

PRELIMINARY OFFICIAL STATEMENT DATED MAY 12, 2026

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

NOT RATED

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"): (1) the interest on the Notes (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Notes is exempt from income taxation by the State of Kansas; and (3) the Notes are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). See "TAX MATTERS – Opinion of Bond Counsel" herein. Bond Counsel notes that interest on the Notes may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

\$1,360,000*

**CITY OF MINNEOLA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2026**

Dated: As of the Delivery Date shown below

Due: December 1, 2029

The General Obligation Temporary Notes, Series 2026 (the "Notes") will be issued by the City of Minneola, Kansas (the "City" or "Issuer"), as fully registered Notes 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 Notes. Purchases of the Notes will be made in book-entry form, in the denomination of \$5,000 or any integral multiples thereof (the "Authorized Denomination") and shall be numbered in such manner as the Note Registrar shall determine. Purchasers will not receive certificates representing their interests in Notes purchased. So long as Cede & Co. is the registered owner of the Notes, as nominee of DTC, references herein to the Note owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Notes. Principal will be payable at stated maturity or earlier redemption upon presentation and surrender of the Notes by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as note registrar and paying agent (the "Note Registrar" and "Paying Agent"). Interest on each Note will be payable semiannually on June 1 and December 1, commencing on December 1, 2026 to the persons who are registered owners of the Notes as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Notes, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Notes and the interest thereon will constitute general obligations of the Issuer, payable from the proceeds of the Issuer's general obligation bonds, 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.

MATURITY SCHEDULE*

<u>Stated Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹ Base: 603874</u>
12/01/2029	\$1,360,000	____%	____%	

(All plus accrued interest, if any)

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The Notes may be called for redemption and payment prior to their Stated Maturity on December 1, 2027, and thereafter as a whole or in part at any time (selection of the amount of Notes to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date (see "THE NOTES – Redemption Provisions" herein).

The Notes are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. Certain other legal matters will be passed upon by Morgan Koon, Esq., Wichita, Kansas, counsel for the Issuer. It is expected that the Notes will be available for delivery through the facilities of the Depository Trust Company in New York, New York on or about June 16, 2026.

SEALED BIDS WILL BE ACCEPTED ON BEHALF OF:

**THE CITY OF MINNEOLA, KANSAS
ON JUNE 1, 2026 UNTIL 11:00 A.M. C.T.
BY RANSON FINANCIAL GROUP, LLC
200 W. DOUGLAS, SUITE 110
WICHITA, KANSAS 67202**

PHONE: (316) 264-3400 ~ FAX: (316) 265-5403 ~ EMAIL: bids@ransonfinancial.com

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

* Subject to change.

This Preliminary Official Statement and information contained herein are subject to completion or amendment without notice. These securities may not be sold nor an offer 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 the 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.

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

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

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

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

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

\$1,360,000*
CITY OF MINNEOLA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2026

MAYOR

Carol Sibley

CITY COUNCIL

Debbie Buckley, Member

Marvin Jensen, Member

Chad Kirk, Member

Dustin Laudick, Member

Galen Rankin, Member

CITY STAFF

Tyler Knox, City Manager

Brenda Stewart, City Clerk

CITY ATTORNEY

Morgan Koon, Esq.

Wichita, Kansas

BOND COUNSEL

Gilmore & Bell, P.C.

Wichita, Kansas

FINANCIAL ADVISOR

Ranson Financial Group, LLC

Wichita, Kansas

UNDERWRITER

* Subject to change.

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 Notes other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Notes 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 Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Preliminary Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Notes.

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\$1,360,000*
CITY OF MINNEOLA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2026

INTRODUCTION

General Matters

The purpose of this Preliminary Official Statement is to furnish information relating to the City of Minneola, Kansas (the "Issuer" or the "City"), and the General Obligation Temporary Notes, Series 2026 (the "Notes"), of the Issuer, dated June 16, 2026 (the "Dated Date").

The Notes are being issued for the purpose of providing interim financing for certain internal improvements and to pay costs associated with the issuance of the Notes.

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

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

The material contained on the cover page, in the body and in the Appendices to this Preliminary Official Statement is to be read in their entirety. Except for the information expressly attributed to other sources, all information has been provided by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Bond Counsel has not assisted in the preparation of this Preliminary Official Statement. Except to the extent described under the sections captioned "LEGAL MATTERS," Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

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

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Notes, the Issuer will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") wherein the Issuer covenants to annually provide certain financial information and operating data (collectively the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the MSRB. Pursuant to the Disclosure Undertaking, the Issuer has agreed to file its Annual Report with the national repository ("EMMA") not later than the last day of the twelfth month immediately following the end of the issuer's fiscal year, commencing after the year ending December 31, 2025. The Issuer covenants with the Underwriter and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Notes. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Notes.

The Issuer has not been subject any Continuing Disclosure Undertaking in the last five (5) years.

For more information regarding the Disclosure Undertaking, see "APPENDIX D — FORM OF DISCLOSURE UNDERTAKING."

Additional Information

All of the summaries of statutes, opinions, financial and statistical data, and other related reports and documents described in this Preliminary Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the City Hall, 126 S. Main St., Minneola, Kansas 67865 Additional information regarding the City or the Notes may be obtained from the City's Financial Advisor, Ranson Financial Group, LLC, 200 W. Douglas, Suite 110, Wichita, Kansas 67202, Attention: Larry Kleeman, by phone (316) 264-3400 or e-mail (larry@citycode.com).

* Subject to change.

THE NOTES

Authority for the Notes

The Notes are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas (the "State"), including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 12-6a01 *et seq.*, all as amended and supplemented (collectively, the "Act"), and a resolution adopted by the governing body of the Issuer on June 1, 2026 (the "Note Resolution") for the purpose of paying the cost of certain public building improvements in the Issuer (the "Improvements").

Security for the Notes

The Notes shall be general obligations of the Issuer payable as to both principal and interest from the proceeds of the Issuer's general obligation bonds, 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 irrevocably pledged for the prompt payment of the principal of and interest on the Notes as the same become due.

Description of the Notes

The Notes shall consist of fully registered book-entry-only Notes in the denomination of \$5,000 or any integral multiples thereof (the "Authorized Denomination") and shall be numbered in such manner as the Note Registrar shall determine. All of the Notes shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturity, subject to redemption and payment prior to their Stated Maturity, and shall bear interest at the rates per annum set forth on the cover page of this Preliminary Official Statement. The Notes shall bear interest (computed on the basis of twelve 30 day months) from the later of the Dated Date or the most recent Interest Payment Date to the Stated Maturity or prior redemption in the manner hereinafter set forth.

Designation of Paying Agent and Note Registrar

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

The Treasurer of the State, Topeka, Kansas (the "Note Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Notes and note registrar with respect to the registration, transfer and exchange of Notes.

Method and Place of Payment of the Notes

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

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

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

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

Payments Due on Saturdays, Sundays and Holidays

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

Book-Entry Notes: Securities Depository

The Notes 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 Notes, except in the event the Note Registrar issues Replacement Notes. It is anticipated that during the term of the Notes, 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 Notes to the Participants until and unless the Note Registrar authenticates and delivers Replacement Notes to the Beneficial Owners as described in the following paragraphs.

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

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

(b) if the Note Registrar receives written notice from Participants having interest in not less than 50% of the Notes 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 Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes, then the Note Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Note Registrar shall register in the name of and authenticate and deliver Replacement Notes 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 Note 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 Note. Upon the issuance of Replacement Notes, 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 Note Registrar, to the extent applicable with respect to such Replacement Notes. If the Securities Depository resigns and the Issuer, the Note Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Note Registrar shall authenticate and cause delivery of Replacement Notes to Owners, as provided herein. The Note Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Notes. The cost of printing, registration, authentication, and delivery of Replacement Notes 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 Note Registrar receives written evidence satisfactory to the Note 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 Note Registrar upon its receipt of a Note or Notes for cancellation shall cause the delivery of the Notes to the successor Securities Depository in appropriate denominations and form as provided in the Note Resolution.

Registration, Transfer and Exchange of Notes

As long as any of the Notes remain Outstanding, each Note when issued shall be registered in the name of the Owner thereof on the Note Register. Notes may be transferred and exchanged only on the Note Register as hereinafter provided. Upon surrender of any Note at the principal office of the Note Registrar, the Note Registrar shall transfer or exchange such Note for a new Note or Notes in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for

transfer or exchange. Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Note Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

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

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

Mutilated, Lost, Stolen or Destroyed Notes

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

Nonpresentation of Notes

If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Note 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 Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Note Resolution or on, or with respect to, said Note. If any Note is not presented for payment within four (4) years following the date when such Note becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption. At the option of the Issuer, the Notes may be called for redemption and payment prior to their Stated Maturity on December 1, 2027, and thereafter as a whole or in part at any time (selection of the amount of Notes to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

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

exchange as aforesaid, such Note shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

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

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

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

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

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

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes 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 certificate will be issued for each scheduled maturity of the Notes 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 2.2 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 both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“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 Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

4. To facilitate subsequent transfers, all Notes 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 Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes 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 Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Notes 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 Notes purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Notes by causing the Direct Participant to transfer the Participant's interest in the Notes, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Notes to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Notes 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, Note 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, Note 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.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE NOTES DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE NOTES 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 NOTES. PROSPECTIVE PURCHASERS OF THE NOTES 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 Notes. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Notes

The enforceability of the rights and remedies of the owners of Notes, and the obligations incurred by the City in issuing the Notes, 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 Notes to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Debt Service Source

The Notes are general obligations of the Issuer payable as to both principal and interest, if necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. In 2026, the Kansas legislature passed a bill that, among other things, would have restricted the ability of taxing subdivisions, including the Issuer, 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 Issuer cannot predict whether similar bills will be introduced in the future or what effect such bills may have on the Issuer'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 Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation. See "APPENDIX A – FINANCIAL INFORMATION – Property Valuations and Property Tax Levies and Collections."

Taxation of Interest on the Notes

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Notes 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 Notes includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Note Resolution and in other documents and certificates to be delivered in connection with the issuance of the Notes 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 Notes. Because the existence and continuation of the excludability of the interest on the Notes depends upon events occurring after the date of issuance of the Notes, the opinion of Bond Counsel described under "LEGAL 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 Notes 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 Notes to become includable in gross income as of the date of issuance.

Premium on Notes

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

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Note Resolution does not provide for the payment of additional interest or penalty on the Notes or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Note Resolution does not provide for the payment of any additional interest or penalty on the Notes if the interest thereon becomes includable in gross income for Kansas income tax purposes.

Kansas Public Employees Retirement System

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

Suitability of Investment

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

Market for the Notes

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

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Notes. Prices of Notes traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Notes as a result of financial condition or market position of broker-dealers, 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 Notes are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

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.

Potential Impacts Resulting from 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 PROJECTS

Proceeds of the Notes will be applied to: 1) temporarily finance a portion of certain internal improvements described below (the “Improvements”); and 2) to pay costs of issuance associated with the issuance of the Notes.

<u>Project Description</u>	<u>Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Estimated Cost</u>
Street, water and sanitary sewer improvements	[]	12-6a01 <i>et seq.</i>	\$1,360,000

SOURCES AND USES OF FUNDS

The following table itemizes the sources and uses of funds available for the Improvements, including the proceeds from the sale of the Notes, exclusive of accrued interest.

Sources of Funds	
Principal Amount of the Notes	\$1,360,000.00*
Total Sources of Funds	
 Uses of Funds	
Deposit to Project Fund	\$
Deposit to Capitalized Interest Fund	
Costs of Issuance	
Underwriter’s Discount	
Total Uses of Funds	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/> \$

* Subject to change

RATINGS

The Issuer has **not** applied for a rating on the Notes herein offered for sale.

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 Notes or the validity of said Notes, 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 Notes

All matters incident to the authorization and issuance of the Notes are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the City and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the matters appearing in the sections of this Preliminary Official Statement captioned “THE NOTES,” “LEGAL MATTERS,” “TAX MATTERS” and “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*” Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Notes. Certain legal matters have been passed on for the Issuer by Morgan Koon, Esq., Wichita, Kansas.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Notes. 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 Notes 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 Notes in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Notes.

Opinion of Bond Counsel

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

Federal Tax Exemption. The interest on the Notes (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

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

Bank Qualification. The Notes are “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3).

Kansas Tax Exemption. The interest on the Notes is exempt from income taxation by the State.

Bond Counsel’s opinions are provided as of the date of the original issue of the Notes, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Notes.

Other Tax Consequences

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

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

Sale, Exchange or Retirement of Notes. Upon the sale, exchange or retirement (including redemption) of a Note, an owner of the Note 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 Note (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Note. To the extent the Notes 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 Note 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 Notes, and to the proceeds paid on the sale of Notes, 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 Notes should be aware that ownership of the Notes 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 Notes. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Notes 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 Notes, including the possible application of state, local, foreign and other tax laws.

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

MUNICIPAL ADVISOR

Ranson Financial Group, LLC, Wichita, Kansas, has acted as Financial Advisor to the Issuer in connection with the sale of the Notes. 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 Preliminary Official Statement and in other matters relating to the issuance of the Notes. The fees of the Financial Advisor are contingent upon the issuance of the Notes.

UNDERWRITING

The Notes 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 Notes at a price equal to the principal amount of the Notes, [, plus a premium of \$ _____][, less an underwriting discount of \$ _____].

The Notes will be offered to the public initially at the prices determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Preliminary Official Statement. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes 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 Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Notes 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 PRELIMINARY OFFICIAL STATEMENT

The preparation of this Preliminary 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 Preliminary Official Statement is submitted in connection with the issuance of the Notes and may not be reproduced or used as a whole or in part for any other purpose. This Preliminary Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Notes.

CITY OF MINNEOLA, KANSAS

By: _____
Carol Sibley, Mayor

By: _____
Brenda Stewart, City Clerk

APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

The City of Minneola, Kansas (the “Issuer” or the “City”) is located in Clark County at the intersection of U.S. Highway 54 and U.S. Highway 283, approximately 22 miles south of Dodge City, Kansas. The City encompasses approximately 4 square miles and has a current estimated population of 700.

Government and Organization of the Issuer

The City is a municipal corporation incorporated in 1909, and a city of the third class organized and existing under and pursuant to the Constitution and laws of the State of Kansas. The City has a Mayor/Council form of government. The City Council conducts all legislative functions for the City and establishes general policies which are executed by its staff, which serves at its pleasure.

The principal officials and officers of the City are as follows:

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	Carol Sibley	2028
Council Members:	Debbie Buckley	2030
	Marvin Jensen	2028
	Chad Kirk	2030
	Dustin Laudick	2028
	Galen Rankin	2030
City Manager	Tyler Knox	N/A
City Clerk	Brenda Stewart	N/A
City Attorney	Morgan Koon, Esq.	N/A

Management Personnel

The Council appoints staff members and City Clerk to carry out the provisions of the City services.

Public Safety

The Clark County Sheriff’s Department provides continuous full-time law enforcement protection to the City. Fire protection is provided by a volunteer fire department. Clark County operates an emergency ambulance service for the City and surrounding area

Municipal Services and Other Utilities

The City owns and operates its own water and sewer utility systems. Kansas Gas supplies natural gas and Southern Pioneer supplies electricity to the City. Telephone service is provided by AT&T. Ideatek operates a cable television system under franchise with the City. Various other companies provide additional telephone and internet services.

Transportation and Communication Facilities

The City is served by two (2) major highways: U.S. Highway 54 and U.S. Highway 283. Rail service is provided by Union Pacific. Dodge City Regional Airport is located within 22 miles of the City and provides a runway capable of handling private and corporate aircraft and limited regularly scheduled commercial air service. Regularly scheduled air service is available at Wichita Dwight D. Eisenhower National Airport located 140 miles from the City.

Educational Institutions and Facilities

The City is served by the Unified School District No. 219 (Minneola). The school district is an independent taxing unit with boundaries that are separate from the jurisdictional boundaries of the City of Minneola. The district currently operates one high school, and one elementary school. The district has a full-time enrollment equivalent of approximately 210 students.

The following universities or colleges offering associate's, bachelor's or advanced degrees are also located in the region:

<u>Name</u>	<u>Location</u>	<u>Estimated Distance from City (in Miles)</u>	<u>Estimated Enrollment (FTE)</u>
Dodge City Community College	Dodge City, KS	22	1,246
Seward County Community College	Liberal, KS	61	1,285
Garden City Community College	Garden City, KS	73	1,634
Barton County Community College	Great Bend, KS	97	3,676
Fort Hays State University	Hays, KS	106	8,047
Hutchinson Community College	Hutchinson, KS	123	3,310

Medical and Health Facilities

The 18 bed Minneola District Hospital was built in 2017 and is owned and operated by District Hospital No. 2. Major medical service is available at this location or Dodge City Medical Center, located within 25 miles of the City. There is one nursing home and six medical doctors that currently practice in the City.

Recreational, Cultural and Religious Facilities

There is recreation available in the area including swimming pool, park, and sport activities through Minneola Recreation. Additionally, cultural opportunities such as community theater and museums are located in or near the City.

A variety of cultural and entertainment options are available to residents at the Minneola City Library. There are seven historical sites registered with the Kansas Historical Society located within the County.

The City has three churches that serve the community.

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The City follows a cash basis of accounting for all tax funds of the City, including the General Fund, which is designed to show compliance with the cash-basis and budget laws of the State of Kansas. More complete information regarding the City's accounting is contained in the Notes to the Financial Statements attached hereto as **APPENDIX B**.

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

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

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed

to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by 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.

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

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

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

Property Valuations

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

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

The Kansas Legislature (the "Legislature") reduced the applicable assessment rates on motor vehicles from 30% of market value to 20% of market value as of January 1, 2000.

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

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser’s determination of fair market value could affect the 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.

Assessed Valuation

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

<u>Levy Year</u>	<u>Budget Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2025	2026	\$3,510,427 ⁽¹⁾	\$38,180 ⁽¹⁾	\$371,481 ⁽¹⁾	\$679,976	\$4,600,064
2025	2026	3,510,427 ⁽²⁾	38,180 ⁽²⁾	372,358 ⁽²⁾	679,976	4,600,941
2024	2025	3,049,463	38,472	368,676	732,950	4,189,561
2023	2024	2,878,214	30,897	346,944	683,147	3,939,202
2022	2023	2,595,105	28,357	370,271	823,520	3,817,253
2021	2022	2,440,420	20,809	349,402	847,797	3,658,428

⁽¹⁾ Final valuation figures as of November 1, 2025.

⁽²⁾ Preliminary valuation figures as of July 15, 2025 for budgeting purposes.

Source: County Clerk

Property Tax Levies and Collections

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

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

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

Tax Rates. The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

The following table shows the City's mill levies by fund (per \$1000 of assessed valuation) for each of the years indicated and the current year:

<u>Levy Year</u>	<u>Budget Year</u>	<u>General</u>	<u>Employee Benefits</u>	<u>Library⁽¹⁾</u>	<u>Total Levy</u>
2025	2026	40.168	5.205	6.640	52.013
2024	2025	39.087	6.212	6.696	51.995
2023	2024	42.024	3.328	6.654	52.006
2022	2023	41.057	4.279	6.666	52.002
2021	2022	39.301	6.339	6.709	52.349

⁽¹⁾ Includes levy for Library's employee's benefits.

Source: County Clerk

Aggregate Tax Levies. The aggregate tax levies (per \$1000 assessed valuation) of the City and overlapping jurisdictions for the years indicated are included in the following table:

<u>Tax Year</u>	<u>Budget Year</u>	<u>City</u>	<u>Clark County</u>	<u>USD No. 264⁽¹⁾</u>	<u>State</u>	<u>Hospital District</u>	<u>Apple Township</u>	<u>Total</u>
2025	2026	52.013	68.206	57.087	1.500	45.010	0.376	224.192
2024	2025	51.995	68.351	63.710	1.500	58.457	0.468	244.481
2023	2024	52.006	69.809	56.891	1.500	51.737	0.480	232.423
2022	2023	52.002	69.568	55.469	1.500	52.025	0.486	231.050
2021	2022	52.349	74.572	55.743	1.500	51.748	0.480	236.392

⁽¹⁾ Includes levy for recreation commission.

Source: County Clerk

Tax Collection Record. The following table sets forth tax collection information (not including special assessments) for the City for the years indicated:

<u>Levy Year</u>	<u>Budget Year</u>	<u>Total Levy</u>	<u>Total Taxes Levied (\$)</u>	<u>Current Taxes Collected (\$)</u>	<u>Current Taxes Collected (%)</u>
2025	2026	52.013	\$203,896	\$120,973	59.33%
2024	2025	51.995	180,125	173,951	96.57%
2023	2024	52.006	169,418	161,592	95.38%
2022	2023	52.002	155,792	150,901	96.86%
2021	2022	52.349	147,201	141,524	96.14%

Source: County Clerk & Treasurer

Major Taxpayers. The following table sets forth the ten largest taxpayers in the City based on total assessed valuation and total taxes levied in the most recent tax collection period (2025/26):

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxpayer</u>	<u>Taxes Levied</u>
1. Union Pacific Railroad	\$85,138	1. Union Pacific Railroad	\$20,125
2. Kansas Gas Service, A Div. of One Gas	83,664	2. Kansas Gas Service, A Div. of One Gas	19,777
3. Southern Pioneer Electric	78,979	3. Southern Pioneer Electric	18,670
4. BNSF	70,472	4. Minneola COOP Inc	18,429
5. Minneola COOP Inc	68,530	5. BNSF	16,659
6. Centera Bank	41,950	6. Centera Bank	9,916
7. Individual (1)	36,387	7. Individual (1)	8,279
8. Housing Authority of the City of Minneola	32,431	8. Housing Authority of the City of Minneola	7,620
9. Individual (2)	31,410	9. Individual (2)	7,379
10. Individual (3)	30,060	10. Individual (3)	7,059

Source: County Clerk

Pension and Employee Retirement Plans

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

As of June 30, 2024, KPERS serves approximately 356,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

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

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

- (a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.
- (b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

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

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

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 9.71% of the employee’s gross salary for calendar year 2025, and is projected to change to 9.59% of the employee’s gross salary for calendar year 2026. In addition, the Issuer contributes 1% of the employee’s gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2024 (the “2024 Valuation Report”) the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability (“UAAL”) of approximately \$2.173 billion at the end of 2024. The amount of the UAAL in 2024 changed from the previous year’s amount due to the factors discussed in the 2024 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2024 Valuation Report is available on the KPERS website at www.kspers.gov/about/reports. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2024 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2024 Valuation Report sets the employer contribution rate for the period beginning January 1, 2027, for the KPERS Local Group, and KPERS’ actuaries identified that an employer contribution rate of 9.44% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2024 Valuation Report. The statutory contribution rate of employers currently equals the 2024 Valuation Report’s actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

The Issuer has not implemented GASB 68 – Accounting and Financial Reporting for Pensions – An Amendment of GASB 27, because the Issuer’s financial statements are prepared on a regulatory basis of accounting which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. KPERS, however, has implemented GASB 67 – Financial Reporting for Pension Plans – An Amendment of GASB Statement 25, and is required annually to provide its participants the proportional share of the net pension liability of KPERS allocated to each participant as of the end of the prior fiscal year. The KPERS’ Schedule of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer (the “GASB 68 Report”) provides the net pension liability allocated to each KPERS participant, including the Issuer. The GASB 68 Report is available on the KPERS website at kpers.org/about/reports.html. Because the Issuer has not implemented GASB 68, the net pension liability calculated by KPERS for the Issuer is not reflected as a liability on the Issuer’s financial statements. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the GASB 68 Report. It is important to note that under existing State law, the Issuer has no legal obligation for the UAAL or the net pension liability calculated by KPERS, and such figures are for informational purposes only.

History of Employment

The City has 4 full-time employees. Employee relations are characterized as good.

Risk Management

The City is insured against the risks arising from general liability by Employer’s Mutual Company and employee medical coverage by Blue Cross Blue Shield of Kansas.

DEBT STRUCTURE

Debt Summary

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

Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations ⁽¹⁾	\$4,600,064
Legal limitation of Bonded Debt ⁽²⁾	\$1,380,019
Outstanding general obligation debt anticipated as of June 16, 2026 ⁽³⁾	\$4,687,541
Exempt Debt	\$3,313,591
Net Debt against Statutory Debt limit capacity	\$1,373,950
Additional debt capacity	\$6,069
Direct debt per capita (700)	\$6,696
Overlapping Indebtedness	\$3,248,312
Direct and overlapping debt.....	\$7,935,853
Direct and overlapping debt per capita	\$11,336
Direct debt as a percentage of Equalized Assessed Valuation.....	101.90%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation	172.52%
Statutory direct debt as a percentage of Equalized Assessed Valuation	29.87%

⁽¹⁾ The assessed value of all tangible taxable property within the City, as certified to the County Clerk on the preceding August 25. Also includes the taxable value of motor vehicles within the City. See K.S.A. 10-301 *et seq.*

⁽²⁾ See K.S.A. 10-301 *et seq.*

⁽³⁾ Includes this issue and subject to change.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of June 16, 2026, and the percent attributable (on the basis of assessed valuation not including motor vehicle valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>2025 Assessed Valuation</u>	<u>Outstanding General Obligation Indebtedness⁽¹⁾</u>	<u>Percent Applicable to The City</u>	<u>Amount Applicable to The City</u>
Clark County	\$44,997,969	\$ 0	8.71%	\$ 0
U.S.D. No. 264	17,317,690	14,350,000	22.64%	<u>3,248,312</u>
TOTAL				<u>\$3,248,312</u>

⁽¹⁾ Revenue bonds and capital leases are not considered a general obligation indebtedness under Kansas law and are not included in the total stated herein for underlying indebtedness.

Source: County Clerk

Current Indebtedness of the City

The following table sets forth as of the issue date of the Notes all of the outstanding obligations of the City:

**GENERAL OBLIGATION BONDS
(As of June 16, 2026)**

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Amount Excluded from Debt Limitation</u>
General Obligation Bonds	2021	10/01/2041	\$ 425,000	\$ 350,000	\$ 0
General Obligation Bonds	2021-B	12/02/2061	2,697,000	2,503,541	2,503,541
General Obligation Bonds	2022	10/01/2042	415,000	380,000	0
General Obligation Bonds	2022-B	10/01/2029	185,000	<u>94,000</u>	<u>0</u>
TOTAL				\$3,327,541	\$2,503,541

**TEMPORARY NOTES
(As of June 16, 2026)**

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Amount Excluded from Debt Limitation</u>
General Obligation Temporary Notes ⁽¹⁾	2026A	12/01/2029	\$1,360,000	\$1,360,000	\$810,050

⁽¹⁾ This issue and subject to change.

CERTIFICATES OF PARTICIPATION

As of June 16, 2026, the City had no certificates of participation outstanding.

REVENUE BONDS OUTSTANDING

As of June 16, 2026, the City had no revenue bonds outstanding.

CAPITAL LEASE OBLIGATIONS

As of June 16, 2026, the City had no capital lease obligations outstanding.

LOAN OBLIGATIONS

As of June 16, 2026, the City had no loans outstanding.

PUBLIC BUILDING COMMISSION REVENUE BONDS OUTSTANDING

As of June 16, 2026, the City had no public building commission revenue bonds outstanding.

Debt Payment Record

The City has never been delinquent in any payments of its debt agreements.

Future Indebtedness

Periodically, the City will complete issues to: 1) finance public infrastructure needs with ongoing temporary note financing and eventually bonded indebtedness; 2) lease small equipment and such leases may or may not have a purchase option in accordance with the terms of said lease; and 3) will refinance or refund outstanding debt as needed when sufficient savings can be achieved. Other than the potential projects listed above, the City does not have any plans to issue additional debt at this time.

ECONOMIC INFORMATION CONCERNING THE CITY

Population Trends

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

<u>Year</u>	<u>Clark County Population</u>	<u>City Population</u>
2024	1,873	700
2023	1,847	691
2022	1,933	724
2021	1,977	752
2020	1,991	738
2010	2,215	745

Source: State of Kansas – Division of Budget (2021-2024); U.S. Census Bureau (2010, 2020)

Labor Force

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

CLARK COUNTY

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2025	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾
2024	1,048	1,019	29	2.8%
2023	1,104	1,082	22	2.0%
2022	1,110	1,088	22	2.0%
2021	1,139	1,118	21	1.8%

STATE OF KANSAS

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2025	1,572,150	1,512,600	59,550	3.8%
2024	1,545,790	1,490,553	55,237	3.6%
2023	1,510,988	1,470,936	40,052	2.7%
2022	1,504,932	1,464,834	40,098	2.7%
2021	1,495,665	1,447,323	48,342	3.2%

⁽¹⁾ 2025 data for counties is not available.

Currently, the Kansas Department of Labor estimates an unemployment rate of 3.1% for the County and 3.8% for the State of Kansas for the month of March 2026.

Source: Kansas Department of Labor

Retail Sales and Use Tax Collections

The following table lists the State of Kansas sales tax collections (excluding local sales tax) for the years indicated for Clark County:

<u>Year</u>	<u>Sales and Use Tax Collections</u>	<u>Per Capita Sales and Use Tax</u>
2024	\$2,693,997	\$1,676.47
2023	3,011,817	1,423.36
2022	2,770,967	1,399.52
2021	2,016,798	949.08
2020	2,798,901	745.45

Source: Kansas Statistical Abstract

Oil Production

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

<u>Year</u>	<u>Oil Production</u>
2025	109,329
2024	130,299
2023	151,462
2022	152,756
2021	163,191

Source: Kansas Geological Survey

Financial and Banking Institutions

There are currently three banks, with three different branch locations, located in Clark County. During a five-year period, bank deposits of Clark County's banks are as follows:

<u>Year</u>	<u>Total Bank Deposits</u> (thousands of dollars)
2025	\$137,000
2024	125,954
2023	125,743
2022	128,304
2021	125,120

Source: FDIC

Personal Income Trends

The following table lists Clark County's personal and per capita income and State of Kansas per capita income for the years indicated:

<u>Year</u>	<u>Clark County</u> <u>Personal Income (\$000)</u>	<u>Clark County</u> <u>Per Capita Income</u>	<u>State Per</u> <u>Capita Income</u>
2024	\$120,267	\$64,211	\$65,856
2023	112,194	60,744	66,115
2022	112,375	58,135	60,424
2021	116,732	59,045	58,924
2020	119,051	60,647	56,099

Source: U.S. Bureau of Economic Analysis

APPENDIX B

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

CITY OF MINNEOLA, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2024**

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Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308
www.kmc-cpa.com

JAMES W. KENNEDY, CPA
PATRICK M. FRIESS, CPA
JOHN W. HENDRICKSON, CPA
JEREMY J. APPEL, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
Minneola, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Minneola, Kansas and its related municipal entity, the Minneola City Library (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended December 31, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity, 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 balances of the Municipal Financial Reporting Entity, 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 A.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Municipal Financial Reporting Entity 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 A of the financial statement, the financial statement is prepared by the Municipal Financial Reporting Entity 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 A 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 A; 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, which raise substantial doubt about the Municipal Financial Reporting Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgement 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 Municipal Financial Reporting Entity'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, which raise substantial doubt about the Municipal Financial Reporting Entity'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 (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, and individual fund schedules of regulatory basis receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Municipal Financial Reporting Entity as of and for the year ended December 31, 2023 (not presented herein), and have issued our report thereon dated August 12, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits>. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2023, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

August 8, 2025

CITY OF MINNEOLA, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2024

<u>Fund</u>	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Receipts
General fund:			
General	\$ 207,446	\$ -	\$ 479,877
Special purpose funds:			
Library	1,348	-	22,294
Library employee benefits	185	-	2,442
Employee benefits	29,862	-	13,413
Special highway	34,486	-	19,212
RHID - Norton	38,355	-	10,000
RHID - Cottonwood	17,262	-	32,000
Equipment reserve	66,607	-	51,000
Capital improvements	110,210	-	97,687
ENEL	21,134	-	-
ARPA	32,405	-	-
Housing authority	-	-	10,000
Total special purpose funds	<u>351,854</u>	<u>-</u>	<u>258,048</u>
Bond and interest fund:			
Bond and interest	<u>27,271</u>	<u>-</u>	<u>26,223</u>
Capital project fund:			
CCLIP grant	<u>(8,500)</u>	<u>-</u>	<u>38,804</u>
Business funds:			
Water utility	503,316	-	281,895
Sewer utility	88,004	-	81,790
Trash utility	<u>10,009</u>	<u>-</u>	<u>48,104</u>
Total business funds	<u>601,329</u>	<u>-</u>	<u>411,789</u>
Total City of Minneola	1,179,400	-	1,214,741
Related municipal entity:			
Minneola City Library	<u>158,759</u>	<u>-</u>	<u>56,865</u>
Total municipal financial reporting entity	<u>\$ 1,338,159</u>	<u>\$ -</u>	<u>\$ 1,271,606</u>
Composition of cash:			
Checking			
Debit card			
Money market			
Certificate of deposit			
Total City of Minneola			
Related municipal entity			
Total municipal financial reporting entity			

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

STATEMENT 1

<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 464,882	\$ 222,441	\$ 3,319	\$ 225,760
23,642	-	-	-
2,627	-	-	-
20,333	22,942	-	22,942
10,412	43,286	800	44,086
36,867	11,488	-	11,488
32,597	16,665	-	16,665
12,544	105,063	-	105,063
47,168	160,729	2,200	162,929
21,134	-	-	-
31,655	750	-	750
10,000	-	-	-
<u>248,979</u>	<u>360,923</u>	<u>3,000</u>	<u>363,923</u>
<u>26,418</u>	<u>27,076</u>	<u>-</u>	<u>27,076</u>
<u>30,304</u>	<u>-</u>	<u>-</u>	<u>-</u>
257,940	527,271	871	528,142
116,182	53,612	800	54,412
46,750	11,363	-	11,363
<u>420,872</u>	<u>592,246</u>	<u>1,671</u>	<u>593,917</u>
1,191,455	1,202,686	7,990	1,210,676
<u>36,476</u>	<u>179,148</u>	<u>790</u>	<u>179,938</u>
<u>\$ 1,227,931</u>	<u>\$ 1,381,834</u>	<u>\$ 8,780</u>	<u>\$ 1,390,614</u>
			\$ 934,191
			2,000
			224,485
			<u>50,000</u>
			1,210,676
			<u>179,938</u>
			<u>\$ 1,390,614</u>

CITY OF MINNEOLA, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Minneola is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Minneola (the Municipality) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Minneola City Library. The Library operates the City's public library. The members of the governing board of the Library are approved by the City Council. The Library is fiscally dependent on the City because the City provides substantial financial support in the form of appropriations. In addition, the Library is prohibited from issuing bonded debt without the approval of the City Council.

2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

REGULATORY BASIS FUND TYPES

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

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in the official newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met, Municipal budgets requiring hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The municipality did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for the Capital Project fund or the Equipment Reserve, Capital Improvements, ENEL, ARPA, and Housing Authority special purpose funds.

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

B. DEPOSITS AND INVESTMENTS

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

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

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2024.

At December 31, 2024, the City's carrying amount of deposits was \$1,210,676 and the bank balance was \$1,207,687. Of the bank balance, \$250,000 was covered by federal depository insurance and \$957,687 was collateralized with securities held by the pledging financial institution's agents in the City's name.

C. LONG-TERM DEBT

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

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Streetscape project					
Issued May 6, 2021					
In the amount of \$425,000					
At interest rates					
of 0.50% to 2.25%					
Maturing October 1, 2041					
	\$ 390,000	\$ -	\$ 20,000	\$ 370,000	\$ 6,418
Waterline project					
Issued December 2, 2021					
In the amount of \$2,697,000					
At an interest rate of 1.75%					
Maturing December 2, 2061					
	2,601,885	-	48,684	2,553,201	45,658
Norton land purchase					
Issued June 1, 2022					
In the amount of \$415,000					
At interest rates					
of 3.50% to 6.20%					
Maturing October 1, 2042					
	410,000	-	15,000	395,000	21,865
Cottonwood land purchase					
Issued September 15, 2022					
In the amount of \$185,000					
At interest rates					
of 3.65% to 4.80%					
Maturing October 1, 2029					
	<u>159,000</u>	<u>-</u>	<u>26,000</u>	<u>133,000</u>	<u>6,562</u>
Total general obligation bonds	<u>\$ 3,560,885</u>	<u>\$ -</u>	<u>\$ 109,684</u>	<u>\$ 3,451,201</u>	<u>\$ 80,503</u>

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2025	\$ 110,661	\$ 77,781	\$ 188,442
2026	111,530	75,069	186,599
2027	112,414	72,268	184,682
2028	113,199	69,479	182,678
2029	117,228	66,326	183,554
2030-2034	480,332	294,501	774,833
2035-2039	550,744	231,072	781,816
2040-2044	478,391	151,976	630,367
2045-2049	363,703	108,007	471,710
2050-2054	396,674	75,036	471,710
2055-2059	432,635	39,075	471,710
2060-2061	<u>183,690</u>	<u>4,843</u>	<u>188,533</u>
Total	<u>\$ 3,451,201</u>	<u>\$ 1,265,433</u>	<u>\$ 4,716,634</u>

D. TRANSFERS

A summary of transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	RHID – Norton	Grant Agreement	\$ 10,000
General	RHID - Cottonwood	Grant Agreement	32,000
General	Equipment Reserve	K.S.A. 12-1,117	51,000
General	Capital Improvements	K.S.A. 12-1,118	42,687
General	CCLIP	Grant Agreement	38,804
General	Bond and Interest	Resolution	26,200
Sewer Utility	Capital Improvements	K.S.A. 12-825d	<u>40,000</u>
			<u>\$ 240,691</u>
Transfers to related municipal entity:			
Library	Minneola City Library		\$ 23,642
Library Employee Benefits	Minneola City Library		<u>2,627</u>
			<u>\$ 26,269</u>

E. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and disability other post-employment benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate was set at 1% and contributions were \$1,448 for the year ended December 31, 2024.

Compensated absences. The City’s compensated absence policy permits employees to accrue hours based on years of service and employment classification. The maximum accumulation also depends on years of service and employment classification. Upon reaching the maximum number of hours accrued, the leave accrual will change to extended leave and be deposited into the employee’s Extended Illness Bank until the maximum hours are attained.

F. DEFINED BENEFIT PENSION PLAN

General Information about the Plan

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

F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Plan (Continued)

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were \$13,411 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 \$130,640. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

G. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

H. CONTINGENCIES

The City has received \$103,622 from the Department of Treasury through the American Rescue Plan Act (ARPA) of 2021 to cover lost revenue. As of December 31, 2024, \$750 remains in the ARPA fund. These funds must be obligated by December 31, 2024 and expended by December 31, 2026.

I. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project authorization</u>	<u>Cash disbursements and accounts payable to date</u>
CCLIP project	<u>\$ 38,804</u>	<u>\$ 38,804</u>

J. SUBSEQUENT EVENTS

The City has evaluated subsequent events through August 8, 2025, the date on which the financial statement was available to be used and does not believe any events have occurred which affect the financial statement as presented.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF MINNEOLA, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2024

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 475,500	\$ -	\$ 475,500	\$ 464,882	\$ 10,618
Special purpose funds:					
Library	24,305	-	24,305	23,642	663
Library employee benefits	2,700	-	2,700	2,627	73
Employee benefits	32,500	-	32,500	20,333	12,167
Special highway	66,947	-	66,947	10,412	56,535
RHID - Norton	60,955	-	60,955	36,867	24,088
RHID - Cottonwood	32,668	-	32,668	32,597	71
Bond and interest fund:					
Bond and interest	27,681	-	27,681	26,418	1,263
Business funds:					
Water utility	513,339	-	513,339	257,940	255,399
Sewer utility	125,000	-	125,000	116,182	8,818
Trash utility	63,000	-	63,000	46,750	16,250
	<u>\$ 1,424,595</u>	<u>\$ -</u>	<u>\$ 1,424,595</u>	<u>\$ 1,038,650</u>	<u>\$ 385,945</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

GENERAL FUND

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

For the Year Ended December 31, 2024

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

	2024		Variance	
	2023	Actual	favorable (unfavorable)	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 119,398	\$ 130,860	\$ 131,567	\$ (707)
Delinquent tax	3,717	1,865	-	1,865
Motor vehicle tax	21,615	24,172	27,293	(3,121)
Recreational vehicle tax	369	375	517	(142)
16/20M truck tax	222	295	256	39
Special assessments	250	-	-	-
Intangibles tax	3,716	1,368	1,190	178
State and federal aid	-	2,125	-	2,125
Local sales tax	91,629	93,512	70,000	23,512
Franchise tax	47,839	42,689	30,000	12,689
Amounts from Clark County	2,125	6,674	3,000	3,674
Windfarm donations	112,728	114,982	112,000	2,982
Licenses, permits and fees:				
Licenses and permits	195	20	-	20
Animal control	513	580	-	580
Fines, forfeitures and penalties	13,750	8,273	5,000	3,273
Charges for services	12,830	13,712	10,000	3,712
Interest	3,115	3,714	-	3,714
Miscellaneous	49,096	37,143	-	37,143
Neighborhood revitalization	(1,388)	(2,482)	(4,754)	2,272
Total receipts	481,719	479,877	\$ 386,069	\$ 93,808
Expenditures:				
General government:				
Personal services	30,944	32,441	\$ 65,000	\$ 32,559
Contractual services	109,059	106,869	90,000	(16,869)
Commodities	17,293	13,541	20,000	6,459
Capital outlay	-	-	6,000	6,000
Public safety:				
Fire department	3,378	48	12,000	11,952
Municipal court:				
Personal services	4,230	2,600	3,000	400
Contractual services	8,407	4,501	8,000	3,499
Culture and recreation:				
Personal services	51,411	53,539	62,000	8,461
Contractual services	38,402	30,458	22,500	(7,958)
Commodities	12,063	20,194	17,500	(2,694)
Capital outlay	-	-	7,500	7,500
Operating transfers out	173,375	200,691	162,000	(38,691)
Total expenditures	448,562	464,882	\$ 475,500	\$ 10,618
Receipts over (under) expenditures	33,157	14,995		
Unencumbered cash, beginning of year	174,289	207,446	\$ 89,431	\$ 118,015
Unencumbered cash, end of year	\$ 207,446	\$ 222,441		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY FUND

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

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

	<u>2023</u>	<u>2024</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 17,450	\$ 18,685	\$ 18,784	\$ (99)
Delinquent tax	605	287	-	287
Motor vehicle tax	3,333	3,576	3,988	(412)
Recreational vehicle tax	58	55	75	(20)
16/20M truck tax	35	45	37	8
Neighborhood revitalization	(203)	(354)	(680)	326
Total receipts	<u>21,278</u>	<u>22,294</u>	<u>\$ 22,204</u>	<u>\$ 90</u>
Expenditures:				
Transfer to related municipal entity	<u>21,450</u>	<u>23,642</u>	<u>\$ 24,305</u>	<u>\$ 663</u>
Receipts over (under) expenditures	(172)	(1,348)		
Unencumbered cash, beginning of year	<u>1,520</u>	<u>1,348</u>	<u>\$ 2,101</u>	<u>\$ (753)</u>
Unencumbered cash, end of year	<u>\$ 1,348</u>	<u>\$ -</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY EMPLOYEE BENEFITS FUND

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

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

	<u>2023</u>	<u>2024</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,937	\$ 2,037	\$ 2,047	\$ (10)
Delinquent tax	68	32	-	32
Motor vehicle tax	383	401	443	(42)
Recreational vehicle tax	7	6	8	(2)
16/20M truck tax	4	5	4	1
Neighborhood revitalization	(23)	(39)	(74)	35
Total receipts	<u>2,376</u>	<u>2,442</u>	<u>\$ 2,428</u>	<u>\$ 14</u>
Expenditures:				
Transfer to related municipal entity	<u>2,400</u>	<u>2,627</u>	<u>\$ 2,700</u>	<u>\$ 73</u>
Receipts over (under) expenditures	(24)	(185)		
Unencumbered cash, beginning of year	<u>209</u>	<u>185</u>	<u>\$ 272</u>	<u>\$ (87)</u>
Unencumbered cash, end of year	<u>\$ 185</u>	<u>\$ -</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

EMPLOYEE BENEFITS FUND

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

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

	<u>2023</u>	<u>2024</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 12,459	\$ 10,370	\$ 10,417	\$ (47)
Delinquent tax	697	277	-	277
Motor vehicle tax	3,540	2,875	2,845	30
Recreational vehicle tax	60	40	54	(14)
16/20M truck tax	38	48	27	21
Neighborhood revitalization	(145)	(197)	(377)	180
Total receipts	16,649	13,413	<u>\$ 12,966</u>	<u>\$ 447</u>
Expenditures:				
General government:				
Contractual services	14,086	20,333	<u>\$ 32,500</u>	<u>\$ 12,167</u>
Receipts over (under) expenditures	2,563	(6,920)		
Unencumbered cash, beginning of year	27,299	29,862	<u>\$ 19,534</u>	<u>\$ 10,328</u>
Unencumbered cash, end of year	<u>\$ 29,862</u>	<u>\$ 22,942</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SPECIAL HIGHWAY FUND

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

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

	2023	2024		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State of Kansas gas tax	\$ 19,949	\$ 19,212	\$ 18,370	\$ 842
Miscellaneous	657	-	-	-
Operating transfers in	25,000	-	30,000	(30,000)
Total receipts	45,606	19,212	\$ 48,370	\$ (29,158)
Expenditures:				
Public works:				
Personal services	4,860	2,100	\$ 7,500	\$ 5,400
Contractual services	5,000	4,000	2,500	(1,500)
Commodities	49,263	4,312	56,947	52,635
Total expenditures	59,123	10,412	\$ 66,947	\$ 56,535
Receipts over (under) expenditures	(13,517)	8,800		
Unencumbered cash, beginning of year	48,003	34,486	\$ 18,577	\$ 15,909
Unencumbered cash, end of year	\$ 34,486	\$ 43,286		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

RHID - NORTON FUND

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

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

	2023	2024		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Amounts from Appleton Township	\$ 35,400	\$ -	\$ 30,000	\$ (30,000)
Operating transfers in	2,000	10,000	-	10,000
Total receipts	<u>37,400</u>	<u>10,000</u>	<u>\$ 30,000</u>	<u>\$ (20,000)</u>
Expenditures:				
Public works:				
Capital outlay	-	-	\$ 22,590	\$ 22,590
Debt service:				
Principal	5,000	15,000	15,000	-
Interest	29,387	21,866	21,865	(1)
Fees and commissions	1	1	1,500	1,499
Total expenditures	<u>34,388</u>	<u>36,867</u>	<u>\$ 60,955</u>	<u>\$ 24,088</u>
Receipts over (under) expenditures	3,012	(26,867)		
Unencumbered cash, beginning of year	<u>35,343</u>	<u>38,355</u>	<u>\$ 30,955</u>	<u>\$ 7,400</u>
Unencumbered cash, end of year	<u>\$ 38,355</u>	<u>\$ 11,488</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

RHID - COTTONWOOD FUND

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

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

	<u>2023</u>	<u>2024</u>		Variance favorable (unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Operating transfers in	<u>\$ 30,000</u>	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ -</u>
Expenditures:				
Public works:				
Capital outlay	404	-	\$ -	\$ -
Debt service:				
Principal	26,000	26,000	26,000	-
Interest	7,869	6,562	6,562	-
Fees and commissions	<u>2</u>	<u>35</u>	<u>106</u>	<u>71</u>
Total expenditures	<u>34,275</u>	<u>32,597</u>	<u>\$ 32,668</u>	<u>\$ 71</u>
Receipts over (under) expenditures	(4,275)	(597)		
Unencumbered cash, beginning of year	<u>21,537</u>	<u>17,262</u>	<u>\$ 668</u>	<u>\$ 16,594</u>
Unencumbered cash, end of year	<u>\$ 17,262</u>	<u>\$ 16,665</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

EQUIPMENT RESERVE FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

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

	<u>2023</u>	<u>2024</u>
Receipts:		
Operating transfers in	\$ 15,000	\$ 51,000
Expenditures:		
Capital outlay	<u>2,483</u>	<u>12,544</u>
Receipts over (under) expenditures	12,517	38,456
Unencumbered cash, beginning of year	<u>54,090</u>	<u>66,607</u>
Unencumbered cash, end of year	<u><u>\$ 66,607</u></u>	<u><u>\$ 105,063</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

CAPITAL IMPROVEMENTS FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

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

	<u>2023</u>	<u>2024</u>
Receipts:		
Donations	\$ -	\$ 15,000
Operating transfers in	<u>74,875</u>	<u>82,687</u>
Total receipts	74,875	97,687
Expenditures:		
Capital outlay	<u>84,471</u>	<u>47,168</u>
Receipts over (under) expenditures	(9,596)	50,519
Unencumbered cash, beginning of year	<u>119,806</u>	<u>110,210</u>
Unencumbered cash, end of year	<u>\$ 110,210</u>	<u>\$ 160,729</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

ENEL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

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

	<u>2023</u>	<u>2024</u>
Receipts:		
Donations	\$ 40,000	\$ -
Expenditures:		
Minneola bucks	3,163	1,134
Grants	<u>20,000</u>	<u>20,000</u>
Total expenditures	<u>23,163</u>	<u>21,134</u>
Receipts over (under) expenditures	16,837	(21,134)
Unencumbered cash, beginning of year	<u>4,297</u>	<u>21,134</u>
Unencumbered cash, end of year	<u><u>\$ 21,134</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

ARPA FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

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

	<u>2023</u>	<u>2024</u>
Receipts:		
Federal aid	\$ -	\$ -
Expenditures:		
Public works:		
Contractual services	<u>3,872</u>	<u>31,655</u>
Receipts over (under) expenditures	(3,872)	(31,655)
Unencumbered cash, beginning of year	<u>36,277</u>	<u>32,405</u>
Unencumbered cash, end of year	<u><u>\$ 32,405</u></u>	<u><u>\$ 750</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

HOUSING AUTHORITY FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

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

	<u>2023</u>	<u>2024</u>
Receipts:		
State aid	\$ 4,250	\$ 10,000
Expenditures:		
Appropriation to Minneola Housing Authority	<u>4,250</u>	<u>10,000</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

BOND AND INTEREST FUND

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

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

	<u>2023</u>	<u>2024</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Delinquent tax	\$ 89	\$ 23	\$ -	\$ 23
Operating transfers in	<u>26,500</u>	<u>26,200</u>	<u>-</u>	<u>26,200</u>
Total receipts	<u>26,589</u>	<u>26,223</u>	<u>\$ -</u>	<u>\$ 26,223</u>
Expenditures:				
Debt service:				
Principal	20,000	20,000	\$ 20,000	\$ -
Interest	6,538	6,418	6,418	-
Fees and commissions	<u>-</u>	<u>-</u>	<u>1,263</u>	<u>1,263</u>
Total expenditures	<u>26,538</u>	<u>26,418</u>	<u>\$ 27,681</u>	<u>\$ 1,263</u>
Receipts over (under) expenditures	51	(195)		
Unencumbered cash, beginning of year	<u>27,220</u>	<u>27,271</u>	<u>\$ 27,682</u>	<u>\$ (411)</u>
Unencumbered cash, end of year	<u>\$ 27,271</u>	<u>\$ 27,076</u>	<u>\$ 1</u>	<u>\$ 27,075</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

CCLIP GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

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

	<u>2023</u>	<u>2024</u>
Receipts:		
State aid	\$ 5,301	\$ -
Operating transfer in	<u>-</u>	<u>38,804</u>
Total receipts	5,301	38,804
Expenditures:		
Public works:		
Capital outlay	<u>3,249</u>	<u>30,304</u>
Receipts over (under) expenditures	2,052	8,500
Unencumbered cash (deficit), beginning of year	<u>(10,552)</u>	<u>(8,500)</u>
Unencumbered cash (deficit), end of year	<u><u>\$ (8,500)</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

	2023	2024		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Charges for services	\$ 270,434	\$ 274,523	\$ 265,000	\$ 9,523
Miscellaneous	12,693	7,372	5,000	2,372
Total receipts	<u>283,127</u>	<u>281,895</u>	<u>\$ 270,000</u>	<u>\$ 11,895</u>
Expenditures:				
Public works:				
Personal services	49,165	63,174	\$ 65,000	\$ 1,826
Contractual services	61,218	75,881	80,000	4,119
Commodities	6,667	15,720	20,000	4,280
Capital outlay	600	8,823	253,997	245,174
Debt service:				
Principal	47,970	48,684	48,684	-
Interest and commissions	46,373	45,658	45,658	-
Total expenditures	<u>211,993</u>	<u>257,940</u>	<u>\$ 513,339</u>	<u>\$ 255,399</u>
Receipts over (under) expenditures	71,134	23,955		
Unencumbered cash, beginning of year	<u>432,182</u>	<u>503,316</u>	<u>\$ 243,339</u>	<u>\$ 259,977</u>
Unencumbered cash, end of year	<u>\$ 503,316</u>	<u>\$ 527,271</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SEWER UTILITY FUND

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

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

	<u>2023</u>	<u>2024</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Charges for services	<u>\$ 81,520</u>	<u>\$ 81,790</u>	<u>\$ 80,000</u>	<u>\$ 1,790</u>
Expenditures:				
Public works:				
Personal services	36,290	40,636	\$ 50,000	\$ 9,364
Contractual services	27,124	30,331	25,000	(5,331)
Commodities	5,919	5,215	10,000	4,785
Capital outlay	-	-	40,000	40,000
Operating transfers out	-	40,000	-	(40,000)
Total expenditures	<u>69,333</u>	<u>116,182</u>	<u>\$ 125,000</u>	<u>\$ 8,818</u>
Receipts over (under) expenditures	12,187	(34,392)		
Unencumbered cash, beginning of year	<u>75,817</u>	<u>88,004</u>	<u>\$ 45,000</u>	<u>\$ 43,004</u>
Unencumbered cash, end of year	<u>\$ 88,004</u>	<u>\$ 53,612</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

TRASH UTILITY FUND

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

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

	<u>2023</u>	<u>2024</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Charges for services	<u>\$ 47,868</u>	<u>\$ 48,104</u>	<u>\$ 52,000</u>	<u>\$ (3,896)</u>
Expenditures:				
Public works:				
Contractual services	46,628	46,750	\$ 53,000	\$ 6,250
Operating transfers out	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total expenditures	<u>46,628</u>	<u>46,750</u>	<u>\$ 63,000</u>	<u>\$ 16,250</u>
Receipts over (under) expenditures	1,240	1,354		
Unencumbered cash, beginning of year	<u>8,769</u>	<u>10,009</u>	<u>\$ 11,000</u>	<u>\$ (991)</u>
Unencumbered cash, end of year	<u>\$ 10,009</u>	<u>\$ 11,363</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

MINNEOLA CITY LIBRARY
(RELATED MUNICIPAL ENTITY)SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASISFor the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	<u>2023</u>	<u>2024</u>
Receipts:		
Transfers from City:		
General	\$ 21,450	\$ 23,642
Employee benefits	2,400	2,627
County appropriation	18,446	18,614
State aid	212	203
SWKLS grants	11,000	11,000
Memorials	34	-
Other income	190	264
Interest on investments	268	295
Summer reading	1,525	220
	<u>55,525</u>	<u>56,865</u>
Total receipts		
Expenditures:		
Culture and recreation:		
Materials	3,332	3,493
Operations	9,109	11,896
Personnel	17,668	18,149
Technology	1,642	2,938
Courier service	300	-
	<u>32,051</u>	<u>36,476</u>
Total expenditures		
Receipts over (under) expenditures	23,474	20,389
Unencumbered cash, beginning of year	<u>135,285</u>	<u>158,759</u>
Unencumbered cash, end of year	<u>\$ 158,759</u>	<u>\$ 179,148</u>

See Independent Auditor's Report.

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

APPENDIX C-1

SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions contained in the Note Resolution authorizing the issuance of the Notes. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing document.

THE NOTE RESOLUTION

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.*, K.S.A. 12-6a01 *et seq.*, all as amended and supplemented.

“Authorized Denomination” means \$5,000 or any integral multiples thereof.

“Beneficial Owner” of the Notes includes any Owner of the Notes and any other Person who, directly or indirectly has the investment power with respect to such Notes.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“Cede & Co.” means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Notes.

“City” means the City of Minneola, Kansas.

“Clerk” means the duly appointed and acting Clerk of the Issuer or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

“Consulting Engineer” means an independent engineer or engineering firm, or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Note Resolution.

“Costs of Issuance” means all costs of issuing the Notes, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, and all expenses incurred in connection with receiving ratings on the Notes.

“Costs of Issuance Account” means the account by that name created by the Note Resolution.

“Dated Date” means June 16, 2026.

“Debt Service Account” means the account by that name (within the Bond and Interest Fund) created by the Note Resolution.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Notes for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Note which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Disclosure Undertaking” means the Continuing Disclosure Undertaking, dated as of the Dated Date, relating to certain obligations contained in the SEC Rule.

“DTC” means The Depository Trust Company.

“Event of Default” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Notes shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Notes shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in the Note Resolution (other than the covenants relating to continuing disclosure contained in the Note Resolution or the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Notes then Outstanding.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate for the Notes, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the twelve month period ending on December 31.

“Financeable Costs” means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“Fitch” means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Funds and Accounts” means funds and accounts created by or referred to in the Note Resolution.

“Improvement Fund” means the fund by that name created in the Note Resolution.

“Improvements” means the improvements referred to in the preamble to the Note Resolution and any Substitute Improvements.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Note Resolution.

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Note which shall be June 1 and December 1, commencing December 1, 2026.

“Issue Date” means the date when the Issuer delivers the Notes to the Purchaser in exchange for the Purchase Price.

“Issuer” means the City and any successors or assigns.

“Kroll” means Kroll Bond Rating Agency, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Kroll” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Maturity” when used with respect to any Note means the date on which the principal of such Note becomes due and payable as therein and in the Note Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Mayor” means the duly elected and acting Mayor, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

“Moody's” means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Note Payment Date” means any date on which principal of or interest on any Note is payable.

“Note Register” means the books for the registration, transfer and exchange of Notes kept at the office of the Note Registrar.

“Note Registrar” means the State Treasurer, and its successors and assigns.

“Note Resolution” means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Notes, as amended from time to time.

“Notes” means the General Obligation Temporary Notes, Series 2026-1, authorized and issued by the Issuer pursuant to the Note Resolution.

“Official Statement” means the Issuer’s Official Statement relating to the Notes.

“Outstanding” means, when used with reference to the Notes, as of a particular date of determination, all Notes theretofore, authenticated and delivered, except the following Notes:

- (a) Notes theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes deemed to be paid in accordance with the provisions of the Note Resolution; and
- (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered hereunder.

“Owner” when used with respect to any Note means the Person in whose name such Note is registered on the Note Register. Whenever consent of the Owners is required pursuant to the terms of this Note Resolution, and the Owner of the Notes, as set forth on the Note Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Notes.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the State Treasurer, and any successors and assigns.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchaser” means the financial institution or investment banking firm that is original purchaser of the Notes.

“Rating Agency” means any company, agency or entity that provides ratings for the Notes.

“Record Dates” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Note to be redeemed means the date fixed for the redemption of such Note pursuant to the terms of the Note Resolution.

“Redemption Price” when used with respect to any Note to be redeemed means the price at which such Note is to be redeemed pursuant to the terms of the Note Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Replacement Notes” means Notes issued to the Beneficial Owners of the Notes in accordance with the Note Resolution.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Special Record Date” means the date fixed by the Paying Agent for the payment of Defaulted Interest.

“Standard & Poor's” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“Stated Maturity” when used with respect to any Note or any installment of interest thereon means the date specified in such Note and the Note Resolution as the fixed date on which the principal of such Note or such installment of interest is due and payable.

“Substitute Improvements” means the substitute or additional improvements of the Issuer described in the Note Resolution.

“Treasurer” means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF NOTE PROCEEDS

Creation of Funds and Accounts. Simultaneously with the issuance of the Notes, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund.
- (b) Debt Service Account.
- (c) Costs of Issuance Account.

The above Funds and Accounts shall be administered in accordance with the provisions of the Note Resolution so long as the Notes are Outstanding.

Deposit of Note Proceeds. The net proceeds received from the sale of the Notes shall be deposited simultaneously with the delivery of the Notes as follows:

- (a) All accrued interest and excess proceeds, if any, received from the sale of the Notes shall be deposited in the Debt Service Account.
- (b) An amount necessary to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.

(c) The remaining balance of the proceeds derived from the sale of the Notes shall be deposited in the Improvement Fund.

Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; and (b) paying interest on the Notes during construction of the Improvements.

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Mayor (or designate) stating that such payment is being made for a purpose within the scope of the Note Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Mayor (or designate) stating that such payment is being made for a purpose within the scope of the Note Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

Substitution of Improvements; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Notes provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Notes to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section; and (c) the use of the proceeds of the Notes to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Notes under State or federal law.

The Issuer may reallocate expenditure of Note proceeds among all Improvements financed by the Notes; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Notes allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax-exempt status of the Notes under State or federal law.

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Notes as and when the same become due and the usual and customary fees and expenses of the Note Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Notes and the fees and expenses of the Note Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Notes are no longer entitled to enforce payment of the Notes or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Note Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Notes entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the indebtedness for which the Notes were issued shall be transferred and paid into the Bond and Interest Fund.

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

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance.

DEPOSIT AND INVESTMENT OF MONEYS

Deposits. Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank which are members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law, and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

Investments. Moneys held in any Fund or Account may be invested in accordance with the Note Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds shall be credited to the Debt Service Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Note Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Notes. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Notes at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Notes similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Note Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Note Resolution and in the Notes shall be for the equal benefit, protection, and security of the Owners of any or all of the Notes, all of which Notes of any series shall be of equal rank and without preference or priority of one Note over any other Note in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Note Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Note Resolution, or to enforce any right, except in the manner provided in the Note Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Notes.

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Note shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

DEFEASANCE

When any or all of the Notes, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Note Resolution and all other rights granted thereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Note Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Notes and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Notes, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Notes, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Note Registrar to give such notice of redemption.

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that: it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Notes; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Notes will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Survival of Covenants. The covenants contained in the Note Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Notes pursuant to the Note Resolution or any other provision thereof until such time as is set forth in the Federal Tax Certificate.

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. The Issuer covenants in the Note Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Notes. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the Note Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section.

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk, and a duplicate copy of the audit shall be mailed to the Purchaser of the Notes. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Notes, or by anyone acting for or on behalf of such user or Owner.

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Notes as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Notes as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Notes when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Notes or of the Note Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Note;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Note;

- (c) permit preference or priority of any Note over any other Note; or
- (d) reduce the percentage in principal amount of Notes required for the written consent to any modification or alteration of the provisions of the Note Resolution.

Any provision of the Notes or of the Note Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Notes at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Note Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Notes among Improvements, to provide for Substitute Improvements, to conform the Note Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Note Resolution shall be in writing and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Electronic Transaction. The issuance of the Notes and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Severability. If any section or other part of the Note Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Note Resolution.

Governing Law. The Notes and the Note Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of June 16, 2026 (the “Continuing Disclosure Undertaking”), is executed and delivered by **THE CITY OF MINNEOLA, KANSAS** (the “Issuer”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation Temporary Notes, Series 2026 (the “Notes”), pursuant to a Resolution adopted by the governing body of the Issuer (the “Note Resolution”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”). The Issuer is the only “obligated person” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Note Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking, which may include the Issuer's Annual Comprehensive Financial Report, if any, so long as the Annual Comprehensive Financial Report contains the financial information and operating data described in **Section 2(a)(1)** and **(2)**.

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

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on January 1 and ending on December 31 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in *Section 3* of this Continuing Disclosure Undertaking.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Notes required to comply with the Rule in connection with the offering of the Notes.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than the last day of the twelfth month immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, in substantially the format contained in the Official Statement relating to the Notes. A more detailed explanation of the accounting basis and method of preparation of the financial statements is contained in the Official Statement relating to the Notes. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Notes, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Notes, as described in *Exhibit A*, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under *Section 3*, and the Annual Report deadline provided above shall automatically become the last day of the twelfth month after the end of the Issuer’s new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Notes (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in *Section 2(a)*, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this *Section 3*.

Section 4. Termination of Reporting Obligation. The Issuer’s obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If the Issuer’s obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under *Section 3*.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Note Resolution or the Notes, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Note Resolution or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

CITY OF MINNEOLA, KANSAS

(SEAL)

Mayor

Clerk

EXHIBIT A

**FINANCIAL INFORMATION AND OPERATING DATA
TO BE INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in tables in the following sections contained in ***Appendix A*** of the final Official Statement relating to the Notes:

FINANCIAL INFORMATION

- Assessed Valuation
- Property Tax Levies and Collections
 - Tax Rates
 - Aggregate Tax Levies
 - Tax Collection Record
 - Major Taxpayers

DEBT STRUCTURE

- Overlapping Indebtedness
- Current Indebtedness of the City
 - General Obligation Bonds*
 - Temporary Notes*
 - Certificate of Participation*
 - Revenue Bonds Outstanding*
 - Capital Lease Obligations*
 - Loan Obligations*

* This Operating Data is also available in the Issuer's financial information portion of its Annual Report.