of the bonds issued for the improvements, or upon the issuance of certificates of occupancy for a special building on at least 90% of the properties within the development that received the improvements, whichever occurs first, the remaining portion of the financial guarantee shall be released, less any amounts which have been previously applied towards bonds principal and interest.

Future Debt

Residential and commercial growth that the City has experienced is expected to continue. As a result, the City anticipates financing the public infrastructure needs of the community with ongoing temporary note financing and eventually bonded indebtedness. The City may issue additional debt in the next 12 months for developments occurring in the City.

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 after six months of continuous 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 7% of the gross compensation and was $309,990. Employees are not required to make contributions to the Plan, but if they do, the City matches the employee's elective contributions up to 3%. In 2024, the total employee elective contributions were $163,304. The City retains no ownership rights to the accounts and, accordingly, the account balances are not included in the financial statements of the City.

Certain of the City's police and fire employees participate in the Public Employees Retirement System – Local Group and the Police and Firemen's Retirement System ("KP&F") operated through the Kansas Public Employees Retirement System ("KPERS"), a cost-sharing, multiple-employer, defined benefit plan which is funded though contributions by employers and the individual employees. KP&F provides retirement benefits, life insurance, disability income benefits and death benefits. KP&F issues a publicly available financial report which is available by contacting KPERS at 611 S. Kansas Ave, Suite 100, Topeka, Kansas 66603.

Kansas law places a cap on employer contributions to the KPERS plans, which has resulted in a statutory contribution rate for employees that has been below the actuarial required contribution rate for many years, in an effort to address the unfunded actuarial liability of the KPERS plans, the Kansas Legislature approved legislation in 2012 that will increase employer contributions at a rate greater than the historical 0.6% of covered compensation rate of increase in recent years. The City began participating in the KP&F portion of KPERS in 2007. The 2024 contribution rate for the City and City employees is 23.10% and 7.15%, respectively. The City's contribution to the Plan for the years ended December 31, 2024, 2023, and 2022, was approximately $769,944, $701,937, and $648,251, respectively, and was equal to their required contribution.

The Governmental Accounting and Standards Board recently released GASB Statement 68 changing the way governmental employers account for pension programs such as KPERS under Generally Accepted Accounting Principles ("GAAP"). Beginning with fiscal year 2015, public entities reporting financial information in conformance with GAAP were required to report in their financial statements their share of the costs and obligations of KPERS. 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 and approximately $1.552 billion was attributable to KP&F.

Insurance

The City has the following insurance coverage through USI: general liability ($1,000,000 per occurrence/$2,000,000 aggregate), business auto ($1,000,000 liability/$1,000,000 uninsured motorist), over $2.2 million Inland Marine, law enforcement liability ($1,000,000 per occurrence/$1,000,000 aggregate), linebacker ($1 million per occurrence/$2,000,000 aggregate), and over $55 million blanket property coverage for buildings and personal property. Proceeds of insurance are not pledged to the Bonds.

General Tax Levies and Collections

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

he 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 notices to the taxpayer can be combined into a single notice. At the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by a majority vote of its governing body, and the amount of tax to be levied 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.

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

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by BT & Co., P.A., Topeka, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2024, is included in the City's Annual Comprehensive Financial Statements and Report attached hereto as APPENDIX B.

The financial information contained in the Appendices to this Official Statement are an integral part of this document and are intended to be read in conjunction herewith.

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:

Year	City	USD 385	Butler County	Butler Community College	State	Total
2016	40.973	65.341	34.747	20.074	1.500	162.635
2017	40.511	67.592	34.749	20.075	1.500	164.427
2018	41.013	67.612	34.274	20.068	1.500	164.467
2019	42.311	67.736	34.280	20.068	1.500	165.895
2020	42.273	67.859	34.013	18.007	1.500	163.652
2021	43.831	67.417	32.766	15.262	1.500	160.776
2022	43.727	67.337	32.093	13.855	1.500	158.512
2023	42.981	66.055	30.088	12.269	1.500	152.893
2024	43.805	65.408	29.880	13.239	1.500	153.832
2025	42.951	65.341	29.625	13.239	1.500	152.656

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*	Amount	Percentage of Levy
2016	$4,960,163	$4,701,925	94.79%		$4,701,925	94.79%
2017	5,590,046	5,502,196	98.42%		5,502,196	98.42%
2018	6,031,787	5,865,123	97.23%		5,865,123	97.23%
2019	6,514,778	6,408,056	98.36%		6,408,056	98.36%
2020	7,048,492	6,696,286	95.00%		6,804,860	96.54%
2021	7,479,735	7,158,708	95.71%		7,334,606	98.06%
2022	8,810,265	8,662,322	98.32%	$60,827	8,723,149	99.01%
2023	9,962,992	9,881,862	99.19%		9,881,862	99.19%
2024	11,069,282	10,778,993	97.38%		10,904,438	98.51%
2025**	11,635,705	11,067,423	95.12%		11,067,423	95.12%

**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 10/20/26*

Source: County Treasurer

Special Assessments and Collections

In the past the City has pursued a policy of utilizing special benefit districts to assign the cost of certain internal improvement projects to the property which was directly benefited from the construction thereof. Kansas statutes allow for the creation of special benefit districts to pay for the cost of a variety of improvements including street construction, storm water drains, sanitary sewer system improvements, street lighting, water system improvements, recreational facilities, flood control projects, bridges and parking facilities. The City has typically utilized special benefit districts to pay for the costs associated with constructing streets, sidewalks, water lines, sewers, curbs, gutters and lighting in new residential developments within the City.

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

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

Special assessments are spread on benefited real estate with general property tax levy in November of each year. The following table sets forth the special assessments levied and collected in recent years:

Levy Year	Budget Year	Special Assessment Levy	Special Assessments Collected	Delinquency Percentage
2015	2016	$3,876,949	$3,831,312	1.12%
2016	2017	3,851,719	3,800,375	1.33%
2017	2018	3,583,109	3,436,763	4.10%
2018	2019	3,548,461	3,502,331	1.30%
2019	2020	3,571,445	3,551,419	0.77%
2020	2021	3,544,398	3,461,551	2.34%
2021	2022	3,662,993	3,695,172	0.00%
2022	2023	3,383,734	3,412,745	0.00%
2023	2024	3,033,932	3,025,527	0.02%
2024	2025	3,546,791	3,448,538	0.03%

Source: CFO

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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APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL STATEMENTS AND REPORT
YEAR ENDED DECEMBER 31, 2024



CITY OF ANDOVER, KANSAS

FINANCIAL STATEMENT
YEAR ENDED DECEMBER 31, 2024

CITY OF ANDOVER, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended December 31, 2024

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CITY OF ANDOVER, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended December 31, 2024

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BT & Co. P.A.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Andover, Kansas

Adverse and Unmodified Opinions

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

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

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

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 Auditors' 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 2 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 2 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 2; 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 within one year after the date that the financial statement is issued or available to be issued.

Auditors' 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 auditors' 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:

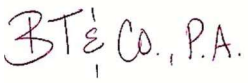
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 (the financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents are presented for purposes of additional

analysis and are not a required part of the financial statement. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole, on the basis of accounting described in Note 2.



September 25, 2025
Topeka, Kansas

CITY OF ANDOVER, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Primary government:							
General fund	$ 3,780,620	$ -	$ 13,643,128	$ 13,169,438	$ 4,254,310	$ 421,680	$ 4,675,990
Special purpose funds:							
Street improvement fund	4,063,298	-	8,139,102	10,423,237	1,779,163	3,513,435	5,292,598
Employee benefits fund	1,036,564	-	3,971,991	3,031,596	1,976,959	1,592	1,978,551
Special highway fund	938,777	-	534,664	847,371	626,070	29,871	655,941
Library fund	64,148	-	746,651	732,707	78,092	-	78,092
Hotel and tourism fund	285,628	-	136,651	207,962	214,317	1,243	215,560
Park improvement fund	635,070	-	500,096	61,120	1,074,046	-	1,074,046
Emergency 911 fund	235,353	-	113,993	44,867	304,479	476	304,955
Special building fund	38,604	-	422,030	417,432	43,202	-	43,202
Golf course fund	12,795	-	308,135	318,988	1,942	97,484	99,426
Festivals fund	180,608	-	310,130	355,632	135,106	1,554	136,660
ARPA fund	233,792	-	-	233,792	-	233,792	233,792
Andover Public Building Commission fund	-	-	417,432	417,432	-	-	-
Debt service fund	1,299,545	-	3,929,226	4,071,695	1,157,076	-	1,157,076
Capital project funds:							
Sewer expansion/equipment reserve fund	4,886,737	-	12,158,965	167,922	16,877,780	541,704	17,419,484
TIF fund	(1,036,297)	-	1,507,674	447,232	24,145	147,475	171,620
Street equipment reserve fund	304,708	-	242,450	258,419	288,739	-	288,739
City project funds	(16,223,982)	-	12,349,944	3,042,958	(6,916,996)	1,290,845	(5,626,151)
Capital equipment reserve fund	1,997,027	-	314,302	649,372	1,661,957	235,742	1,897,699
Sales tax funded projects fund	(6,382,379)	-	19,129,711	9,961,653	2,785,679	947,505	3,733,184
Business funds:							
Water utility fund	685,024	-	140,855	208,264	617,615	-	617,615
Sewer utility fund	1,768,447	1,055	3,483,078	2,650,518	2,602,062	25,693	2,627,755
Recycling/trash utility fund	128,975	-	1,133,649	1,086,151	176,473	1,055	177,528
Storm water utility fund	135,094	-	214,675	257,613	92,156	2,110	94,266
Vehicle lease management fund	344,777	-	400,424	455,136	290,065	-	290,065
Total primary government	(587,067)	1,055	84,248,956	53,518,507	30,144,437	7,493,256	37,637,693
Related municipal entity:							
Andover Public Library	888,693	-	895,307	798,100	985,900	35	985,935
Total reporting entity (excluding agency funds)	$ 301,626	$ 1,055	$ 85,144,263	$ 54,316,607	$ 31,130,337	$ 7,493,291	$ 38,623,628

Composition of cash	
Equity Bank:	
Checking	$ 37,526,869
Bond account	25,055
Surety account	13,965
Library checking	6,288
Library capital improvement	27,083
Emprise Bank:	
Library checking	309,465
Andover State Bank:	
Library certificate of deposit	250,000
Capitol Federal Bank:	
Library certificate of deposit	123,952
INTRUST Bank:	
Library certificate of deposit	269,147
Kansas Municipal Investment Pool	79,251
Capitalized health account	82,405
Total cash	38,713,480
Agency funds per Schedule 4	(89,852)
Total reporting entity (excluding agency funds)	$ 38,623,628

See accompanying notes to financial statement.

1 - Municipal Financial Reporting Entity

The City of Andover, Kansas (the City) was incorporated in 1957 as a municipal corporation governed under a Mayor-Council form of government consisting of an elected mayor and six council members. The City provides a full range of municipal services to its citizens in the areas of highways and streets, wastewater treatment, public improvement, public safety, planning and zoning, recreation, and general administrative services. This financial statement presents the City and the following related municipal entities:

The Andover Public Library (the Library) is legally separate from the City; however, the governing body of the Library is appointed by the City Council. The Library may not purchase or lease a site or erect a building for use of the Library without the approval of the City Council. The Library taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special purpose fund of the City. The Library also receives funding through state assistance programs, charges for services, and donations from the public.

The Andover Public Building Commission (the Commission) is governed by a seven-member board that is the same as the Governing Body of the City. Although it is legally separate from the City, the Commission is reported as if it is part of the primary government because its sole purpose is to finance and construct the City's public buildings.

The financial statement excludes the financial information for the following related municipal entity:

Fire District #1 (the District) is a legally separate entity established by Butler County (the County) to provide fire services to the citizens of Butler County. The County establishes a budget for the District and levies taxes accordingly. The funds of the District are maintained by the City. Since the District is included in the financial statement of the County, it is not included in this financial statement. The financial statements of Butler County can be obtained by writing to the Butler County Clerk at 205 W. Central Ave. El Dorado, Kansas 67042.

2 - Summary of Significant Accounting Policies

(a) 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 revenues 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.

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.

(b) Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following regulatory basis fund types comprise the financial activities of the City for the year ended December 31, 2024:

General Fund is used to account for the general operations of the City and is used to account for all unrestricted resources except those required to be accounted for in other funds.

Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific revenue sources (other than major capital projects and tax levies for long-term debt) that are intended for specified purposes.

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

Capital Project Funds are 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 Funds are financed in whole or in part by fees charged to users of the goods or services.

Agency Funds are used to report assets held by the City in a purely custodial capacity.

(c) 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), the debt service fund, 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 City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget is adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for this budget year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The budget was amended for the following funds: street improvement, special highway, hotel and tourism, golf course, festivals, sewer expansion/equipment reserve, TIF, water utility, recycling/trash utility, storm water utility, and vehicle lease management.

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 budgeted 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 revenues are recognized when cash is received and expenditures include disbursements, 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 certain capital project funds, agency funds, the Andover Public Library, or the following special purpose fund: Andover Public Building Commission.

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

(d) Annual Personal and Sick Leave Benefits

The City's policy regarding vacation pay permits all regular employees with one year of service to earn 86 hours vacation pay, two to five years of service to earn 118 hours vacation pay, six to ten years of service to earn 142 hours vacation pay, eleven to fifteen years of service to earn 166 hours vacation pay, sixteen to twenty years of service to earn 190 hours vacation pay, and twenty-one or more years of service to earn 214 hours vacation pay. Employees may accumulate a maximum of 86 to 321 hours of vacation pay depending on the employee's years of service with the City. Vacation will not accrue more than one hundred fifty percent of what they accrue annually. An employee must work one full year before being eligible for any vacation pay upon resignation. Upon resignation, employees who have vacation hours in excess of the maximum vacation balance, per their years of service, will receive their current rate of pay for hours up to the maximum vacation balance level.

The City's policy regarding sick leave permits all regular full-time and probationary employees to earn 8 hours of sick leave for every month of service. Sick leave is allowed to accumulate up to a maximum of 480 hours for non-firefighters and 720 for firefighters. After the maximum hours are reached, employees, based on their monthly or hourly salary, will be paid 5/12 of the unused hours over the maximum as of December 31st. Policies require the cancellation of accumulated sick leave upon termination.

(e) Retirement plans

Substantially all full-time City employees, other than police and fire employees, are members of a single employer defined contribution pension plan administered by AXA Financial, Inc. The City's policy is to fund all pension costs accrued. The police and fire employees of the City are members of the State of Kansas Police and Firemen's Retirement System (the System), which is a cost-sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the System's actuary.

(f) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase.

(g) Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

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

Investments. 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 (KMIP). The City has no investment policy that would further limit its investment choices.

As of December 31, 2024, the City had the following investments and maturities:

Investment Type	Cost	Investment Maturities (in Years)	Rating
Kansas Municipal Investment Pool	$ 79,251	Less than a year	N/A

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. The City's allocation of investments as of December 31, 2024, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	100.00%

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. Kansas 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.

At December 31, 2024, the City's carrying amount of deposits was $ 37,648,294 and the bank balance was $ 37,932,657. Of the bank balance, $ 250,000 was covered by federal depository insurance, and the remaining bank balance of $ 37,682,657 was collateralized with securities held by the pledging financial institutions' agent in the City's name.

At December 31, 2024, the Library's carrying amount of deposits was $ 985,935 and the bank balance was $ 1,010,699. Of the bank balance, $ 907,323 was covered by federal depository insurance, and the remaining balance of $ 103,376 was unsecured.

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.

At December 31, 2024, the City had invested $ 79,251 in the State's municipal investment pool. The KMIP is under the oversight of the Pooled Money Investment Board (the Board). The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4 - Defined Benefit Pension Plan

Simplified Employee Pension Plan

All full-time employees, except for police and fire employees, participate in the City's Simplified Employee Pension Plan (the Plan), a single-employer defined contribution retirement plan. The payroll for employees covered by the Plan was $ 3,115,610 and the City's total payroll was $ 6,956,048 for the year ended December 31, 2024. All full-time employees are eligible to participate in the Plan after six months of continuous employment. Benefits are fully vested upon eligibility to participate in the Plan. The employer's

contribution as required by the Plan document, for 2024 was based upon 7% of gross compensation and was $ 218,093. Employees are not required to make contributions to the Plan but are allowed to make elective contributions; however, the tax deferral of such contributions is dependent upon each individual's situation. The City matches the employee's elective contributions up to a maximum of 3%. During 2024, the employees elective contributions made through payroll deductions were $ 208,689. All contributions are paid directly to the Plan Administrator, AXA Financial, Inc., in the name of the individual employees and the accounts are 100% vested at the time of contribution. The City retains no ownership rights to the accounts and, accordingly, the account balances are not included within the financial statement of the City. The City holds no investments of the Plan or any of its related parties. The City Council may amend or discontinue the Plan at any time.

Kansas Police and Firemen's Retirement System Pension Plan

General Information about the Plan

Plan Description. The City participates in the Kansas Police and Firemen's Retirement System (KP&F), a cost-sharing multiple-employer defined benefit pension plan administered by the Kansas Public Employees Retirement System (KPERS), 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate was 23.10% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $ 714,584 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 $ 7,049,754. 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 Kansas Police and Firemen subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees who qualify under the plan terms and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

5 - Long-Term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. The Andover Public Building Commission issues revenue bonds, which are to be paid with future property tax revenues to be levied in the special building fund and other resources available to the City. Additionally, the City has entered into lease agreements as lessee for financing the acquisition of equipment.

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

Issue	Interest Rates	Date of Issue	Date of Final Maturity	Original Amount Issued	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:									
Series 2015-A	2.00% - 3.50%	11/12/2015	10/1/2036	$ 6,540,000	$ 3,355,000	$ -	$ 535,000	$ 2,820,000	$ 90,500
Series 2015-B	0.65% - 3.90%	12/1/2015	10/1/2030	3,780,000	1,935,000	-	250,000	1,685,000	67,140
Series 2016-A	2.00% - 2.50%	3/1/2016	10/1/2031	9,640,000	3,665,000	-	615,000	3,050,000	78,994
Series 2017-A	2.00% - 3.25%	12/14/2017	10/1/2038	3,575,000	2,975,000	-	155,000	2,820,000	88,975
Series 2019-A	2.00% - 4.00%	11/14/2019	10/1/2039	7,525,000	6,325,000	-	380,000	5,945,000	163,973
Series 2019-B	2.00% - 3.00%	12/17/2019	10/1/2039	3,655,000	3,330,000	-	170,000	3,160,000	76,718
Series 2020-A	1.00% - 3.00%	7/30/2020	10/1/2040	3,695,000	3,255,000	-	160,000	3,095,000	64,825
Series 2020-B	1.10% - 2.00%	11/12/2020	10/1/2033	4,320,000	1,565,000	-	305,000	1,260,000	26,930
Series 2020-C	1.00% - 3.00%	12/22/2020	10/1/2041	3,745,000	3,270,000	-	225,000	3,045,000	63,072
Series 2021-A	1.00% - 2.00%	9/1/2021	10/1/2039	9,605,000	9,605,000	-	-	9,605,000	159,475
Series 2021-B	1.60% - 2.55%	12/30/2021	10/1/2040	16,890,000	16,890,000	-	-	16,890,000	352,253
Series 2022-A	3.00% - 5.00%	9/27/2022	10/1/2042	4,160,000	4,160,000	-	150,000	4,010,000	164,118
Series 2023-A	4.00% - 5.00%	8/1/2023	10/1/2043	3,220,000	3,220,000	-	85,000	3,135,000	156,450
Series 2024-A	4.00% - 5.00%	5/29/2024	10/1/2044	25,155,000	-	25,155,000	-	25,155,000	-
Total general obligation bonds					63,550,000	25,155,000	3,030,000	85,675,000	1,553,423
Andover Public Building Commission revenue bonds:									
Public Safety Facility Revenue Bonds, Series C 2004	4.32%	9/1/2004	9/1/2024	2,500,000	295,000	-	295,000	-	12,744
Andover Public Building Commission Revenue Bonds, Series A 2017 (Amphitheater)	3.00% - 4.00%	8/15/2017	11/1/2032	1,150,000	855,000	-	80,000	775,000	29,688
Total Andover Public Building Commission revenue bonds					1,150,000	-	375,000	775,000	42,432
Finance leases:									
2022 Ford Police Interceptor Utility	0%	2/21/2023	2/21/2028	37,484	30,612	-	7,497	23,115	-
2022 Ford Police Interceptor Utility	0%	2/21/2023	2/21/2028	37,369	30,518	-	7,474	23,044	-
2023 Ford Expedition	0%	3/27/2023	3/27/2028	70,961	59,134	-	14,192	44,942	-
2023 Ford F150	0%	12/1/2023	12/1/2028	59,732	58,736	-	11,946	46,790	-
2023 Ford Expedition Max	0%	8/31/2023	8/31/2028	65,287	59,846	-	13,057	46,789	-
2023 Chevy Silverado 3500HD Chassis	0%	2/17/2023	2/17/2028	70,510	57,583	-	14,102	43,481	-
2023 Ford F150	0%	11/21/2023	11/21/2028	60,216	58,209	-	12,043	46,166	-
2023 Ford F150	0%	12/11/2023	12/11/2028	59,738	58,742	-	11,948	46,794	-
2023 Ford F150	0%	12/1/2023	12/1/2028	59,732	58,736	-	11,946	46,790	-
2023 Ford F150	0%	12/11/2023	12/11/2028	59,738	58,742	-	11,948	46,794	-
2021 Dodge Durango	0%	10/12/2022	10/12/2026	47,120	32,395	-	11,780	20,615	-
2022 Chevy Silverado 1500	0%	11/25/2022	11/25/2026	48,519	34,367	-	12,130	22,237	-
2022 Chevy Silverado 1500	0%	9/15/2022	9/15/2026	44,348	29,565	-	11,087	18,478	-
2022 Chevy Silverado 1500	0%	9/15/2022	9/15/2026	47,795	31,863	-	11,949	19,914	-
2022 Chevy Silverado 1500	0%	9/15/2022	9/15/2026	44,348	29,565	-	11,087	18,478	-
2022 Chevy Silverado 1500	0%	9/15/2022	9/15/2026	47,919	31,946	-	11,980	19,966	-
2022 Chevy Silverado 1500	0%	10/7/2022	10/7/2024	22,394	8,397	-	8,397	-	-
2022 Chevy Silverado 1500	0%	10/7/2022	10/7/2024	23,071	8,652	-	8,652	-	-
2022 Chevy Silverado 1500	0%	10/7/2022	10/7/2026	47,106	32,386	-	11,776	20,610	-
2022 Chevy Silverado 2500 HD	0%	6/15/2022	6/15/2024	15,926	3,982	-	3,982	-	-
2022 Chevy Silverado 1500	0%	10/7/2022	10/7/2026	50,672	34,837	-	12,668	22,169	-
Postage Meter Rental	0%	7/26/2022	7/26/2027	8,248	5,911	-	1,650	4,261	-
Postage Meter Rental	0%	5/23/2023	5/23/2026	1,359	1,095	-	453	642	-
2023 Ford Police Interceptor Utility	0%	4/12/2024	4/12/2029	65,412	-	65,412	9,812	55,600	-
2023 Ford Police Interceptor Utility	0%	2/16/2024	2/16/2029	65,160	-	65,160	11,946	53,214	-
2023 Ford Police Interceptor Utility	0%	4/1/2024	4/1/2029	65,229	-	65,229	9,785	55,444	-
2023 Ford Police Interceptor Utility	0%	3/4/2024	3/4/2029	64,694	-	64,694	10,782	53,912	-
2023 Ford F150	0%	1/5/2024	1/5/2029	60,329	-	60,329	12,066	48,263	-
2023 Ford F150	0%	1/3/2024	1/3/2029	59,265	-	59,265	11,853	47,412	-
2023 Ford F150	0%	1/3/2024	1/3/2029	59,265	-	59,265	11,853	47,412	-
2024 Chevy Silverado 2500 HD	0%	1/8/2024	1/8/2029	48,616	-	48,616	9,723	38,893	-
2024 Chevrolet Tahoe	0%	5/20/2024	5/20/2029	77,705	-	77,705	10,361	67,344	-
2024 Chevrolet Tahoe	0%	7/1/2024	7/1/2029	78,371	-	78,371	7,837	70,534	-
2024 Chevrolet Traverse	0%	7/22/2024	7/22/2029	48,356	-	48,356	4,836	43,520	-
2025 Chevrolet Equinox	0%	12/10/2024	12/10/2029	38,431	-	38,431	641	37,790	-
Police Body Cameras	0%	11/1/2024	11/1/2029	116,082	-	116,082	68,000	48,082	-
Adobe Software	0%	12/31/2024	3/31/2026	18,280	-	18,280	2,611	15,669	-
Central Square - Police Software	0%	5/7/2024	5/7/2034	1,352,885	-	1,352,885	358,000	994,885	-
RMM Essentials Software	0%	11/1/2024	7/1/2026	8,085	-	8,085	770	7,315	-
Total finance leases					815,819	2,226,165	774,620	2,267,364	-
Total contractual indebtedness					$ 65,515,819	$ 27,381,165	$ 4,179,620	$ 88,717,364	$ 1,595,855

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

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	Total
General obligation bonds:									
Principal:									
Series 2015-A	$ 545,000	$ 240,000	$ 235,000	$ 240,000	$ 240,000	$ 985,000	$ 335,000	$ -	$ 2,820,000
Series 2015-B	260,000	265,000	275,000	285,000	295,000	305,000	-	-	1,685,000
Series 2016-A	635,000	565,000	350,000	360,000	365,000	775,000	-	-	3,050,000
Series 2017-A	165,000	165,000	170,000	175,000	185,000	1,010,000	950,000	-	2,820,000
Series 2019-A	390,000	410,000	425,000	440,000	445,000	2,320,000	1,515,000	-	5,945,000
Series 2019-B	180,000	180,000	185,000	190,000	195,000	1,045,000	1,185,000	-	3,160,000
Series 2020-A	165,000	170,000	175,000	180,000	185,000	955,000	1,045,000	220,000	3,095,000
Series 2020-B	130,000	130,000	135,000	140,000	140,000	585,000	-	-	1,260,000
Series 2020-C	230,000	145,000	155,000	155,000	155,000	860,000	940,000	405,000	3,045,000
Series 2021-A	350,000	600,000	610,000	625,000	635,000	3,275,000	3,510,000	-	9,605,000
Series 2021-B	700,000	940,000	960,000	980,000	1,000,000	5,255,000	5,810,000	1,245,000	16,890,000
Series 2022-A	155,000	155,000	160,000	185,000	190,000	1,060,000	1,250,000	855,000	4,010,000
Series 2023-A	110,000	110,000	120,000	125,000	125,000	755,000	915,000	875,000	3,135,000
Series 2024-A	2,565,000	3,090,000	3,240,000	3,405,000	3,575,000	2,465,000	3,070,000	3,745,000	25,155,000
Total principal	6,580,000	7,165,000	7,195,000	7,485,000	7,730,000	21,650,000	20,525,000	7,345,000	85,675,000
Interest:									
Series 2015-A	79,800	67,538	61,538	55,075	48,475	139,325	17,500	-	469,251
Series 2015-B	59,640	51,450	42,705	33,218	22,958	11,895	-	-	221,866
Series 2016-A	66,694	53,994	42,694	35,694	28,044	29,250	-	-	256,370
Series 2017-A	84,713	80,175	75,638	70,963	65,931	244,415	77,926	-	699,761
Series 2019-A	148,773	133,173	116,773	99,773	90,973	317,774	105,365	-	1,012,604
Series 2019-B	71,618	66,218	60,818	55,268	51,468	196,932	81,645	-	583,967
Series 2020-A	60,025	55,075	49,975	44,725	42,925	175,663	85,500	4,400	518,288
Series 2020-B	20,830	18,230	15,630	12,930	10,130	19,270	-	-	97,020
Series 2020-C	56,323	49,423	45,073	40,423	35,773	131,802	76,516	10,066	445,399
Series 2021-A	159,475	152,475	140,475	128,275	115,775	469,365	207,650	-	1,373,490
Series 2021-B	352,253	338,253	319,453	300,253	280,653	1,140,455	578,536	31,748	3,341,604
Series 2022-A	156,619	148,869	141,119	133,119	123,869	495,195	310,083	69,600	1,578,473
Series 2023-A	130,700	126,300	121,900	117,100	110,850	455,400	287,600	89,600	1,439,450
Series 2024-A	1,592,742	1,061,350	906,850	744,850	574,600	1,744,750	1,127,000	460,800	8,212,942
Total interest	$ 3,040,205	$ 2,402,523	$ 2,140,641	$ 1,871,666	$ 1,602,424	$ 5,571,491	$ 2,955,321	$ 666,214	$ 20,250,485

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	Total
Andover Public Building Commission revenue bonds:									
Principal:									
Andover Public Building Commission Revenue Bonds, Series A 2017 (Amphitheater)	$ 85,000	$ 85,000	$ 90,000	$ 95,000	$ 100,000	$ 320,000	$ -	$ -	$ 775,000
Interest:									
Andover Public Building Commission Revenue Bonds, Series A 2017 (Amphitheater)	27,288	24,738	22,188	19,263	16,175	26,200	-	-	135,852
Finance leases:									
Principal:									
2022 Ford Police Interceptor Utility	7,497	7,497	7,497	624	-	-	-	-	23,115
2022 Ford Police Interceptor Utility	7,474	7,474	7,474	622	-	-	-	-	23,044
2023 Ford Expedition	14,192	14,192	14,192	2,366	-	-	-	-	44,942
2023 Ford F150	11,946	11,946	11,946	10,952	-	-	-	-	46,790
2023 Ford Expedition Max	13,057	13,057	13,057	7,618	-	-	-	-	46,789
2023 Chevy Silverado 3500HD Chassis	14,102	14,102	14,102	1,175	-	-	-	-	43,481
2023 Ford F150	12,043	12,043	12,043	10,037	-	-	-	-	46,166
2023 Ford F150	11,948	11,948	11,948	10,950	-	-	-	-	46,794
2023 Ford F150	11,946	11,946	11,946	10,952	-	-	-	-	46,790
2023 Ford F150	11,948	11,948	11,948	10,950	-	-	-	-	46,794
2021 Dodge Durango	11,780	8,835	-	-	-	-	-	-	20,615
2022 Chevy Silverado 1500	12,130	10,107	-	-	-	-	-	-	22,237
2022 Chevy Silverado 1500	11,087	7,391	-	-	-	-	-	-	18,478
2022 Chevy Silverado 1500	11,949	7,965	-	-	-	-	-	-	19,914
2022 Chevy Silverado 1500	11,087	7,391	-	-	-	-	-	-	18,478
2022 Chevy Silverado 1500	11,980	7,986	-	-	-	-	-	-	19,966
2022 Chevy Silverado 1500	11,776	8,834	-	-	-	-	-	-	20,610
2022 Chevy Silverado 1500	12,668	9,501	-	-	-	-	-	-	22,169
Postage Meter Rental	1,650	1,650	961	-	-	-	-	-	4,261
Postage Meter Rental	453	189	-	-	-	-	-	-	642
2023 Ford Police Interceptor Utility	13,082	13,082	13,082	13,082	3,272	-	-	-	55,600
2023 Ford Police Interceptor Utility	13,032	13,032	13,032	13,032	1,086	-	-	-	53,214
2023 Ford Police Interceptor Utility	13,046	13,046	13,046	13,046	3,260	-	-	-	55,444
2023 Ford Police Interceptor Utility	12,939	12,939	12,939	12,939	2,156	-	-	-	53,912
2023 Ford F150	12,066	12,066	12,066	12,065	-	-	-	-	48,263
2023 Ford F150	11,853	11,853	11,853	11,853	-	-	-	-	47,412
2023 Ford F150	11,853	11,853	11,853	11,853	-	-	-	-	47,412
2024 Chevy Silverado 2500 HD	9,723	9,723	9,723	9,724	-	-	-	-	38,893
2024 Chevrolet Tahoe	15,541	15,541	15,541	15,541	5,180	-	-	-	67,344
2024 Chevrolet Tahoe	15,674	15,674	15,674	15,674	7,838	-	-	-	70,534
2024 Chevrolet Traverse	9,671	9,671	9,671	9,671	4,836	-	-	-	43,520
2025 Chevrolet Equinox	7,686	7,686	7,686	7,686	7,046	-	-	-	37,790
Police Body Cameras	12,021	12,021	12,020	12,020	-	-	-	-	48,082
Adobe Software	15,669	-	-	-	-	-	-	-	15,669
Central Square - Police Software	100,843	100,843	100,843	100,843	106,286	485,227	-	-	994,885
RMM Essentials Software	4,620	2,695	-	-	-	-	-	-	7,315
Total principal	492,032	447,727	376,143	325,275	140,960	485,227	-	-	2,267,364
Total contractual indebtedness	$ 10,224,525	$ 10,124,988	$9,823,972	$9,796,204	$9,589,559	$28,052,918	$23,480,321	$8,011,214	$109,103,701

Conduit Debt

The City has issued limited obligation bonds for the purpose of financing capital activities of unrelated third parties. Although conduit debt obligations bear the name of the City, they are payable solely from resources provided by leases with third parties on whose behalf they were issued. As of December 31, 2024, there were nine series of industrial revenue bonds outstanding with a principal amount payable of approximately $ 22,886,145. The bonds do not constitute an indebtedness or pledge of the faith or credit of the City of Andover, and accordingly, are not reported in the accompanying financial statement.

Tax Increment Financing District

In December 2019, the City established a tax increment financing district to support economic development activities and issued General Obligation Tax Increment Bonds, Series 2019-B, in the amount of $ 3,655,000. Additional tax increment financing district bonds totaling $ 26,495,000 were issued in 2021.

Projects financed through tax increment financing involve the creation of an "increment" in real estate property taxes. The increment is the amount of property taxes paid on the increase in assessed valuation of property in the redevelopment district over the property taxes paid in the redevelopment district before redevelopment occurs. When the aggregate tax rates of all tax jurisdictions are applied to the increased property valuation in the redevelopment district, tax increment is generated and paid to the City to fund and pay over time certain costs of the development project. The property taxes attributable to the assessed value of the district before redevelopment (the "base valuation"), are distributed to all taxing jurisdictions just before development of the redevelopment district.

The redevelopment project consists of the necessary infrastructure and site improvements to permit a full scale residential and mixed-use development anticipated to include 190 single family residences and over 340,000 square feet of retail/commercial space with large and small scale retail, restaurants, and complimentary uses. The project includes street, drainage, sewer, water, and park improvements to be developed in three phases.

Kansas statutes governing tax increment financing allow such financing to be used for property acquisition, site preparation, utilities, drainage, street improvements, landscape amenities, public outdoor spaces, streetscape amenities, and parking facilities in a redevelopment district. The tax increment financing will be used to pay a portion of these costs related to the proposed project and 100% of the tax increment attributable to the redevelopment was pledged to finance such costs for a period not exceeding 20 years as provided by law.

6 - Interfund Transfers

Operating transfers for the year ended December 31, 2024 were as follows:

From	To	Regulatory Authority	Amount
General	Vehicle Lease Management	KSA 12-1,118	$ 200,000
General	Capital Equipment Reserve	KSA 12-1,117	153,000
General	Golf Course	Ordinance	302,000
General	Sales Tax Funded Projects	KSA 12-1,118	3,528,014
Sewer Utility	Sewer Expansion/Equipment Reserve	KSA 12-1,117	1,000,000
Sewer Utility	General	KSA 12-1,117	350,000
Special Highway	Street Equipment Reserve	KSA 12-1,117	186,000
City Projects	General	KSA 12-1,117	794,415
Sales Tax Funded Project	Sewer Expansion/Equipment Reserve	Ordinance	9,663,537
Storm Water Utility	Capital Equipment Reserve	KSA 12-1,117	15,450
Street Improvement	Debt Service	Ordinance	428,891
Hotel and Tourism	Festivals	Ordinance	150,000

7 - 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 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.

8 - Capital Projects

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

Project Name	Project Estimate	Expenditures to Date
Fire Station 2 Build	$ 6,514,985	$ 6,492,139
Fire Station 1 Remodel	1,719,381	1,533,558
13th Street Improvements	13,424,454	12,690,601
Cottages at Cornerstone - Engineering	438,859	420,970
Heritage TIF Project Phase 2 - Contractor	7,690,899	7,689,069
Heritage TIF Parking Garage	15,503,062	15,359,175
Lodge	281,160	74,645
Prairie Point at Cornerstone - Engineering	86,382	45,731
Prairie Point at Cornerstone - Construction	391,195	351,183
Prairie Creek 7th Addition	507,804	-
Tuscany 4th Addition - Engineering	252,900	61,519
Tuscany 4th Addition - Construction	322,384	252,984
Andover Road and 21st Street Traffic Signal - Engineering	9,500	8,832
Andover Road and 21st Street Traffic Signal - Construction	113,900	102,510
Founders Parkway Allen to Andover Road - Engineering	442,309	31,827
Founders Parkway Allen to Andover Road - Construction	2,661,417	216,069
2024 Street Rehab	398,988	333,597
Andover Golf Course Waterline	204,922	180,042

9 - Commitments And Contingencies

Federal assistance. The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement as of December 31, 2024.

Sewage treatment reserves. The City Council has, by ordinance, established a sewer connection surcharge at a fixed amount (currently $ 1,500 for City residents). The funds collected from this surcharge are restricted for either: (a) the future expansion of the sewage treatment plant or (b) at the discretion of the governing body may be used to reduce the general tax levy in the debt service fund which is levied to fund past sewer expansion costs.

Litigation. The City is a party to various claims, none of which is expected to have a material impact on the financial statement.

Self-Insurance. The City is responsible for a potential liability up to $ 50,000 per individual per year for health care claims. This plan had fixed costs of $ 519,101 for the year ended December 31, 2024. Management believes claims incurred, but not reported, are insignificant at December 31, 2024.

10 - 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 for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have not been significant reductions in coverage from prior years.

11 - Statutory Compliance

The city project funds had a deficit cash balance of $ 5,626,151 and a deficit unencumbered cash balance of $ 6,916,996 at December 31, 2024, which is a violation of K.S.A. 10-1113. However, per K.S.A. 10-1116, limits of indebtedness may be exceeded when this is due to capital project expenditures incurred prior to the issuance of bonds. Expenditures in the street improvement fund exceeded the adopted budget for the year ended December 31, 2024, which is a violation of K.S.A. 79-2935.

12 - Reclassification

In the prior year, the TIF fund was included with the combined city project funds. This fund was included as a budgeted fund for the current year and as a result, was split out from the city project funds. Certain prior year information was reclassified to align with current year presentation.

13 - Subsequent Events

Subsequent events have been evaluated for the City through the date of the independent auditors' report, which is the date the financial statement was available to be issued.

In August 2025, the City adopted a resolution allowing for the sale of $ 12,850,000 of Series A, 2025 General Obligation Bonds to be issued on September 30, 2025. The proceeds from such bonds will pay for improvements in the following subdivisions: Heritage Way Paving, Summerlin addition, Heritage Third addition, Cottages at Cornerstone addition, and Prairie Point at Cornerstone Third Addition. Special assessments will be levied to pay for this portion of the debt payment. Also included in this issuance is financing for the City's portion of improvements to Yorktown from Central to 13th Street. This portion of the debt payment will be budgeted and paid annually from the street improvement fund and the water utility fund.

In August 2025, the City adopted a resolution authorizing the sale of $ 36,235,000 in Series A, 2025 Temporary Notes. This issuance will provide the short term financing necessary to have the cash on hand to cover construction costs of a new waste water treatment facility. When construction is nearing completion, final project costs will be calculated and long term financing will be issued with annual payments to be made from the sewer utility fund.

SUPPLEMENTARY INFORMATION

CITY OF ANDOVER, KANSAS
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended December 31, 2024

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General fund	$ 13,485,375	$ -	$ 13,485,375	$ 13,169,438	$ (315,937)
Special purpose funds:					
Street improvement fund	7,928,891	-	7,928,891	10,423,237	2,494,346
Employee benefits fund	3,859,758	-	3,859,758	3,031,596	(828,162)
Special highway fund	848,100	-	848,100	847,371	(729)
Library fund	735,740	-	735,740	732,707	(3,033)
Hotel and tourism fund	208,000	-	208,000	207,962	(38)
Park improvement fund	650,000	-	650,000	61,120	(588,880)
Emergency 911 fund	81,726	-	81,726	44,867	(36,859)
Special building fund	417,432	-	417,432	417,432	-
Golf course fund	415,000	-	415,000	318,988	(96,012)
Festivals fund	360,000	-	360,000	355,632	(4,368)
ARPA fund	233,793	-	233,793	233,792	(1)
Debt service fund	4,418,320	-	4,418,320	4,071,695	(346,625)
Capital project fund:					
Sewer expansion/equipment reserve fund	315,000	-	315,000	167,922	(147,078)
TIF fund	2,612,784	-	2,612,784	447,232	(2,165,552)
Business funds:					
Water utility fund	215,500	-	215,500	208,264	(7,236)
Sewer utility fund	2,827,698	-	2,827,698	2,650,518	(177,180)
Recycling/trash utility fund	1,160,321	-	1,160,321	1,086,151	(74,170)
Storm water utility fund	278,803	-	278,803	257,613	(21,190)
Vehicle lease management fund	460,000	-	460,000	455,136	(4,864)
Totals	$ 41,512,241	$ -	$ 41,512,241	$ 39,188,673	

CITY OF ANDOVER, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Taxes	$ 11,064,700	$ 10,906,585	$ (158,115)
Fines and fees	320,000	347,204	27,204
Licenses and permits	375,000	827,474	452,474
Rentals and recreational fees	101,875	111,514	9,639
Charges for services	400	972	572
Miscellaneous	-	5,137	5,137
Interest income	15,000	299,827	284,827
Transfers in	350,000	1,144,415	794,415
Total receipts and transfers	$ 12,226,975	13,643,128	$ 1,416,153
Expenditures, encumbrances, and transfers:			
Administration:			
Personal services	$ 749,901	796,730	$ 46,829
Contractual services	518,100	518,260	160
Commodities	24,000	97,031	73,031
Capital outlay	-	11,996	11,996
Total administration	1,292,001	1,424,017	132,016
Police:			
Personal services	2,217,949	1,933,602	(284,347)
Contractual services	327,420	621,557	294,137
Commodities	212,705	159,229	(53,476)
Capital outlay	27,000	20,399	(6,601)
Total police	2,785,074	2,734,787	(50,287)
Fire:			
Personal services	1,539,387	1,448,583	(90,804)
Contractual services	173,051	144,872	(28,179)
Commodities	166,966	160,551	(6,415)
Total fire	$ 1,879,404	$ 1,754,006	$ (125,398)

(Continued)

CITY OF ANDOVER, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Municipal court:			
Personal services	$ 77,552	$ 76,920	$ (632)
Contractual services	73,325	56,755	(16,570)
Commodities	500	2,020	1,520
Total Municipal court	151,377	135,695	(15,682)
Street:			
Personal services	461,518	380,021	(81,497)
Contractual services	195,950	230,103	34,153
Commodities	14,650	10,705	(3,945)
Capital outlay	27,000	19,400	(7,600)
Total street	699,118	640,229	(58,889)
Parks:			
Personal services	757,927	653,462	(104,465)
Contractual services	196,900	233,411	36,511
Commodities	250,250	212,794	(37,456)
Capital outlay	134,000	111,451	(22,549)
Total parks	1,339,077	1,211,118	(127,959)
Recreation programs:			
Contractual services	42,500	6,573	(35,927)
Commodities	54,375	6,347	(48,028)
Total recreation programs	96,875	12,920	(83,955)
Information technology:			
Personal services	119,825	116,430	(3,395)
Contractual services	299,435	300,650	1,215
Commodities	58,800	49,140	(9,660)
Capital outlay	12,000	-	(12,000)
Total information technology	$ 490,060	$ 466,220	$ (23,840)

(Continued)

CITY OF ANDOVER, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Code enforcement:			
Personal services	$ 439,139	$ 344,397	$ (94,742)
Contractual services	118,250	257,541	139,291
Commodities	10,000	5,494	(4,506)
Total code enforcement	567,389	607,432	40,043
Transfers out	4,185,000	4,183,014	(1,986)
Total expenditures, encumbrances, and transfers	$ 13,485,375	13,169,438	$ (315,937)
Receipts and transfers over expenditures, encumbrances, and transfers		473,690	
Unencumbered cash, beginning		3,780,620	
Unencumbered cash, ending		$ 4,254,310	

(Continued)

CITY OF ANDOVER, KANSAS
STREET IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts:				
Taxes	$ 3,376,553	$ 3,376,553	$ 3,528,014	$ 151,461
Intergovernmental	1,500,000	4,250,000	4,250,000	-
Licenses and permits	60,000	177,000	181,275	4,275
Interest income	-	135,000	179,813	44,813
Total receipts	$ 4,936,553	$ 7,938,553	8,139,102	$ 200,549
Expenditures, encumbrances, and transfers:				
Contractual services	$ 121,300	$ 3,500,000	3,910,761	$ 410,761
Capital outlay	4,637,247	4,000,000	6,083,585	2,083,585
Transfers out	428,891	428,891	428,891	-
Total expenditures, encumbrances, and transfers	$ 5,187,438	$ 7,928,891	10,423,237	$ 2,494,346
Receipts under expenditures, encumbrances, and transfers			(2,284,135)	
Unencumbered cash, beginning			4,063,298	
Unencumbered cash, ending			$ 1,779,163	

(Continued)

CITY OF ANDOVER, KANSAS
EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 3,486,047	$ 3,539,029	$ 52,982
Payroll contributions	211,000	338,589	127,589
Interest income	10,000	94,373	84,373
Total receipts	$ 3,707,047	3,971,991	$ 264,944
Expenditures and encumbrances:			
Personal services	$ 3,859,758	3,031,596	$ (828,162)
Receipts over expenditures and encumbrances		940,395	
Unencumbered cash, beginning		1,036,564	
Unencumbered cash, ending		$ 1,976,959	

(Continued)

CITY OF ANDOVER, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts:				
Taxes	$ 418,257	$ 418,257	$ 491,675	$ 73,418
Interest income	5,000	5,000	42,069	37,069
Charges for services	-	-	920	920
Total receipts	$ 423,257	$ 423,257	534,664	$ 111,407
Expenditures, encumbrances, and transfers:				
Personal services	$ 103,000	$ 103,000	103,000	$ -
Contractual services	100,500	100,500	130,768	30,268
Commodities	263,600	263,600	259,841	(3,759)
Capital outlay	120,000	175,000	167,762	(7,238)
Transfers out	103,000	206,000	186,000	(20,000)
Total expenditures, encumbrances, and transfers	$ 690,100	$ 848,100	847,371	$ (729)
Receipts under expenditures, encumbrances, and transfers			(312,707)	
Unencumbered cash, beginning			938,777	
Unencumbered cash, ending			$ 626,070	

(Continued)

CITY OF ANDOVER, KANSAS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 716,203	$ 736,132	$ 19,929
Interest income	-	10,519	10,519
Total receipts	$ 716,203	746,651	$ 30,448
Expenditures:			
Appropriations to Library Board	$ 735,740	732,707	$ (3,033)
Receipts over expenditures		13,944	
Unencumbered cash, beginning		64,148	
Unencumbered cash, ending		$ 78,092	

(Continued)

CITY OF ANDOVER, KANSAS
HOTEL AND TOURISM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts:				
Taxes	$ 86,000	$ 120,000	$ 122,391	$ 2,391
Interest income	2,500	2,500	13,800	11,300
Contributions	-	-	460	460
Total receipts	$ 88,500	$ 122,500	136,651	$ 14,151
Expenditures, encumbrances, and transfers:				
Contractual services	$ 24,875	$ 33,000	57,872	$ 24,872
Commodities	500	25,000	90	(24,910)
Transfer out	75,000	150,000	150,000	-
Total expenditures, encumbrances, and transfers	$ 100,375	$ 208,000	207,962	$ (38)
Receipts under expenditures, encumbrances, and transfers			(71,311)	
Unencumbered cash, beginning			285,628	
Unencumbered cash, ending			$ 214,317	

(Continued)

CITY OF ANDOVER, KANSAS
PARK IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 83,000	$ 85,953	$ 2,953
Licenses and permits	70,000	233,492	163,492
Rentals	65,000	79,088	14,088
Grants	-	64,000	64,000
Interest income	-	37,563	37,563
Total receipts	$ 218,000	500,096	$ 282,096
Expenditures:			
Contractual services	$ -	4,562	$ 4,562
Capital outlay	650,000	56,558	(593,442)
Total expenditures	$ 650,000	61,120	$ (588,880)
Receipts over expenditures		438,976	
Unencumbered cash, beginning		635,070	
Unencumbered cash, ending		$ 1,074,046	

(Continued)

CITY OF ANDOVER, KANSAS
EMERGENCY 911 FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 68,145	$ 102,279	$ 34,134
Interest income	-	11,714	11,714
Total receipts	$ 68,145	113,993	$ 45,848
Expenditures and encumbrances:			
Contractual services	$ 49,726	-	$ (49,726)
Capital outlay	32,000	44,867	12,867
Total expenditures and encumbrances	$ 81,726	44,867	$ (36,859)
Receipts over expenditures and encumbrances		69,126	
Unencumbered cash, beginning		235,353	
Unencumbered cash, ending		$ 304,479	

(Continued)

CITY OF ANDOVER, KANSAS
SPECIAL BUILDING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 407,122	$ 413,157	$ 6,035
Interest income	-	8,873	8,873
Total receipts	$ 407,122	422,030	$ 14,908
Expenditures:			
Appropriations to Andover Public Building Commission	$ 417,432	417,432	$ -
Receipts over expenditures		4,598	
Unencumbered cash, beginning		38,604	
Unencumbered cash, ending		$ 43,202	

(Continued)

CITY OF ANDOVER, KANSAS
GOLF COURSE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts and transfers:				
Charges for services	$ 2,000	$ 2,000	$ 1,019	$ (981)
Interest income	-	-	5,116	5,116
Transfers in	285,000	405,000	302,000	(103,000)
Total receipts and transfers	$ 287,000	$ 407,000	308,135	$ (98,865)
Expenditures and encumbrances:				
Contractual services	$ 118,000	$ 118,000	138,773	$ 20,773
Commodities	17,000	17,000	566	(16,434)
Capital outlay	155,000	280,000	179,649	(100,351)
Total expenditures and encumbrances	$ 290,000	$ 415,000	318,988	$ (96,012)
Receipts and transfers under expenditures and encumbrances			(10,853)	
Unencumbered cash, beginning			12,795	
Unencumbered cash, ending			$ 1,942	

(Continued)

CITY OF ANDOVER, KANSAS
FESTIVALS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts and transfers:				
Greater Andover Days	$ 35,450	$ 64,000	$ 68,698	$ 4,698
Hometown Christmas	4,500	4,500	5,750	1,250
Amphitheatre	75,000	75,000	80,000	5,000
Interest income	-	4,300	5,682	1,382
Transfers in	75,000	150,000	150,000	-
Total receipts and transfers	$ 189,950	$ 297,800	310,130	$ 12,330
Expenditures and encumbrances:				
Greater Andover Days	$ 31,300	$ 31,300	38,308	$ 7,008
Hometown Christmas	4,330	4,330	5,271	941
Amphitheatre	150,000	324,370	312,053	(12,317)
Total expenditures and encumbrances	$ 185,630	$ 360,000	355,632	$ (4,368)
Receipts and transfers under expenditures and encumbrances			(45,502)	
Unencumbered cash, beginning			180,608	
Unencumbered cash, ending			$ 135,106	

(Continued)

CITY OF ANDOVER, KANSAS
ARPA FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Expenditures, encumbrances, and transfers:			
Capital outlay	$ -	$ 233,792	$ 233,792
Transfers out	233,793	-	(233,793)
Total expenditures, encumbrances, and transfers	$ 233,793	233,792	$ (1)
Unencumbered cash, beginning		233,792	
Unencumbered cash, ending		$ -	

(Continued)

CITY OF ANDOVER, KANSAS
DEBT SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Taxes	$ 41,512	$ 86,277	$ 44,765
Special assessments	3,143,508	3,294,534	151,026
Interest income	18,500	119,524	101,024
Miscellaneous	11,310	-	(11,310)
Transfers in	428,891	428,891	-
Total receipts and transfers	$ 3,643,721	3,929,226	$ 285,505
Expenditures:			
Principal	$ 3,035,000	3,030,000	$ (5,000)
Interest	1,047,241	1,041,695	(5,546)
Commission and postage	2,000	-	(2,000)
Cash basis reserve	334,079	-	(334,079)
Total expenditures	$ 4,418,320	4,071,695	$ (346,625)
Receipts and transfers under expenditures		(142,469)	
Unencumbered cash, beginning		1,299,545	
Unencumbered cash, ending		$ 1,157,076	

(Continued)

CITY OF ANDOVER, KANSAS
SEWER EXPANSION/EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts and transfers:				
Licenses and permits	$ 125,000	$ 912,000	$ 925,819	$ 13,819
Interest income	-	370,000	563,684	193,684
Miscellaneous	-	-	5,925	5,925
Transfers in	900,000	900,000	10,663,537	9,763,537
Total receipts and transfers	$ 1,025,000	$ 2,182,000	12,158,965	$ 9,976,965
Expenditures and encumbrances:				
Contractual services	$ -	$ 40,000	12,088	$ (27,912)
Capital outlay	173,250	275,000	155,834	(119,166)
Total expenditures and encumbrances	$ 173,250	$ 315,000	167,922	$ (147,078)
Receipts and transfers over expenditures and encumbrances			11,991,043	
Unencumbered cash, beginning			4,886,737	
Unencumbered cash, ending			$ 16,877,780	

(Continued)

CITY OF ANDOVER, KANSAS
TIF FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
EMPLOYEE BENEFITS FUND

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts and transfers:				
Intergovernmental	$ -	$ 1,025,000	$ 1,025,000	$ -
Taxes	-	264,000	473,176	209,176
Interest income	-	127,000	9,498	(117,502)
Transfers in	-	12,000	-	(12,000)
Total receipts and transfers	$ -	$ 1,428,000	1,507,674	$ 79,674
Expenditures and encumbrances:				
Contractual services	$ -	$ 2,101,056	(64,496)	$ (2,165,552)
Interest expense	-	511,728	511,728	-
Total expenditures and encumbrances	$ -	$ 2,612,784	447,232	$ (2,165,552)
Receipts and transfers over expenditures and encumbrances			1,060,442	
Unencumbered cash, beginning			(1,036,297)	
Unencumbered cash, ending			$ 24,145	

(Continued)

CITY OF ANDOVER, KANSAS
WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts:				
Charges for services	$ 135,000	$ 135,000	$ 114,285	$ (20,715)
Interest income	5,000	-	26,570	26,570
Total receipts	$ 140,000	$ 135,000	140,855	$ 5,855
Expenditures:				
Capital outlay	$ 105,500	$ 215,500	208,264	$ (7,236)
Receipts under expenditures			(67,409)	
Unencumbered cash, beginning			685,024	
Unencumbered cash, ending			$ 617,615	

(Continued)

CITY OF ANDOVER, KANSAS
SEWER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Licenses and permits	$ 15,500	$ 43,480	$ 27,980
Charges for services	2,973,400	3,315,345	341,945
Interest income	10,000	124,253	114,253
Total receipts	$ 2,998,900	3,483,078	$ 484,178
Expenditures, encumbrances, and transfers:			
Personal services	$ 832,208	711,154	$ (121,054)
Contractual services	441,440	421,692	(19,748)
Commodities	169,050	134,557	(34,493)
Capital outlay	35,000	33,115	(1,885)
Transfers out	1,350,000	1,350,000	-
Total expenditures, encumbrances, and transfers	$ 2,827,698	2,650,518	$ (177,180)
Receipts over expenditures, encumbrances, and transfers		832,560	
Unencumbered cash, beginning		1,768,447	
Prior year canceled encumbrance		1,055	
Unencumbered cash, ending		$ 2,602,062	

(Continued)

CITY OF ANDOVER, KANSAS
RECYCLING/TRASH UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts:				
Charges for services	$ 1,039,000	$ 1,100,000	$ 1,125,149	$ 25,149
Interest income	500	6,100	8,500	2,400
Total receipts	$ 1,039,500	$ 1,106,100	1,133,649	$ 27,549
Expenditures and encumbrances:				
Personal services	$ 47,821	$ 47,821	35,609	$ (12,212)
Contractual services	969,500	1,109,500	1,048,491	(61,009)
Commodities	3,000	3,000	2,051	(949)
Total expenditures and encumbrances	$ 1,020,321	$ 1,160,321	1,086,151	$ (74,170)
Receipts over expenditures and encumbrances			47,498	
Unencumbered cash, beginning			128,975	
Unencumbered cash, ending			$ 176,473	

(Continued)

CITY OF ANDOVER, KANSAS
STORM WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts:				
Charges for services	$ 208,000	$ 208,000	$ 209,654	$ 1,654
Interest income	500	3,500	5,021	1,521
Total receipts	$ 208,500	$ 211,500	214,675	$ 3,175
Expenditures, encumbrances, and transfers:				
Personal services	$ 147,635	$ 147,635	138,160	$ (9,475)
Contractual services	35,568	35,568	32,597	(2,971)
Commodities	20,150	20,150	13,298	(6,852)
Capital outlay	-	60,000	58,108	(1,892)
Transfers out	15,450	15,450	15,450	-
Total expenditures, encumbrances, and transfers	$ 218,803	$ 278,803	257,613	$ (21,190)
Receipts under expenditures, encumbrances, and transfers			(42,938)	
Unencumbered cash, beginning			135,094	
Unencumbered cash, ending			$ 92,156	

(Continued)

CITY OF ANDOVER, KANSAS
VEHICLE LEASE MANAGEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts and transfers:				
Interest income	$ -	$ -	$ 10,423	$ 10,423
Miscellaneous	175,000	198,000	190,001	(7,999)
Transfers in	-	-	200,000	200,000
Total receipts and transfers	$ 175,000	$ 198,000	400,424	$ 202,424
Expenditures:				
Capital outlay	$ 300,000	$ 460,000	455,136	$ (4,864)
Receipts and transfers under expenditures			(54,712)	
Unencumbered cash, beginning			344,777	
Unencumbered cash, ending			$ 290,065	

CITY OF ANDOVER, KANSAS
STREET EQUIPMENT RESERVE FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

Receipts and transfers:		
Interest income	$	8,950
Miscellaneous		47,500
Transfers in		186,000
Total receipts and transfers		242,450
Expenditures:		
Capital outlay		258,419
Receipts and transfers under expenditures		(15,969)
Unencumbered cash, beginning		304,708
Unencumbered cash, ending	$	288,739

* This fund is not required to be budgeted.

(Continued)

CITY OF ANDOVER, KANSAS
CITY PROJECT FUNDS*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:	
Reimbursements	$ 1,286,477
Interest income	(352,467)
Debt issuance proceeds	10,934,630
Proceeds of bond premiums	481,304
Total receipts	12,349,944
Expenditures, encumbrances, and transfers:	
Contractual services	2,248,543
Transfers out	794,415
Total expenditures, encumbrances, and transfers	3,042,958
Receipts over expenditures, encumbrances, and transfers	9,306,986
Unencumbered cash, beginning	(16,223,982)
Unencumbered cash, ending	$ (6,916,996)

* This fund is not required to be budgeted.

(Continued)

CITY OF ANDOVER, KANSAS
CAPITAL EQUIPMENT RESERVE FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts and transfers:		
Fines and fees	$	42,497
Contributions		5,000
Interest income		96,905
Miscellaneous		1,450
Transfers in		168,450
Total receipts and transfers		314,302
Expenditures and encumbrances:		
Contractual services		239,914
Capital outlay		409,458
Total expenditures and encumbrances		649,372
Receipts and transfers under expenditures and encumbrances		(335,070)
Unencumbered cash, beginning		1,997,027
Unencumbered cash, ending	$	1,661,957

* This fund is not required to be budgeted.

(Continued)

CITY OF ANDOVER, KANSAS
SALES TAX FUNDED PROJECTS FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts and transfers:	
Interest income	$ 173,400
Debt issuance proceeds	14,220,370
Bond premium	625,927
Property owner payments	582,000
Transfers in	3,528,014
Total receipts and transfers	19,129,711
Expenditures and encumbrances:	
Contractual services	298,116
Transfers out	9,663,537
Total expenditures and encumbrances	9,961,653
Receipts and transfers over expenditures and encumbrances	9,168,058
Unencumbered cash, beginning	(6,382,379)
Unencumbered cash, ending	$ 2,785,679

* This fund is not required to be budgeted.

(Continued)

CITY OF ANDOVER, KANSAS
ANDOVER PUBLIC BUILDING COMMISSION FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Intergovernmental	$	417,432
Expenditures:		
Principal		375,000
Interest		42,432
Total expenditures		417,432
Receipts over expenditures		-
Unencumbered cash, beginning		-
Unencumbered cash, ending	$	-

* This fund is not required to be budgeted.

CITY OF ANDOVER, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
Year Ended December 31, 2024

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll clearing	$ 14,851	$ 97,259	$ 47,313	$ 64,797
Municipal court bond fund	20,120	32,973	28,038	25,055
	$ 34,971	$ 130,232	$ 75,351	$ 89,852

CITY OF ANDOVER, KANSAS
ANDOVER PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

Receipts:		
Taxes	$	732,707
Intergovernmental		65,181
Fines and fees		52,723
Interest income		32,410
Miscellaneous		12,286
Total receipts		895,307
Expenditures and encumbrances:		
Salaries, wages, and payroll taxes		497,641
Advertising and promotion		3,268
Contract services		46,307
Capital outlay		65,483
Postage		11,394
Special programs		10,804
Books, periodicals, and other media		68,905
Repairs and maintenance		39,041
Workshops and trainings		2,635
Utilities		38,367
Other		14,255
Total expenditures and encumbrances		798,100
Receipts over expenditures and encumbrances		97,207
Unencumbered cash, beginning		888,693
Unencumbered cash, ending	$	985,900

APPENDIX C

ORDINANCE ESTABLISHING A MASTER UNDERTAKING TO PROVIDE ONGOING DISCLOSURE

(Published at www.andoverks.com on January 20, 2024)

ORDINANCE NO. 1891

AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 1691 OF THE CITY OF ANDOVER, KANSAS.

WHEREAS, the governing body of the City of Andover, Kansas (the "City") has heretofore by Ordinance No. 1076 adopted on June 15, 2000 and published in the City's official newspaper as required by law on June 22, 2000, as amended and restated by (i) Ordinance No. 1442 adopted September 29, 2009 and published in the City's official newspaper as required by law on October 2, 2009, and (ii) Ordinance No. 1480 adopted November 30, 2010 and published in the City's official newspaper as required by law on December 3, 2010, and (iii) Ordinance No. 1691 adopted November 27, 2018 and published in the City's official newspaper as required by law on December 1, 2018, established a written undertaking to function as a master undertaking for the benefit of the holders as well as the beneficial owners of all general obligation bonds and temporary notes issued by the City of Andover, purchased for public distribution by one or more underwriters, on or after July 3, 1995, as required to establish legal preconditions for sale of the Bonds and Notes through an underwriter or underwriters, under Section (b)(5)(i) of Securities and Exchange Commission ("SEC") Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended; and

WHEREAS, the governing body of the City finds and determines it advisable to amend and restate Ordinance No. 1691 of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ANDOVER, KANSAS AS FOLLOWS:

Section 1. Amendment and Restatement of Ordinance No. 1691. The entirety of Ordinance No. 1691 is hereby amended and restated by replacing it with the following:

SECTION 1. This Ordinance establishes and constitutes a written undertaking which shall function as a master undertaking for the benefit of the holders as well as the beneficial owners of all general obligation bonds (the "Bonds") and temporary notes (the "Notes") issued by the City of Andover, (the "City" or the "Issuer"), purchased for public distribution by one or more underwriters, on or after August 18, 2003, as required to establish legal preconditions for sale of the Bonds and Notes through an underwriter or underwriters, under Section (b)(5)(i) of Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended. Capitalized terms used in this Ordinance, and not otherwise defined herein, shall have the meanings assigned to such terms in Section 4 hereof.

SECTION 2. The City, as issuer of the Bonds and Notes, undertakes to provide the following information, at the times and to the recipients as provided in Section 3 of this Ordinance:

(i) Annual Financial Information
(ii) Audited Financial Statements
(iii) Reporting Event Notices

SECTION 3. So long as the Rule continues to require an undertaking to make ongoing disclosure as established herein, or performance of prior such undertakings, then, with respect to all of the Bonds and Notes issued subject to such requirements which remain Outstanding:

(A) The Issuer shall provide the Annual Financial Information on or before December 31 of each year (the "Report Date"), beginning in December, 2009, to the Municipal Securities Rulemaking Board ("MSRB"). The Issuer may adjust the Report Date if the Issuer changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to the MSRB; provided that the new Report Date shall be not more than 365 days after then end of the new fiscal year and provided further that the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the Issuer provides to the MSRB the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(B) The Issuer shall provide the Audited Financial Statements as part of the Annual Financial Information described in the preceding paragraph of this Section, when and if available.

(C) If a Reporting Event occurs, the Issuer shall provide a Reporting Event Notice to the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of a Reporting Event. Each "Reporting Event Notice" shall be so captioned, and shall prominently state the date, title and CUSIP numbers of the Bonds or Notes to which the Reporting Event(s) covered by the Reporting Event Notice pertain(s).

(D) The Issuer shall provide timely notice of any failure by the Issuer to provide Annual Financial Information as required hereunder to the MSRB.

SECTION 4. The following are definitions of the capitalized terms used in this Ordinance and not otherwise defined elsewhere in this Ordinance:

"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 Issuer's Audited Financial Statements and Operating Data.

"Audited Financial Statements" means the City's annual financial statements, prepared using accounting practices prescribed by the State according to the Kansas Municipal Accounting and Audit Guide 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 the Issuer. 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 the Issuer 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 Issuer, 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 Issuer.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds or Notes (including persons holding Bonds or Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds or Notes for federal income tax purposes.

"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.

"Merger Event" means the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 that 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.

"Operating Data" means the operating data specifically included and set forth within the Issuer's Comprehensive Annual Financial Report, prepared in accordance with the standards established by the Governmental Accounting Standards Board, which shall contain at a minimum the data included in the Comprehensive Annual Financial Report attached to the applicable final official statement for such Bonds or Notes.

"Outstanding" when used with reference to any of the Bonds or Notes shall mean, as of a particular date, all Bonds or Notes theretofore authenticated and delivered under one or more Ordinances of the City, except: (i) Bonds or Notes theretofore canceled by the Fiscal Agent (as defined in the Ordinance(s) authorizing the issuance of such Bonds or Notes) or delivered to such Fiscal Agent for cancellation; (ii) Bonds or Notes for which payment or redemption moneys or Government Securities (as defined in the Ordinance(s) authorizing the issuance of such Bonds or Notes) or both, in the necessary amounts have been deposited with the Fiscal Agent or other such depository as provided in the Ordinance(s) authorizing the issuance of such Bonds or Notes, in trust for the Owners thereof (whether upon or prior to maturity or the Redemption Date(s) of such Bonds or Notes); or (iii) Bonds or Notes in exchange for or in lieu of which refunding Bonds or Notes have been authenticated and delivered pursuant to the terms of (and within the meaning of) the appropriate Ordinance(s).

"Owner(s)" shall mean, when used with respect to any Bond or Note, the person in whose name the Bond or Note is registered, as shown upon the registration books maintained by the Fiscal Agent(s) designated in the Ordinance(s) authorizing the issuance of such Bonds or Notes and shall include any Beneficial Owners.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds or Notes required to comply with the Rule in connection with the offering of the Bonds or Notes.

"Redemption Date(s)" shall mean, when used with respect to any Bond or Note(s), the date(s) established as such in the Ordinance(s) authorizing the issuance of such Bonds or Notes.

"Reporting Event" means any of the following events with respect to any of the Outstanding Bonds or Notes: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) Adverse Tax Opinions; (vii) modifications to rights of security holders, if material; (viii) note or bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing

repayment of the securities, if material; (xi) rating changes; (xii) Bankruptcy Events; (xiii) Merger Events, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) 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 (xvi) 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 Material Event.

"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).

SECTION 5. Unless otherwise required by law, the City shall transmit all information required hereunder, including notices and filings, in such electronic format and accompanied by such identifying information at http://www.emma.msrb.org or such other internet site, all as required by the MSRB.

SECTION 6. This Ordinance, or any provision hereof, shall be subject to nullification and repeal in the event that the Issuer first delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require this Undertaking as a condition for particular underwriter conduct, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds or Notes. This Ordinance may be amended without the Consent of the Owner(s) of any Bonds or Notes, following the delivery by the Issuer to the MSRB of the proposed amendment and the opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will be in compliance with the Rule, as amended and officially interpreted.

SECTION 7. Any failure by the Issuer to perform its obligations under this Ordinance shall not constitute an "Event of Default" or "Default" within the meaning of any Ordinance(s) authorizing the issuance of any Bonds or Notes, and the rights and remedies provided to Owners of the Bonds or Notes under such Ordinance(s) upon the Occurrence of such a "Default" Or such an "Event of Default" shall not apply to any such failure. The sole remedy under this Ordinance in the event of any failure of the Issuer to comply with this Ordinance shall be an action to compel performance.

SECTION 8. If any of the foregoing provisions or terms of this Ordinance, or any application thereof, is held invalid, the invalidity shall not affect other applications of the provisions or terms of this Ordinance which reasonably can be given effect without the invalid provision or term or the application thereof, and to this end, the provisions of this Ordinance are declared to be severable.

SECTION 9. None of the provisions of this Ordinance are in any way intended to impose upon, or result in an assumption by, the Issuer or any of its officers, agents or

employees, of any special duty or any civil law duty of care as to which any breach or alleged breach thereof could give rise to any claim for damages in tort, and the Issuer expressly disclaims any such duty or responsibility for damages, including (but not limited to) any direct, indirect, special or consequential damages. The provisions of this Ordinance shall not, in any way, create liability or a basis for liability on the part of the Issuer or any officer, agent or employee thereof for any damages that result from failure of the Issuer to timely perform any portion, provision, term or condition of the written undertaking on its part established herein, or for any damages that result from reliance upon any provision of this Ordinance, or any administrative decision lawfully made thereunder. However, nothing in this subsection shall operate or be construed to limit the rights of any Owner of any Bond or Note to seek enforcement of the undertakings herein expressed through proceedings for a decree of specific performance in equity.

SECTION 10. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Ordinance and may discharge any such Agent, with or without appointing a Successor Dissemination Agent.

SECTION 11. This Ordinance shall inure solely to the benefit of the Issuer, the Participating Underwriters and the Owners from time to time of the Bonds and Notes and shall create no rights in any other person or entity.

Section 2. Amending Ordinance. Except to the extent specifically amended hereby, Ordinance No. 1691 shall remain in full force and effect.

Section 3. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of City of Andover, Kansas and its publication in the official newspaper of the City.

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PASSED, APPROVED AND ADOPTED by the governing body of the City of Andover, Kansas this 9th day of January, 2024.

CITY OF ANDOVER, KANSAS

[seal]



By _____
Ronnie Price, Mayor

ATTEST:

By _____
Dana Engstrom, City Clerk