



100 W 4th Ave

P.O. Box 129

Phone: 620-879-2772

www.caneyks.com

AGENDA

CITY OF CANEY
100 W. 4TH AVE

REGULAR COUNCIL MEETING

ENTER THROUGH DOORS ON EAST END (Main Street Side) OF BUILDING

DATE: November 17, 2025

TIME: 6:30 P.M.

A. CALL TO ORDER

MAYOR ELLIOTT

B. ROLL CALL

CITY CLERK

Joshua Elliott

Mayor

Jeff Culver

Council, Ward 1

Mike Holman

Council, Ward 1

Kenith Butts

Council, Ward 2

Lori Patterson

Council, Ward 3

Elizabeth Burch

Council, Ward 3

Becky Dye

Council, Ward 4

Travis White

Council, Ward 4

C. PLEDGE OF ALLEGIANCE AND INVOCATION

D. CITIZEN PRESENTATION/COMMENTS

The City Council is always pleased to have citizens attend its meetings and welcomes comments during the Citizens/Visitor comments section of the meeting; however pursuant to the Kansas Open Meetings Act, Council cannot deliberate or vote on issues not posted on the agenda. If it is not posted, no deliberation between Council members may occur; Council may only respond with specific information or recite existing policy. If you wish to address the Council, speakers must fill out a "Request for Communication with City Council" at City Hall and have it turned in by noon the day of the City Council meeting. Comments will be limited to three (3) minutes per speaker and six (6) minutes for those with a translator.

E. REMOVAL OF ITEM(S) FROM THE CONSENT AGENDA

F. CONSIDER APPROVAL OF CONSENT AGENDA ITEM(S)

Consent items are deemed to need little Council deliberation or have already been deliberated at a previous meeting and will be acted upon as one business item. Any member of the City Council may request that an item be withdrawn from the Consent Agenda and placed before the City Council for full discussion.

F.1 Approval of the Minutes for the November 3, 2025 Meeting.

MOTION:

SECOND:

F.2. Approval of Expense (November 3rd to November 17th, 2025):

| | |
|-----------------------------|-------------|
| Jarred, Gilmore, & Phillips | \$28,050.00 |
| Newberry Fence & Gate* | \$2,900 |

MOTION:

SECOND:

F.3. Main Street Auto Expenses:

| | |
|-----------------|----------|
| Invoice #009717 | \$257.02 |
| Invoice #009784 | \$440.74 |

MOTION:

SECOND:

F.4. Personnel Expense

| | |
|---|-------------|
| Approval of Payroll (November 6 , 2025) | \$44,553.05 |
|---|-------------|

MOTION:

SECOND:

G. OLD BUSINESS

G.1. Discuss and consider Planning Commission update.

H. NEW BUSINESS

H.1. Discuss and Consider the General Obligation bond refinancing paperwork for the Grocery store and authorize the necessary signatures.

MOTION:

SECOND:

H.2. Discuss and consider the 2024 audit received from Jarred, Gilmore, & Phillips PA.

MOTION:

SECOND:

H.3. Discuss and consider the KMIT health insurance options and authorize the necessary signatures.

MOTION:

SECOND:

I. DEPARTMENT REPORTS

Mayor – Josh Elliott:
Police Chief – Ike Dye:
City Administrator- Andrea Sibley:
City Clerk – Adam Lanter:
Public Works – Andy Long:
Deputy City Clerk – Tyler Goza:
Utility Clerk - Jalissa Jones:

J. COUNCIL COMMENT

Council Member - Burch:
Council Member - Patterson:
Council Member – Butts:
Council Member – Culver:
Council Member – Holeman:
Council Member – Dye:
Council Member – White:

K. INFORMATION ITEMS

K.1. Please join us for the CDBG Housing Revitalization meeting tomorrow evening at 6:30 in the Council Chambers.

L. ADJOURNMENT

MOTION:

SECOND:

CITY OF CANEY
CITY COUNCIL
REGULAR MEETING MINUTES
November 3, 2025

A. CALL TO ORDER

Mayor Elliott called the regular City Council meeting to order at 6:30 pm Monday, November 3, 2025 in the Council Chambers at City Hall located at 100 W 4th Street.

B. ROLL CALL

| | | |
|----------|-----------------|--------------------|
| Present: | Josh Elliott | Mayor |
| | Jeff Culver | Council, Ward 1 |
| | Mike Holman | Council, Ward 1 |
| | Kenith Butts | Council, Ward 2 |
| | Lori Patterson | Council, Ward 3 |
| | Elizabeth Burch | Council, Ward 3 |
| | Becky Dye | Council, Ward 4 |
| | Travis White | Council, Ward 4 |
| Staff: | Andrea Sibley | City Administrator |
| | Ike Dye | Police Chief |
| | Adam Lanter | City Clerk |
| | Tyler Goza | Deputy City Clerk |
| | Jalissa Jones | Utilities Clerk |
| | Nigel Flenar | Code Enforcement |

C. PLEDGE OF ALLEGIANCE AND INVOCATION

Attendees recited the pledge of allegiance and Mayor Elliott led the invocation.

D. CITIZEN PRESENTATION/VISITOR COMMENTS

There were no citizen comments or presentations.

E. REMOVAL OF ITEMS FROM THE CONSENT AGENDA

There were no items removed from the consent agenda.

F. CONSIDER APPROVAL OF CONSENT AGENDA

F.1 CONSIDER APPROVAL OF THE MINUTES FOR THE OCTOBER 20, 2025, MEETING

A MOTION WAS MADE BY COUNCIL MEMBER WHITE, SECONDED BY COUNCIL MEMBER CULVER TO APPROVE ITEM F.1.

MOTION CARRIED 7-0.

F.2. CONSIDER APPROVAL OF EXPENSE REPORTS (OCTOBER 20TH TO NOVEMBER 3RD, 2025)

| | |
|-----------------------|------------|
| Caney City Library | \$7,818.64 |
| Conrad Fire Equipment | \$5,227.55 |

A MOTION WAS MADE BY COUNCIL MEMBER WHITE, SECONDED BY COUNCIL MEMBER CULVER, TO APPROVE ITEM F.2.

MOTION TO APPROVE CARRIED 7-0.

F.3. CONSIDER APPROVAL OF MAIN STREET AUTO EXPENSES:

| | |
|-----------------|----------|
| Invoice #009632 | \$105.14 |
| Invoice #009622 | \$687.11 |

A MOTION WAS MADE BY COUNCIL MEMBER CULVER, SECONDED BY COUNCIL MEMBER BURCH, TO APPROVE ITEM F.3.

MOTION TO APPROVE CARRIED 7-0.

F.4 CONSIDER APPROVAL OF PERSONNEL EXPENSES:

| | |
|--|-------------|
| Approval of Payroll (October 20, 2025) | \$48,102.41 |
|--|-------------|

A MOTION WAS MADE BY COUNCIL MEMBER WHITE, SECONDED BY COUNCIL MEMBER CULVER, TO APPROVE ITEM F.4.

MOTION CARRIED 7-0.

G. OLD BUSINESS

G.1. DISCUSS AND CONSIDER BIDS FOR THE SOLICITATION OF THE PROPERTY LOCATED AT 203 N STATE.

Staff stated that a bid for the demolition of the property located at 203 N State had finally been received. The estimate was from G & G Dozer for \$12,000. The vendor stated that the price factored in the home having a crawlspace and the asbestos in the property. This was the only bid that was received. Another staff member asked if this property could be included in the CDBG Housing Revitalization grant. An elected official stated that it would qualify with where it was located and that the City has to do three rehabs to every one demo for the CDBG grant. One house renovation was just finished up on Fawn St. The elected official went on to state that we would be seeking an extension of sorts for the CDBG grant and that efforts were under way to drum up more participation for the grant. The other two properties to be renovated are expected to be completed in the next thirty to sixty days. A staff member stated that it would make sense to include this in the CDBG grant

A MOTION WAS MADE BY COUNCIL MEMBER WHITE, SECONDED BY COUNCIL MEMBER CULVER, TO TABLE ITEM G.1.

MOTION CARRIED 7-0.

H. NEW BUSINESS

H.1. DISCUSS AND CONSIDER THE REQUEST FOR RELEASE OF FUNDS FROM 24-RW-001 FOR THE PROJECT TO INSTALL FOURTEEN MILES OF PIPE CONNECTING CANEY'S ELEVATED WATER STORAGE TO COFFEYVILLE AND AUTHORIZE THE NECESSARY SIGNATURES.

Staff stated that this was in regard to the one million-dollar (\$1,000,000) CDBG grant that was received. City staff finally received the authorization to begin draw downs on the funds. The City has fronted some large invoices to get vendors paid in the interim until the authorization to begin drawdowns occurred. There is about one hundred thousand (\$100,000) in previously paid invoices by the City for this project that needs to be reimbursed by this grant. This would also allow the City to start drawing down those funds to start shoveling for the project.

A MOTION WAS MADE BY COUNCIL MEMBER WHITE, SECONDED BY COUNCIL MEMBER BURCH TO APPROVE ITEM H.1.

MOTION CARRIED 7-0.

H.2. DISCUSS AND CONSIDER THE PURCHASE OF PERSONAL PROTECTIVE EQUIPMENT (“PPE”) FOR THE FIRE DEPARTMENT.

City staff stated that the Fire Department had been awarded an Assistance to Firefighters Grant (“AFG”) grant to purchase eleven sets of fire PPE gear. The total amount was \$51,986. AFG covered \$48,211.42 and the Fire Department matched the remaining five (5) percent amounting to \$3,774.58 from the department budget. This grant was applied for back in 2024. Staff continued to say that they would like to purchase an additional six (6) sets of structural fire fighter gear. The current gear has not lived up to quality expectations and has often times had to be sent back to have repairs made (Rips and tears predominately). In addition, staff is requesting the purchase of seventeen (17) additional sets of dual-purpose PPE that is used to fight grass fires and in car wrecks has reached its ten (10) years of service life in May of this year. This gear is lighter and used during grass season. The cost for the six (6) extra sets of structural PPE and seventeen (17) sets of dual-purpose PPE is forty-six thousand six hundred thirty-one dollars (\$46,631). The Fire Department can take ten thousand dollars (\$10,000) out of their operating budget and FANSS is willing to donate an additional seven thousand dollars (\$7,000) leaving twenty-nine thousand six hundred thirty-one dollars (\$29,631) that is being requested from the City. Staff stated that ARPA funds can be utilized. A council member asked if the ARPA funds had been earmarked for anything else yet. Staff stated that they were initially earmarked for water improvement projects but that the funds have to be spent by the end of this calendar year. An elected official stated that additionally replacing the vac truck was another potential use for the ARPA funds. Another council member asked if this is a need and not a want. Staff stated that the dual purpose is lighter and fatigues the firefighters less and protects the more expensive structural PPE. The quality that they were sold on when purchasing the sets was not what it was hyped up to be. Staff clarified that the seventeen (17) dual purpose would cover a set for each volunteer firefighter. Officials asked if the expired gear would affect the department’s ISO rating. Staff clarified that it would have no effect on ISO but could impact workers comp and firefighters getting injured. An elected official stated that the ARPA funds had always been set aside for the water and that changes are possible especially considering the funds have to be spent by December 31. Elected officials questioned whether gear would make it another season. Another official stated that they were on board with dual purpose gear. Elected officials requested quarterly updates on the status of the department’s gear and its condition.

A MOTION WAS MADE BY COUNCIL MEMBER WHITE TO PAY \$18, 275 OUT OF ARPA FUNDS FOR THE PURCHASE OF SEVENTEEN DUAL PURPOSE PPE, SECONDED BY COUNCIL MEMBER CULVER.

MOTION CARRIED 7-0.

H.3. DISCUSS AND CONSIDER THE REQUESTED UPDATES TO THE ORGANIZATION CHART FOR THE CITY OF CANEY REPORTING STRUCTURE.

Staff stated that the requested changes from the last meeting, adding detail to the pool department, had been made. An elected official stated that they did not see the library on the org chart. Staff clarified that the Library is not fully a City department since they report to a separate board outside of the City administrator and City Council. Staff stated that they can work on compiling a list of the different boards to present to Council but that would be separate.

A MOTION WAS MADE COUNCIL MEMBER BURCH TO APPROVE THE ORGANIZATION CHART FOR THE CITY'S REPORTING STRUCTURE, SECONDED BY COUNCIL MEMBER WHITE.

MOTION CARRIES 7-0.

H.4. DISCUSS AND CONSIDER ORDINANCE 2025-22 RELATING TO VACATION ACCRUAL FOR FULL TIME STAFF AND AUTHORIZE THE NECESSARY SIGNATURES.

Staff stated that the handbook and City code state that everyone accrues at the same rate. The City's ERP has the appropriate rates put in. This Ordinance changes the accrual rates in the City Code for different departments so that way they are accruing the appropriate amounts on paper to be able to take two weeks off during the year. This ordinance matches the City Code to the accrual rates in the ERP. Another staff member stated that City staff have dug into the policy and procedure to find this discrepancy. An elected official appreciated how the ordinance simplified the appearance to make it easier to follow. The elected Official asked how carryover is affected. Staff stated that carryover affects holidays because the same officers usually work holidays. Staff stated that some departments, PD and EMS, have minimum staffing levels. Staff gave additional clarification that this ordinance does not make changes to carryover because adjusting the carryover would affect the liability in the Budget for next year, which has already been submitted for approval to the County and that change to liability is not in the budget. Staff is planning on bringing an ordinance to the Governing Body next fiscal year to take effect for Fiscal Year 2027. Staff provided additional examples of how changing carryover would affect the budget's liability. Elected officials requested clarification on whether carryover is still at hire date or if it is calendar year. Staff clarified that it is by hire date but some departments get more flexibility on that due to the minimum staffing levels. Additional staff clarified that the City

was running into issues when carryover was calendar year due to large numbers of staff trying to use their vacation time, so they do not lose it and some requests being denied due to minimum staffing levels.

A ROLL CALL VOTE WAS TAKEN TO APPROVE ORDINANCE 2025-22.

| | |
|-----------------|-----|
| Jeff Culver | Yes |
| Mike Holman | Yes |
| Kenith Butts | Yes |
| Lori Patterson | Yes |
| Elizabeth Burch | Yes |
| Becky Dye | Yes |
| Travis White | Yes |

MOTION CARRIES 7-0.

H.5. DISCUSS AND CONSIDER AN ORDINANCE AMENDING THE PLANNING AND ZONING BOARD COMPOSITION AND AUTHORIZE THE NECESSARY SIGNATURES.

Staff stated that this is a supplement ordinance to Ordinance 2025-21 which was passed at the previous meeting. This ordinance adjusts the number of members of the Planning and Zoning Board outside of the City limits from two (2) to three (3) down to one (1) to two (2) to reflect the lowered number of members on the Planning and Zoning Board. The members are still required to live within three miles of city limits.

A ROLL CALL VOTE WAS TAKEN TO APPROVE ORDINANCE 2025-23.

| | |
|-----------------|-----|
| Jeff Culver | Yes |
| Mike Holman | Yes |
| Kenith Butts | Yes |
| Lori Patterson | Yes |
| Elizabeth Burch | Yes |
| Becky Dye | Yes |
| Travis White | Yes |

MOTION CARRIES 7-0.

H.6. DISCUSS AND CONSIDER AN ORDINANCE FOR RV PARKS INSIDE CITY LIMITS AND AUTHORIZE THE NECESSARY SIGNATURES.

Staff stated that this ordinance establishes rules and regulations for RV parks inside of City limits. It addresses procedures, licensing, and expansion rules to ensure that there are no adverse effects for neighbors. An elected official stated that the agenda packet was made public too late for them to have been able to read it and that they did not feel comfortable voting on it. Another elected official stated that this ordinance fine tunes what is already in place. Staff stated that an RV park ordinance was passed in August of this year but that the City that that ordinance was modeled off of did not provide enough flexibility for the Caney's needs. An elected official stated that their constituents were concerned with people living in the RV park and it being extended stay. Staff stated that there needs to be a certain time frame for tenancy because if the legal matters of eviction are not spelled out. Another staff member stated that this ordinance limits the time for stays at two (2) weeks. An Elected official stated that this targets people coming in for the racetrack with shorter stays not long-term accommodations to keep people in town versus them going to Dewey or Bartlesville for their stay. Staff stated that after two (2) weeks that section 15 of this ordinance outlines what information is required for people wanting to stay at the RV park and that the owner/operator would have the information needed to make sure that no one is abusing the stay limits. Elected officials questioned what happens if after their time is up what if they hop over to the next spot or refusing to leave in general. Staff stated that this ordinance does not address that. Staff offered to reach out to the City Attorney to see if RVs would fall under a different statute for if someone refuses to leave. An elected official stated that they think that it should include people who are working at the refinery. Staff stated that that would fall more under a long-term stay than short-term stay. An elected official stated that there was already an RV park in town and if a two (2) week stay limit was instituted, that the current RV park would likely close. Another elected official stated that if they were an owner/operator why would they want there to be any limit. Another official asked if neighbors would need to be contacted about this. Staff stated only two homes are within two hundred (200) feet of the property. Officials requested that the ordinance be changed to thirty (30) days from the two (2) weeks.

A ROLL CALL VOTE WAS TAKEN TO APPROVE ORDINANCE 2025-24 WITH THE TIME LIMIT CHANGED FROM TWO (2) WEEK MAXIMUM STAYS TO THIRTY (30) DAY MAXIMUM STAYS.

| | | | |
|---------------|-----------------|---------|--|
| MOTION | Jeff Culver | Yes | CARRIES 6-0-1. |
| | Mike Holman | Yes | |
| | Kenith Butts | Yes | |
| H.7. | Lori Patterson | Abstain | DISCUSS AND CONSIDER THE RECEIVED FOR |
| | Elizabeth Burch | Yes | |
| | Becky Dye | Yes | |
| BIDS | Travis White | Yes | |

THE LANDBANK PROPERTIES LOCATED AT 1201 AND 1207 NORTH WOOD STREET.

An elected official stated that this was the only bid that received for the second-round bids. They stated that the bid that was received was very thorough.

A MOTION WAS MADE BY COUNCIL MEMBER DYE TO AWARD THE LAND BANK PROPERTIES LOCATED AT 1201 AND 1207 NORTH WOOD STREET TO MIKE AND MEGGIN WAGGONER AND KEVIN AND SHANTAYLE CLARK WITH THEIR THREE THOUSAND DOLLAR (\$3,000) BID TO THE WITH THE INTENT TO CONSTRUCT A TWELVE (12) TO SIXTEEN (16) SITE RV PARK, SECONDED BY COUNCIL MEMBER WHITE.

MOTION CARRIES 7-0.

I. DEPARTMENT REPORTS:

I.1 MAYOR – JOSH ELLIOTT

1. Elections are tomorrow.

I.2 POLICE CHIEF – IKE DYE

1. The school is voting on the COPS grant MOU on the tenth and then we will get Missy into the school ASAP and we have somebody ready to take her spot on patrol lined up.
2. A grant was submitted on Monday with the intent to update the department's body cameras.
3. Purple heart city signs will get posted around town as early as we can but was unsure if they would be up before veterans day.

I.3 CITY ADMINISTRATOR – ANDREA SIBLEY

1. Ike is crushing it with the grant applications
2. Staff is working on a grant for lighting at the library.

3. In communication with a company in Dallas to take the lead pipes away as they get dug up. They would bring the trucks to pick them up and would pay the City for the scrap.
4. The Cherokee Nation will provide funding to the food pantry to offset snap benefits being shut down. Caney is eligible despite not being on the reservation. Mayor Elliott and City Administrator Sibley have written letters of support.
5. There is a site tour tomorrow for an industrial site.
6. Staff is pursuing a fire engine grants through CDBG.
7. City Administrator Sibley's mom is knitting scarves and hats for those in need. Forty (40) have already been dispersed and another sixty (60) will be dropped off to hand out around Thanksgiving.

I.4 CITY CLERK – ADAM LANTER

1. Business licenses were sent out late last week.
2. Notices sent out for Cereal Malt Beverage License holders sent out late last week.
3. Was grateful to have been able to attend the CCMFOA Academy in Wichita and to put the knowledge gained to work here in Caney.
4. There will be a CDBG Housing Revitalization grant meeting in the next few weeks after a door-to-door campaign to get more interest in the opportunity. There will be an extension but we to be determined how much of an extension.

I.5 DEPUTY CITY CLERK – TYLER GOZA

1. Working on bank reconciliations to enable Andrea to complete the treasury reports. Daily cash postings has been the biggest issues.

I.6. UTILITIES CLERK – JALISSA JONES

1. Pamphlet distributed to break down the bills. Explaining the components of the bill. We are locked in to the base charge

I.7. PUBLIC WORKS – ANDY LONG VIA MAYOR ELLIOTT

1. An email was sent out detailing what each team of two is currently assigned to.

J. COUNCIL COMMENTS

J.1 COUNCIL MEMBER BURCH

1. Questioned a water meter read that was high. Got clarification.
2. Attended the Get the lead out meeting. Herself and the City Clerk both attended. She thanked the City Clerk for representing the City well at the event. Her biggest take away from the event was lead is the glitter of heavy metals and sweeping it pushes it into the air.

J.2 COUNCIL MEMBER WHITE

1. Reached out to the county about the trees on High St next to Spears Dr.
2. Shout out to the City staff for their efforts, it shows.

K. INFORMATIONAL

L. ADJOURNMENT

A MOTION WAS MADE BY COUNCIL MEMBER CULVER, SECONDED BY COUNCIL MEMBER HOLEMAN AT 7:45 PM.

Joshua D. Elliott, Mayor

Attest:

Adam Lanter, City Clerk

JARRED, GILMORE & PHILLIPS, PA

P.O. BOX 779

CHANUTE, KS 66720

www.jgppa.com

ID: 12CAN030

Invoice: 59070

CITY OF CANEY

Date: 11/03/2025
Due Date: Due Upon Receipt

PO BOX 129
CANEY, KS 67333

FOR PROFESSIONAL SERVICES RENDERED AS FOLLOWS:

| | |
|--|-----------|
| FINAL BILLING FOR CERTIFIED AUDIT OF RECORDS AND PREPARATION OF AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2024 INCLUDING ADDITIONAL TIME SPENT ON CASH RECONCILIATION ISSUES, UTILITY ISSUES AND BUDGET ISSUES BEYOND AUDIT SCOPE. | 20,750.00 |
|--|-----------|

| | |
|------------------------|-------------|
| Billed Time & Expenses | \$20,750.00 |
| Invoice Total | \$20,750.00 |

| Date | Type | Reference | Debit | Credit | Balance |
|-------------------|-------------------|-------------------|-------------------|--------------------|--------------|
| 11/01/25 | Beginning Balance | | | | \$7,300.00 |
| 11/03/25 | Invoice #59070 | | 20,750.00 | | 28,050.00 |
| 11/03/25 | Amount Due | | | | \$28,050.00 |
| <u>11/03/2025</u> | <u>10/31/2025</u> | <u>09/30/2025</u> | <u>08/31/2025</u> | <u>07/31/2025+</u> | <u>Total</u> |
| 20,750.00 | 0.00 | 7,300.00 | 0.00 | 0.00 | \$28,050.00 |



1127 Marshal Rd, Sedan, KS 67361
 E-mail: rachel@newberryfence.com / Phone (620) 216-0206

To: Caney Sewer Treatment
 Caney, KS

Date: 11/12/2025

| Amount Due | |
|------------|-----------------|
| \$ | 2,900.00 |

| Date | Discription | | | Amount |
|---------|--------------------------|---------------------|---------------------|-------------|
| | Installation of the gate | | | \$ 2,900.00 |
| Current | 1-30 Days Past Due | 31-60 Days Past Due | 61-90 Days Past Due | Amount Due |
| | | | | \$ 2,900.00 |

Main Street Auto and Tire LLC

118 E 4TH AVE

Caney, KS. 67333

Phone: (620)-306-6008 | Fax: ()--

Invoice # 009717

Original Est # 13085

Where We Treat Others Like We Want To Be Treated

Invoice**Balance Due: \$257.02****CITY OF CANEY -**

100 W 4TH

Caney, KS 67333

Cellular: 620-879-2141

Home: - -

2016 Chevrolet - Colorado - Z71

3.6L V6 (217CI) VIN(3)

VIN: 1GCGTDE30 G1110678

Odometer: In 101,249

License Plate: KS

Color: WHITE

Unit: CITY

Work Complete: 10/23/2025

Service Advisor: SHERI MONTG...

Customer ID: 59

Printed Date: 11/07/2025

| Type | Description | Part # | Qty | Sale | Total |
|------------------------------|---|--------|---------|----------|-----------------|
| ELECTRICAL - DIAGNOSE | | | | | \$253.95 |
| Part | INTERSTATE BATTERY | MT-36R | 1.00 | \$178.95 | \$178.95 |
| Note | Fluid Capacity: Engine Oil - Volume: 6.00 QTS. (5.67L) - API - SAE 5W-30; 3.6L Eng - w/Filter - (Note: Use only engine oil licensed to the dexos1 specification or equivalent, of the proper SAE viscosity grade. ACDelco dexos1 Synthetic Blend is recommended. SAE 5W-30 is the best viscosity grade for the vehicle. Do not use other viscosity grade oils such as SAE 10W-30, 10W-40, or 20W-50. If in an area of extreme cold, where the temperature falls below -20Deg.F (-29Deg.C), an SAE 0W-30 oil may be used. An oil of this viscosity grade will provide easier cold starting for the engine at extremely low temperatures.) | | | | |
| | 57090-FILTER | | | | |
| Labor | ELECTRICAL - DIAGNOSE ELECTRICAL - DIAGNOSE | | | | \$75.00 |
| Parts: | \$178.95 | Labor: | \$75.00 | Tax: | \$0.00 |
| | | | | Total: | \$253.95 |
| Order | | | | | \$3.07 |
| Misc | Hazardous Materials | | | | \$0.92 |
| Misc | Shop Supplies | | | | \$2.15 |
| Total: | \$3.07 | Tax: | \$0.00 | | |

I hereby authorize the above repair work to be done along with the necessary material and hereby grant you and/or your employees permission to operate the car or truck herein described on street, highways or elsewhere for the purpose to testing and/or inspection. An express mechanic's lien is hereby acknowledged on above car or truck to secure the amount of repairs thereto. Warranty on parts and labor is 3 MONTHS OR 3,000 MILES WHICHEVER COMES FIRST. Warranty work has to be performed in our shop & cannot exceed the original cost of repair.

ALL OPEN ACCOUNTS AFTER 30 DAYS ARE SUBJECT TO 1.5% INTEREST ADDED TO BILL.

ALL OPEN ACCOUNTS AFTER 90 DAYS WITHOUT APPROVAL WILL BE DEEMED BAD DEBT AND A LIEN WILL BE APPLIED TO CUSTOMER CAR.

| | |
|---------------------|-----------------|
| Labor | \$75.00 |
| Parts | \$178.95 |
| Hazardous Materia | \$0.92 |
| Shop Supplies | \$2.15 |
| Subtotal | \$257.02 |
| Taxes | \$0.00 |
| Order Total: | \$257.02 |

Signature _____
Technician(s) : ELLIOTT, AARON; MEADERS, JESSE 12

Date _____ Time _____

Main Street Auto and Tire LLC

118 E 4TH AVE

Caney, KS. 67333

Phone: (620)-306-6008 | Fax: ()--

Invoice # 009784

Original Est # 13158

Where We Treat Others Like We Want To Be Treated

Invoice**CANEY POLICE DEPT. - CANEY
POLICE DEPT.****2013 Chevrolet - Tahoe - PPV**

5.3L, V8 (325CI) VIN(0)

VIN: 1GNLC2E06 DR198598

Odometer: In 110,043

License Plate: KS

Color: SILVER

Unit: MISSY

Work Complete: 11/07/2025

Service Advisor: SHERI MONTG...

Customer ID: 2020

Printed Date: 11/07/2025

Cellular: 620-330-7498

| Type | Description | Part # | Qty | Sale | Total |
|---|-------------------------------|-----------|------|----------|-----------------|
| WINDOW WASHER RESERVOIR - Remove & Replace - [Includes: R&I Fender Liner.] | | | | | \$304.67 |
| Part | ATF FLUID | ATF | 1.00 | \$7.50 | \$7.50 |
| Part | ANTIFREEZE | ANTI | 1.00 | \$15.95 | \$15.95 |
| Part | INTERSTATE BATTERY - WARRANTY | MTP 48/H6 | 1.00 | \$0.00 | \$0.00 |
| Part | KEY FOB | 22951508 | 2.00 | \$140.61 | \$281.22 |

Parts: \$304.67 Labor: \$0.00 Tax: \$0.00 Total: \$304.67

A/C RECHARGE**\$132.00**

Labor AIR CONDITIONING SYSTEM - Complete Charge - [Includes: Air Conditioning system recover, evacuate and recharge.]

\$132.00

Note

NOTES:

HOLE DRILLED INTO WASHER RES. FROM WHOMEVER DID LIGHT SYSTEM, HOLE HAS BEEN FIXED.

RECHARGED A/C SYSTEM - IF ISSUE HAPPENS AGAIN, PLEASE CONTACT US AND WE WILL LOOK FOR A LEAK

Parts: \$0.00 Labor: \$132.00 Tax: \$0.00 Total: \$132.00

Order**\$4.07**

Misc Hazardous Materials

\$1.23

Misc Shop Supplies

\$2.84

Total: \$4.07 Tax: \$0.00

I hereby authorize the above repair work to be done along with the necessary material and hereby grant you and/or your employees permission to operate the car or truck herein described on street, highways or elsewhere for the purpose to testing and/or inspection. An express mechanic's lien is hereby acknowledged on above car or truck to secure the amount of repairs thereto. Warranty on parts and labor is 3 MONTHS OR 3,000 MILES WHICHEVER COMES FIRST. Warranty work has to be performed in our shop & cannot exceed the original cost of repair.

ALL OPEN ACCOUNTS AFTER 30 DAYS ARE SUBJECT TO 1.5% INTEREST ADDED TO BILL.

ALL OPEN ACCOUNTS AFTER 90 DAYS WITHOUT APPROVAL WILL BE DEEMED BAD DEBT AND A LIEN WILL BE APPLIED TO CUSTOMER CAR.

| | |
|---------------------|-----------------|
| Labor | \$132.00 |
| Parts | \$304.67 |
| Hazardous Materia | \$1.23 |
| Shop Supplies | \$2.84 |
| Subtotal | \$440.74 |
| Taxes | \$0.00 |
| Order Total: | \$440.74 |

Signature _____
Technician(s): ELLIOTT, AARON; MEADERS, JESSE 12

Date _____ Time _____

**EXCERPT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF
THE CITY OF CANEY, KANSAS
HELD ON NOVEMBER 17, 2025**

The City Council (the “Governing Body”) met in regular session at the usual meeting place in the City, at 6:30 P.M., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

The Clerk reported that pursuant to the Notice of Bond Sale heretofore duly given, bids for the purchase of Taxable General Obligation Refunding Bonds, Series 2025, dated December 3, 2025, of the City had been received. A tabulation of said bids is set forth as **EXHIBIT A** hereto.

The Governing Body reviewed and considered the bids and it was found and determined that the bid of ROBERT W. BAIRD & CO., INC., MILWAUKEE, WISCONSIN, was the best bid for the Bonds, a copy of which is attached hereto as **EXHIBIT B**.

Councilmember _____ moved that the bid be accepted and that the Mayor and Clerk be authorized and directed to execute the bid form selling the Bonds to the best bidder on the basis of the bid and the terms specified in the Notice of Bond Sale. The motion was seconded by Councilmember _____. The motion was carried by the following vote of the Governing Body:

Yea: _____.

Nay: _____.

There was presented an Ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, OF THE CITY OF CANEY, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

Councilmember _____ moved that the Ordinance be passed. The motion was seconded by Councilmember _____. The Ordinance was duly read and considered, and upon being put, the motion for the passage of the Ordinance was carried by the following vote of the Governing Body:

Yea: _____.

Nay: _____.

The Mayor declared the Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. 2025-[], was signed and approved by the Mayor and attested by the Clerk and the Ordinance or a summary thereof was directed to be published one time in the official newspaper of the City.

There was then presented a Resolution entitled:

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, OF THE CITY OF CANEY, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 2025-[] OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

Councilmember _____ moved that the Resolution be adopted. The motion was seconded by Councilmember _____. The Resolution was duly read and considered, and upon being put, the motion for the adoption of the Resolution was carried by the following vote of the Governing Body:

Yea: _____.

Nay: _____.

The Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. 25-[], and was signed by the Mayor and attested by the Clerk.

* * * * *

(Other Proceedings)

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On motion duly made, seconded and carried, the meeting thereupon adjourned.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Governing Body of the City of Caney, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

EXHIBIT A
BID TABULATION

CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS

Dated: December 3, 2025
Series 2025

Sale Date: November 17, 2025
11:00 A.M., Central Time
Max Interest Rate: 8.094%

BIDDERS

| | | Bidders: | |
|----------------------------|------------------------|-------------------------------|-----------------------------------|
| | | Northland Securities, Inc. | Robert W. Baird & Co., Inc. |
| | | Bid 1 | Bid 2 |
| Maturity Date | \$745,000 Principal | Interest Rate | Interest Rate |
| 1-Oct-26 | 30,000.00 | 4.625% | 6.000% |
| 1-Oct-27 | 25,000.00 | 4.625% | 6.000% |
| 1-Oct-28 | 25,000.00 | 4.625% | 6.000% |
| 1-Oct-29 | 25,000.00 | 4.625% | 6.000% |
| 1-Oct-30 | 30,000.00 | 4.625% | 5.000% |
| 1-Oct-31 | 30,000.00 | 4.625% | 5.000% |
| 1-Oct-32 | 30,000.00 | 5.000% | 5.000% |
| 1-Oct-33 | 35,000.00 | 5.000% | 4.350% |
| 1-Oct-34 | 35,000.00 | 5.000% | 4.450% |
| 1-Oct-35 | 35,000.00 | 5.000% | 4.550% |
| 1-Oct-36 | 40,000.00 | 5.375% | 5.000% |
| 1-Oct-37 | 40,000.00 | 5.375% | 5.000% |
| 1-Oct-38 | 45,000.00 | 5.375% | 5.000% |
| 1-Oct-39 | 45,000.00 | 5.375% | 5.000% |
| 1-Oct-40 | 50,000.00 | 5.375% | 5.000% |
| 1-Oct-41 | 50,000.00 | 5.625% | 5.100% |
| 1-Oct-42 | 55,000.00 | 5.625% | 5.100% |
| 1-Oct-43 | 60,000.00 | 5.625% | 5.100% |
| 1-Oct-44 | 60,000.00 | 5.625% | 5.100% |
| Total Interest Cost: | | 455,650.76 | 423,842.10 |
| Less Premium: | | 0.00 | 0.00 |
| Plus Discount: | | 22,350.00 | 20,885.85 |
| Net Interest Cost: | | 478,000.76 | 444,727.95 |
| Average Net Interest Rate: | | 5.6557% | 5.2620% |
| True Interest Cost | | 5.7462% | 5.3647% |

EXHIBIT B

(BID OF PURCHASER)

Robert W. Baird & Co., Inc. - Milwaukee , WI's Bid



**Caney (City)
\$745,000 Taxable General Obligation Refunding Bonds,
Series 2025**

For the aggregate principal amount of \$745,000.00, we will pay you \$724,114.15, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

| Maturity Date | Amount \$ | Coupon % | Yield % | Dollar Price |
|----------------------------|-----------|----------|---------|--------------|
| 10/01/2026 | 30M | 6.0000 | 4.0000 | 101.605 |
| 10/01/2027 | 25M | 6.0000 | 4.0000 | 103.484 |
| 10/01/2028 | 25M | 6.0000 | 4.0000 | 105.290 |
| 10/01/2029 | 25M | 6.0000 | 4.0500 | 106.843 |
| 10/01/2030 | 30M | 5.0000 | 4.1500 | 103.678 |
| 10/01/2031 | 30M | 5.0000 | 4.2500 | 103.829 |
| 10/01/2032 | 30M | 5.0000 | 4.3500 | 103.798 |
| 10/01/2033 | 35M | 4.3500 | 4.4500 | 99.339 |
| 10/01/2034 | 35M | 4.4500 | 4.5500 | 99.273 |
| 10/01/2035 | 35M | 4.5500 | 4.6500 | 99.212 |
| 10/01/2036 | | | | |
| 10/01/2037 | | | | |
| 10/01/2038 | | | | |
| 10/01/2039 | | | | |
| 10/01/2040 | 220M | 5.0000 | 5.0000 | 100.000 |
| 10/01/2041 | | | | |
| 10/01/2042 | | | | |
| 10/01/2043 | | | | |
| 10/01/2044 | 225M | 5.1000 | 5.2000 | 98.801 |

Modified: See Attached
Pricing Schedule.

Total Interest Cost: \$423,842.10
Discount: \$20,885.85
Net Interest Cost: \$444,727.95
TIC: 5.364683
Time Last Bid Received On: 11/17/2025 10:57:03 CST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Robert W. Baird & Co., Inc., Milwaukee , WI
Contact: Peter Anderson
Title:
Telephone: 414-765-7331
Fax:

Baird

Issuer Name: City of Caney

Company Name: _____

Accepted By: _____

Accepted By: _____

Jeff Kuczmarski

City of Caney, Kansas

\$745,000

Taxable GO Bonds, Series 2025-Baird-resize

December 3, 2025

Pricing Summary

| Maturity | Type of Bond | Coupon | Yield | Maturity Value | Price | Dollar Price |
|------------|---------------|--------|--------|----------------|----------|--------------|
| 10/01/2026 | Serial Coupon | 6.000% | 4.000% | 30,000.00 | 101.605% | 30,481.50 |
| 10/01/2027 | Serial Coupon | 6.000% | 4.000% | 25,000.00 | 103.484% | 25,871.00 |
| 10/01/2028 | Serial Coupon | 6.000% | 4.000% | 25,000.00 | 105.290% | 26,322.50 |
| 10/01/2029 | Serial Coupon | 6.000% | 4.050% | 30,000.00 | 106.843% | 32,052.90 |
| 10/01/2030 | Serial Coupon | 5.000% | 4.150% | 30,000.00 | 103.678% | 31,103.40 |
| 10/01/2031 | Serial Coupon | 5.000% | 4.250% | 30,000.00 | 103.829% | 31,148.70 |
| 10/01/2032 | Serial Coupon | 5.000% | 4.350% | 35,000.00 | 103.798% | 36,329.30 |
| 10/01/2033 | Serial Coupon | 4.350% | 4.450% | 35,000.00 | 99.339% | 34,768.65 |
| 10/01/2034 | Serial Coupon | 4.450% | 4.550% | 35,000.00 | 99.273% | 34,745.55 |
| 10/01/2035 | Serial Coupon | 4.550% | 4.650% | 35,000.00 | 99.212% | 34,724.20 |
| 10/01/2040 | Term 1 Coupon | 5.000% | 5.000% | 220,000.00 | 100.000% | 220,000.00 |
| 10/01/2044 | Term 2 Coupon | 5.100% | 5.200% | 215,000.00 | 98.801% | 212,422.15 |
| Total | - | - | - | \$745,000.00 | - | \$749,969.85 |

Bid Information

| | |
|---------------------------------------|---------------|
| Par Amount of Bonds | \$745,000.00 |
| Reoffering Premium or (Discount) | 4,969.85 |
| Gross Production | \$749,969.85 |
| Total Underwriter's Discount (3.383%) | \$(25,203.35) |
| Bid (97.284%) | 724,766.50 |
| Total Purchase Price | \$724,766.50 |
| Bond Year Dollars | \$8,331.69 |
| Average Life | 11.183 Years |
| Average Coupon | 5.0153089% |
| Net Interest Cost (NIC) | 5.2581586% |
| True Interest Cost (TIC) | 5.3585896% |

Taxable GO Bonds, Series | SINGLE PURPOSE | 11/17/2025 | 11:18 AM

ORDINANCE NO. 2025-[]

OF

THE CITY OF CANEY, KANSAS

PASSED

NOVEMBER 17, 2025

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025**

ORDINANCE NO. 2025-[]

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, OF THE CITY OF CANEY, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the City of Caney, Kansas (the “City”) is a city of the second class, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, the City heretofore issued and has outstanding the Refunded Bonds and is authorized by K.S.A. 10-427 *et seq.* to issue general obligation refunding bonds of the City for the purpose of refunding the Refunded Bonds; and

WHEREAS, due to a change in use of the improvement originally financed by the Refunded Bonds and to provide an orderly plan of finance for the City, it has become desirable and in the best interest of the City and its inhabitants to refund the Refunded Bonds; and

WHEREAS, the Governing Body has advertised the sale of the Bonds in accordance with the law and at a meeting held in the City on this date awarded the sale of such Bonds to the best bidder.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CANEY, KANSAS, AS FOLLOWS:

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance 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, K.S.A. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, all as amended and supplemented from time to time.

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

“**Bond Resolution**” means the resolution to be adopted by the Governing Body prescribing the terms and details of the Bonds and making covenants with respect thereto.

“**Bonds**” means the City's Taxable General Obligation Refunding Bonds, Series 2025, dated December 3, 2025, authorized by this Ordinance.

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

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

“Governing Body” means the City Council of the City.

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

“Ordinance” means this Ordinance authorizing the issuance of the Bonds.

“Refunded Bonds” means the Series 2024-A Bonds maturing in the years 2026 to 2044, inclusive, in the aggregate principal amount of \$755,000.

“Series 2024-A Bonds” means the City's General Obligation Bonds, Series 2024-A, dated February 8, 2024.

“State” means the State of Kansas.

Section 2. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the Taxable General Obligation Refunding Bonds, Series 2025, of the City in the principal amount of \$745,000, for the purpose of providing funds to: (a) refund the Refunded Bonds; and (b) pay costs of issuance of the Bonds.

Section 3. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 4. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the Governing Body.

Section 5. Levy and Collection of Annual Tax. The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the City in the manner provided by law.

The taxes above referred to 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 general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the paying agent for the Bonds. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund.

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

Section 6. Further Authority. The Mayor, City Administrator, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 7. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Governing Body, approval by the Mayor and publication of the Ordinance or a summary thereof in the official City newspaper.

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PASSED by the City Council on November 17, 2025 and **APPROVED AND SIGNED** by the Mayor.

(SEAL)

Mayor

ATTEST:

Clerk

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CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on November 17, 2025; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in the *Montgomery County Chronicle* on November 27, 2025.

DATED: November 27, 2025.

Clerk

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(PUBLISHED IN THE *MONTGOMERY COUNTY CHRONICLE* ON NOVEMBER 27, 2025)

SUMMARY OF ORDINANCE NO. 2025-[]

On November 17, 2025, the governing body of the City of Caney, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, OF THE CITY OF CANEY, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

The Series 2025 Bonds approved by the Ordinance are being issued in the principal amount set forth therein to refund previously issued general obligation bonds of the City, and constitute general obligations of the City payable as to both principal and interest, to the extent necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the City. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, City Hall, 100 W. 4th Avenue, Caney, Kansas 67333. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at <http://www.caneyks.com/>.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: November 17, 2025.

City Attorney

RESOLUTION NO. 25-[]

OF

THE CITY OF CANEY, KANSAS

ADOPTED

NOVEMBER 17, 2025

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025**

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RESOLUTION NO. 25-[]

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, OF THE CITY OF CANEY, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 2025-[] OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Bonds;
and

WHEREAS, the Ordinance authorized the City Council of the Issuer (the “Governing Body”) to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Bonds; and

WHEREAS, in order to provide for the payment of the Refunded Bonds it is desirable to enter into the Escrow Agreement, by and between the Issuer and the Escrow Agent; and

WHEREAS, the Governing Body hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Bonds in the principal amount of \$745,000 to refund the Refunded Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANEY, KANSAS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Bond Resolution 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, K.S.A. 10-427 *et seq.*, and K.S.A. 10-620 *et seq.*, all as amended and supplemented from time to time.

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

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

“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.

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

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

“Bond Registrar” means the State Treasurer and any successors and assigns.

“Bond Resolution” means this resolution relating to the Bonds.

“Bonds” or **“Bond”** means the Taxable General Obligation Refunding Bonds, Series 2025, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“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.

“City” means the City of Caney, Kansas.

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

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

“Costs of Issuance” means all costs of issuing the Bonds, 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, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Account” means the Costs of Issuance Account for Taxable General Obligation Refunding Bonds, Series 2025 created pursuant to **Section 501** hereof.

“Dated Date” means December 3, 2025.

“Debt Service Account” means the Debt Service Account for Taxable General Obligation Refunding Bonds, Series 2025 created within the Bond and Interest Fund pursuant to **Section 501** hereof.

“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 Bonds 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 Bond 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.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“DTC Representation Letter” means the Blanket Letter of Representation from the Issuer and the Paying Agent to DTC which provides for a book-entry system, or any agreement between the Issuer and Paying Agent and a successor securities depository duly appointed.

“Escrow Agent” means Security Bank of Kansas City, Kansas City, Kansas, and its successors and assigns.

“Escrow Agreement” means the Escrow Trust Agreement, dated as of the Dated Date, between the Issuer and the Escrow Agent.

“Escrow Fund” means the Escrow Fund for Refunded Bonds referred to in *Section 501* hereof.

“Escrowed Securities” means the direct, noncallable obligations of the United States of America, as described in the Escrow Agreement.

“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 Bonds 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 Bonds 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 Bonds or in this Bond Resolution 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 Bonds then Outstanding.

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

“Funds and Accounts” means funds and accounts created pursuant to or referred to in *Section 501* hereof.

“Governing Body” means the City Council of the Issuer.

“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 this Bond Resolution.

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Bond which shall be April 1 and October 1 of each year, commencing April 1, 2026.

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

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

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein 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.

“Notice Address” means with respect to the following entities:

(a) To the Issuer at:

City Hall
100 W. 4th Avenue
Caney, Kansas 67333
Fax: (620) 879-9808

(b) To the Paying Agent at:

State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235
Fax: (785) 296-6976

(c) To the Purchaser:

Robert W. Baird & Co., Inc.
777 E. Wisconsin Avenue, 25th Floor
Milwaukee, Wisconsin 53202
Fax: (414) 298-7478

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk
7 World Trade Center
250 Greenwich Street, 23rd Floor
New York, New York 10007

S&P Global Ratings, a division of S&P Global Inc.
55 Water Street, 38th Floor
New York, New York 10004

(e) To the Escrow Agent at:

Security Bank of Kansas City
Corporate Trust Department
701 Minnesota Avenue, Suite 206
P.O. Box 171297
Kansas City, Kansas 66117
Fax: (913) 279-7960

or such other address as is furnished in writing to the other parties referenced herein.

“Notice Representative” means:

- (a) With respect to the Issuer, the Clerk.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Fiscal Services.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.
- (d) With respect to any Rating Agency, any Vice President thereof.
- (e) With respect to the Escrow Agent, the Manager of the Corporate Trust Department.

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

“Ordinance” means Ordinance No. 2025-[] of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

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

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

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

“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 Issuer 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.

“Purchase Price” means the principal amount of the Bonds plus accrued interest to the date of delivery, less an underwriting discount of \$20,233.50.

“Purchaser” means Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, the original purchaser of the Bonds, and any successor and assigns.

“Rating Agency” means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

“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” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Bond Resolution.

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

“Refunded Bonds” means the Series 2024-A Bonds maturing in the years 2026 to 2044, inclusive, in the aggregate principal amount of \$755,000.

“Refunded Bonds Paying Agent” means the paying agent for the Refunded Bonds as designated in the Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent of the Refunded Bonds.

“Refunded Bonds Redemption Date” means October 1, 2030.

“Refunded Bonds Resolution” means the ordinance and resolution which authorized the Refunded Bonds.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 213* hereof.

“Securities Depository” means, initially, DTC, and its successors and assigns.

“Series 2024-A Bonds” means the Issuer's General Obligation Bonds, Series 2024-A, dated February 8, 2024.

“Special Record Date” means the date fixed by the Paying Agent pursuant to *Article II* hereof for the payment of Defaulted Interest.

“Standard & Poor's” or “S&P” 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 Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“2040 Term Bonds” means the Bonds scheduled to mature in the year 2040.

“2044 Term Bonds” means the Bonds scheduled to mature in the year 2044.

“Term Bonds” means collectively the 2040 Term Bonds and the 2044 Term Bonds.

“Treasurer” means the duly appointed and/or elected Treasurer of the Issuer 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.

“Verification Report” means the verification report referenced in *Article V* hereof relating to the sufficiency of money and obligations deposited in the Escrow Fund to be applied in accordance with the Escrow Agreement.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. The Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$745,000, for the purpose of providing funds to: (a) refund the Refunded Bonds; and (b) pay Costs of Issuance.

Section 202. Description of the Bonds. The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, and shall bear interest at the rates per annum as follows:

SERIAL BONDS

| Stated Maturity <u>October 1</u> | Principal <u>Amount</u> | Annual Rate <u>of Interest</u> | Stated Maturity <u>October 1</u> | Principal <u>Amount</u> | Annual Rate <u>of Interest</u> |
|---|--|---|---|--|---|
| 2026 | \$30,000 | 6.00% | 2031 | \$30,000 | 5.00% |
| 2027 | 25,000 | 6.00% | 2032 | 35,000 | 5.00% |
| 2028 | 25,000 | 6.00% | 2033 | 35,000 | 4.35% |
| 2029 | 30,000 | 6.00% | 2034 | 35,000 | 4.45% |
| 2030 | 30,000 | 5.00% | 2035 | 35,000 | 4.55% |

TERM BONDS

| Stated Maturity <u>October 1</u> | Principal <u>Amount</u> | Annual Rate <u>of Interest</u> |
|---|--|---|
| 2040 | \$220,000 | 5.00% |
| 2044 | 215,000 | 5.10% |

The Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in *Section 204* hereof.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *EXHIBIT A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar by (a) filing with the Paying Agent or Bond Registrar then

performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

Section 204. Method and Place of Payment of the Bonds. The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

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

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

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

Section 205. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same

force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 206. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

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

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

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

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 207. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual, electronic or facsimile signature of the Mayor, attested by the manual, electronic or facsimile signature of the Clerk, and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual, electronic or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual, electronic or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Bond Registrar for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as **EXHIBIT A** hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the Issuer or its representative.

Section 208. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent 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.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Bond Resolution equally and ratably with all other Outstanding Bonds.

Section 209. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 210. Book-Entry Bonds; Securities Depository. The Issuer and Paying Agent have entered into a DTC Representation Letter with DTC. The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

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 Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

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

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

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

Section 211. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement relating to the Bonds is hereby ratified and approved. The Issuer hereby authorizes and approves the Preliminary Official Statement.

The Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor and Clerk are hereby authorized to execute the Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the Issue Date.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the Official Statement to enable the Purchaser to comply with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Bonds. The sale of the Bonds to the Purchaser is hereby ratified and confirmed. The Mayor and Clerk are hereby authorized to execute the official bid form submitted by the Purchaser. Delivery of the Bonds shall be made to the Purchaser on the Issue Date (which shall be as soon as practicable after the adoption of this Bond Resolution), upon payment of the Purchase Price.

Section 214. Authorization of Escrow Agreement. The Issuer is hereby authorized to enter into the Escrow Agreement and the Mayor and Clerk are hereby authorized and directed to execute the Escrow Agreement with such changes therein as such officials may deem appropriate, for and on behalf of and as the act and deed of the Issuer. The Escrow Agent is hereby authorized to carry out, on behalf of the Issuer, the duties, terms and provisions of the Escrow Agreement, and the Escrow Agent, the Purchaser and

Bond Counsel are authorized to take all necessary actions for the subscription and purchase of the Escrowed Securities described therein, including the subscription for United States Treasury Securities – State and Local Government Series.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer.

Optional Redemption. At the option of the Issuer, Bonds maturing on October 1 in the years 2033, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on October 1, 2032, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.

Mandatory Redemption. (a) *2040 Term Bonds.* The 2040 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in *Article IV* hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2040 Term Bonds:

| <u>Principal Amount</u> | <u>Year</u> |
|-------------------------|-------------|
| \$40,000 | 2036 |
| 40,000 | 2037 |
| 45,000 | 2038 |
| 45,000 | 2039 |
| 50,000 | 2040* |

*Final Maturity

(b) *2044 Term Bonds.* The 2044 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in *Article IV* hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2044 Term Bonds:

| <u>Principal Amount</u> | <u>Year</u> |
|-------------------------|-------------|
| \$50,000 | 2041 |
| 50,000 | 2042 |
| 55,000 | 2043 |
| 60,000 | 2044* |

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

Section 302. Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption

requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.

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

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified in this Section 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 Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account. The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

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 transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds 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.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts: Debt Service Account for Taxable General Obligation Refunding Bonds, Series 2025 (within the Bond and Interest Fund).

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Bonds are Outstanding.

In addition to the Funds and Accounts described above, the Escrow Agreement establishes the following Funds and Accounts to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement:

- (a) Escrow Fund for Refunded Bonds.
- (b) Costs of Issuance Account for Taxable General Obligation Refunding Bonds, Series 2025.

Section 502. Deposit of Bond Proceeds and other Moneys. The net proceeds received from the sale of the Bonds and other moneys shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) An amount necessary to pay the Costs of Issuance shall be transferred to the Escrow Agent for deposit into the Costs of Issuance Account and applied in accordance with the Escrow Agreement.
- (b) The remaining balance of the proceeds derived from the sale of the Bonds, together with money described in subsection (c) hereof, shall be transferred to the Escrow Agent for deposit in the Escrow Fund and applied in accordance with the Escrow Agreement.
- (c) Simultaneously with the issuance of the Bonds, the Issuer shall transfer to the Escrow Fund available funds of the Issuer in the amount of \$80,000 to provide for payment of the Refunded Bonds.

Section 503. Application of Moneys in 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 Bonds as and when the same become due and the usual and customary fees and expenses of the Bond 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 Bonds and the fees and expenses of the Bond 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 Bond Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds 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 this Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Section 504. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Moneys held in any Fund or Account may be invested in accordance with this Bond Resolution 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.

Section 505. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Escrow Agent to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Issuer for deposit into the Debt Service Account.

Section 506. Application of Moneys in the Escrow Fund. Under the Escrow Agreement, the Escrow Agent will apply moneys in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance in accordance with the Escrow Agreement. The cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely in the manner authorized by the Escrow Agreement. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Escrow Agreement.

Section 507. Verification of Certified Public Accountant. Prior to or concurrently with the issuance and delivery of the Bonds and the creation of the Escrow Fund, the Issuer shall obtain a Verification Report from an independent certified public accountant that such accountant has verified the accuracy of the calculations that demonstrate that the money and obligations required to be deposited with the Escrow Agent pursuant to this *Article V* and the Escrow Agreement, together with the earnings to accrue thereon, will be sufficient for the timely payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds in accordance with the Escrow Agreement.

ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds 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 Bond 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 Bonds.

Section 602. Limitation on Rights of Owners. The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond 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 herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein 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 herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall, subject to any determination in such action or proceeding or applicable law of the State, be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond 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 Bonds 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 of or Redemption Price of said Bonds 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 Bonds, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Bonds, 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 Bond Registrar to give such notice of redemption in compliance with *Article III* hereof. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. 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 audit, a copy thereof shall be filed in the office of the Clerk. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the Governing Body shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

Section 802. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by ordinance or resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds 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 Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by ordinance or resolution duly adopted by the Governing Body at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, 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 conform this Bond 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.

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution or ordinance adopted by the Governing Body amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental ordinance or resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or resolution or of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner. Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the ordinance or resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Bond Resolution which affects the duties or obligations of the Paying Agent under this Bond Resolution.

Section 803. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer.

Section 804. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address 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.

Section 805. Electronic Transactions. The transactions described in this Bond Resolution may be conducted, and documents related to the Bonds may be sent, received, executed, and stored, by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 806. Further Authority. The officers and officials of the Issuer, including the Mayor, City Administrator, and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 807. Severability. If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

Section 808. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 809. Effective Date. This Bond Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

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ADOPTED by the City Council on November 17, 2025.

(SEAL)

Mayor

ATTEST:

Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Bond Resolution of the Issuer adopted by the Governing Body on November 17, 2025, as the same appears of record in my office.

DATED: November 17, 2025.

Clerk

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EXHIBIT A
(FORM OF BONDS)

**REGISTERED
NUMBER __**

**REGISTERED
\$**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
TAXABLE GENERAL OBLIGATION REFUNDING BOND
SERIES 2025**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: December 3, 2025**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Caney, in the County of Montgomery, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to the Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2026 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other

address as is furnished to the Paying Agent in writing by such Registered 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 Bonds by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Registered 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 Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated “Taxable General Obligation Refunding Bonds, Series 2025,” aggregating the principal amount of \$745,000 (the “Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details of the Bonds (collectively the “Bond Resolution”). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-427 *et seq.*, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

Book-Entry System. The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made

in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Bond, together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Bonds are issued in fully registered form in Authorized Denominations.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, and that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual, electronic or facsimile signature of its Mayor and attested by the manual, electronic or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF CANEY, KANSAS

(Facsimile Seal)

By: _____ (facsimile)
Mayor

ATTEST:

By: _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of Taxable General Obligation Refunding Bonds, Series 2025, of the City of Caney, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: December 3, 2025

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: 0117-063-120325-_____

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.

Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer to

(Name and Address)

(Social Security or Taxpayer Identification No.)

the Bond to which this assignment is affixed in the outstanding principal amount of \$_____, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____

Name

TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE

OF

\$745,000

CITY OF CANEY, KANSAS

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025**

DATED DECEMBER 3, 2025

Legal Opinion

**Gilmore & Bell, P.C.
Wichita, Kansas**

\$745,000
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
DATED DECEMBER 3, 2025

CLOSING LIST

The transcript of proceedings will be prepared in electronic format unless otherwise noted, for the above referenced issue (the “Bonds”), and distributed as follows:

1. City of Caney, Kansas (the “Issuer”) [Original + electronic]
2. Hall, Levy, DeVore, Bell, Ott & Kritz, P.A., Coffeyville, Kansas (“Issuer’s Counsel”)
3. Attorney General of the State of Kansas [Original]
4. State Treasurer, Topeka, Kansas (the “Paying Agent”)
5. Robert W. Baird & Co., Inc., Milwaukee, Wisconsin (the “Original Purchaser”)
6. Ranson Financial Group, LLC, Wichita, Kansas (the “Municipal Advisor”)
7. Security Bank of Kansas City, Kansas City, Kansas (the “Escrow Agent”)
8. Gilmore & Bell, P.C., Wichita, Kansas (“Bond Counsel”)

Document
Number

**PROCEEDINGS AUTHORIZING THE SALE
AND ISSUANCE OF THE BONDS**

1. Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. 25-21
2. Resolution No. 25-21 authorizing the offering for sale of the Bonds
3. Notice of Bond Sale, Preliminary Official Statement and Certificate Regarding Preliminary Official Statement
4. Official Statement
5. Excerpt of Minutes of the governing body meeting evidencing opening of the bids, acceptance of the best bid of the Original Purchaser, passage of Ordinance No. 2025-[] and adoption of Resolution No. 25-[]
6. Ordinance No. 2025-[] authorizing the issuance of the Bonds

7. Summary of Ordinance No. 2025-[] and Affidavit of publication thereof
8. Resolution No. 25-[] prescribing the form and details of the Bonds
9. Ordinance No. 2024-01 and Resolution No. 24-02 authorizing Refunded Bonds
10. Escrow Trust Agreement
Schedule I – Verification Report
11. Subscriptions/Confirmations for the purchase of United States Government Obligations for Escrow Fund

CLOSING DOCUMENTS

12. Transcript Certificate
Exhibit A – Statement of Costs
Exhibit B – Schedule of Outstanding General Obligation Indebtedness
13. Uniform Facsimile of Signature Certificates
14. Authorization of State Treasurer to use facsimile signature and seal
15. Specimen Bond and Printer's Certificate
16. Agreement Between Issuer and Agent
17. DTC Blanket Letter of Representations
18. Closing Certificate
Exhibit A – Receipt for Purchase Price
Exhibit B – Receipt and Representation
Exhibit C – Debt Service Schedule & Proof of Yield
19. Escrow Agent's Closing Certificate

LEGAL OPINIONS

20. Approving legal opinion of Gilmore & Bell, P.C.
21. Defeasance Opinion of Gilmore & Bell, P.C.
22. Approval letter of Attorney General

MISCELLANEOUS DOCUMENTS

23. Closing Letter

* * * * *

TRANSCRIPT CERTIFICATE

**\$745,000
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
DATED DECEMBER 3, 2025**

The undersigned Mayor and Clerk of the City of Caney, Kansas (the “Issuer”), do hereby make this certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described bonds (the “Bonds”); and do hereby certify as of November 17, 2025, as follows:

1. Meaning of Words and Terms. Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to such words and terms in the hereinafter defined Bond Resolution authorizing the Bonds.

2. Organization. The Issuer is a legally constituted city of the second class organized and existing under the laws of the State of Kansas.

3. Transcript of Proceedings. The transcript of proceedings (the “Transcript”) relating to the authorization and issuance of the Bonds is to the best of our knowledge, information and belief full and complete; none of such proceedings have been modified, amended or repealed, except as might be shown in the Transcript, and the facts stated in the Transcript still exist. In each and every instance where copies appear in the Transcript, such copies are true and correct duplicates of the original instruments now on file with the Clerk.

4. Newspaper. The *Montgomery County Chronicle* was the official newspaper of the Issuer at all times during these proceedings.

5. Meetings. All of the meetings of the governing body of the Issuer at which action was taken as shown in the Transcript were either regular meetings or duly adjourned regular meetings or special meetings duly called and held in accordance with law and the ordinances and rules of the Issuer.

6. Incumbency of Officers. The following named persons were and are the duly qualified and acting officers of the Issuer at and during all the times when action was taken as indicated in the Transcript as follows:

| <u>Name</u> | <u>Title</u> | <u>Term of Office</u> |
|-------------------|---------------|-----------------------|
| Joshua D. Elliott | Mayor | 01/2024 to 01/2030 |
| Jeff Culver | Councilmember | [/20] to 01/2028 |
| Mike Holeman | Councilmember | 01/2024 to 01/2026 |
| Kenith Butts | Councilmember | 01/2023 to 01/2028 |
| Lori Patterson | Councilmember | 01/2024 to 01/2026 |
| Elizabeth Burch | Councilmember | [/20] to 01/2028 |
| Becky Dye | Councilmember | [/20] to 01/2028 |
| Travis White | Councilmember | [/20] to 01/2026 |
| [Vacant] | Councilmember | [/20] to 01/2026 |
| Adam Lanter | Clerk | 09/2025 to Date |

7. Execution of Bonds. The Bonds have been executed with facsimile signatures; and the facsimile signatures appearing on the face of the Bonds are facsimiles of the true and genuine signatures of the Mayor and Clerk of the Issuer; which facsimiles are ratified as a proper execution of said Bonds. Each signature has either been duly filed in the office of the Secretary of State of Kansas pursuant to K.S.A. 75-4001 *et seq.* or executed in accordance with K.S.A. 16-1601 *et seq.* A facsimile of the seal of the Issuer is affixed to or imprinted on each of the Bonds and on the reverse side of each of the Bonds at the place where the Clerk has executed by facsimile signature the Certificate of Registration; and each Bond bears a Certificate of Registration evidencing the fact that it has been registered in the office of the Clerk. A true impression of the seal is set forth adjacent to the signature of the Clerk below. The specimen bond included in the Transcript is in the form adopted by the governing body of the Issuer for the Bonds.

8. Authorization and Purpose of the Bonds. The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including particularly K.S.A. 10-427 *et seq.*, all as amended, Ordinance No. 2025-[] and Resolution No. 25-[] of the Issuer duly adopted by the Governing Body of the Issuer on November 17, 2025 (collectively the “Bond Resolution”) for the purpose of paying costs of issuance and refunding the following bonds of the Issuer (the “Refunded Bonds”):

| <i>Description</i> | <i>Series</i> | <i>Dated Date</i> | <i>Years</i> | <i>Amount</i> |
|--------------------|---------------|-------------------|--------------|---------------|
| G.O. Bonds | 2024-A | February 8, 2024 | 2026 to 2044 | \$755,000 |

The total principal amount of the Bonds issued to refund the Refunded Bonds does not exceed the aggregate amounts prescribed in K.S.A. 10-427, all as amended. A Statement of Cost is attached hereto as **Exhibit A** and made a part hereof by reference as though fully set out herein.

The interest rates on the Bonds on the date of the sale of the Bonds were within the maximum legal limit for interest rates under K.S.A. 10-1009, as amended.

9. Bonded Indebtedness. The currently outstanding applicable indebtedness of the Issuer, including the Bonds, does not exceed any applicable constitutional or statutory limitations. A Schedule of Bonded Indebtedness, which sets forth all currently outstanding general obligation indebtedness of the Issuer, is attached hereto as **Exhibit B** and made a part hereof by reference as though fully set out herein.

10. Valuation. The total assessed valuation of the taxable tangible property within the Issuer for the year 2025 is as follows:

| | |
|---|------------------|
| Equalized Assessed Valuation of Taxable Tangible Property | \$12,019,630 |
| Tangible Valuation of Motor Vehicles (2024) | <u>1,483,606</u> |
| Equalized Assessed Tangible Valuation | |
| for Computation of Bonded Debt Limitations | \$13,503,236 |

11. Non-litigation. There is no controversy, suit or other proceedings of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (a) the legal organization of the Issuer or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the Transcript; (d) the constitutionality or validity of the indebtedness represented by the Bonds shown to be authorized in the Transcript; (e) the validity of the Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof; or (f) the levy and collection of a tax to pay the principal of and interest on the Bonds.

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WITNESS our true and genuine manual signatures and the seal of the Issuer.

(SEAL)

Mayor

Clerk

EXHIBIT A

STATEMENT OF COST

Re: Taxable General Obligation Refunding Bonds, Series 2025, Dated December 3, 2025, of the City of Caney, Kansas

Sources of Funds:

| | |
|-------------------------------|-----------------------------------|
| Principal Amount of the Bonds | \$745,000.00 |
| Available funds of the Issuer | 80,000.00 |
| Original Issue Premium | <u>4,969.85</u> |
| <i>Total</i> | <i><u>\$829,969.85</u></i> |

Uses of Funds:

| | |
|--------------------------------------|-----------------------------------|
| Deposit to Escrow Fund | \$763,814.02 |
| Deposit to Costs of Issuance Account | 40,952.48 |
| Underwriter's Discount | <u>25,203.35</u> |
| <i>Total</i> | <i><u>\$829,969.85</u></i> |

EXHIBIT B

CITY OF CANEY, KANSAS

**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
(as of December 3, 2025)**

| Description of Indebtedness | Series | Maturity Date | Original Amount | Amount Outstanding | Amount Exempt From Debt Limit | % Exempt from Debt Limit |
|---|---------------|--------------------------|----------------------------|-------------------------------|--|---|
| G.O. Bonds | 2020-A | 06/24/2060 | \$ 540,000 | \$ 487,495 | \$ 487,495 | 100.00% |
| G.O. Bonds | 2020-B | 06/24/2060 | 2,741,000 | 2,474,506 | 2,474,506 | 100.00% |
| G.O. Bonds | 2020-C | 06/24/2060 | 693,000 | 625,620 | 625,620 | 100.00% |
| G.O. Refunding and Improvement Bonds | 2020-D | 12/01/2040 | 2,710,000 | 1,365,000 | 754,159 | 55.25% |
| G.O. Bonds | 2022-A | 08/10/2062 | 668,000 | 629,559 | 629,559 | 100.00% |
| G.O. Bonds | 2022-B | 08/10/2062 | 577,000 | 544,614 | 544,614 | 100.00% |
| G.O. Bonds ¹ | 2024-A | 10/01/2044 | 780,000 | 0 | 0 | 0.00% |
| Taxable G.O. Refunding Bonds | 2025 | 10/01/2044 | 745,000 | <u>745,000</u> | <u>0</u> | 0.00% |
| TOTAL | | | | <u>\$6,871,794</u> | <u>\$5,515,953</u> | |

¹ Excludes Refunded Bonds

**CERTIFICATE OF MANUAL SIGNATURE
OF THE CLERK OF THE CITY OF CANEY, KANSAS**

[To be included]

AGREEMENT BETWEEN ISSUER AND AGENT

\$745,000
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
DATED DECEMBER 3, 2025

THIS AGREEMENT, dated as of December 3, 2025, between the City of Caney, Kansas, a municipality (the “Issuer”), and the State Treasurer of Kansas, as Agent (the “Agent”).

WHEREAS, for its lawful purposes, the Issuer has duly authorized the issue of the above-captioned bonds (the “Securities”), and the Issuer wishes the Agent to act as its Paying Agent, Bond Registrar, and Transfer Agent for the Securities:

Now, therefore, it is hereby agreed as follows:

I. APPOINTMENT

Issuer hereby appoints or has heretofore appointed the State Treasurer of Kansas to act as Paying Agent, Bond Registrar and Transfer Agent for the Securities. The State Treasurer of Kansas hereby accepts its appointment as the Paying Agent, Bond Registrar and Transfer Agent.

II. BASIC DUTIES

- A. Issuer or its duly authorized representative agrees to furnish Agent the name(s) and address(es) of the initial registered owner(s) of the Securities together with such registered owners' tax identification (social security) number(s), the maturity date(s), denomination(s) and interest rate(s) for each Security.
- B. Agent shall manually authenticate the originally issued Securities upon the written order of one or more authorized officers of Issuer. Thereafter, Agent shall manually authenticate all Securities resulting from transfer or exchange of Securities.
- C. Agent shall maintain an office in the City of Topeka, Kansas, where Securities may be presented for registration, transfer and exchange; and shall also maintain an office in the City of Topeka, Kansas, where Securities may be presented for payment. Agent shall keep a register of the Securities and their transfer and exchange.
- D. Agent may rely upon any document believed by it to be genuine and to have been signed or presented by the proper person. Agent need not investigate any fact or matter stated in the document. Agent undertakes to perform such duties and only such duties set forth in K.S.A. 10-620 *et seq.*, except as specifically provided in this Agreement.
- E. Agent shall notify the owners of the Securities upon default in payment of principal or interest on the Securities and the Agent shall have no duties or responsibilities thereafter.

III. COMPENSATION

Issuer covenants and agrees to pay to Agent, as reasonable compensation for the services provided as Agent, an initial setup fee of \$300, a registration fee of \$30, plus a fee of \$931.25, based on a percentage of the aggregate principal amount of the Securities as follows:

1/8 of 1% (.125%) of the first \$10,000,000
1/16 of 1% (.0625%) of the next \$15,000,000
1/32 of 1% (.03125%) of the next \$25,000,000
1/64 of 1% (.015625%) of the next \$50,000,000
1/128 of 1% (.0078125%) over \$100,000,000.

This amount will be due at the time of registration unless such fee is to be paid from the proceeds of the bond issue in which case Issuer agrees to pay such fee within two (2) business days of the closing of the bond issue. In addition to the aforementioned fee, Issuer covenants and agrees to pay to Agent the fee as stated and required by K.S.A. 10-505 for performing the duties of paying the principal of the Securities.

IV. STANDARD OF PERFORMANCE

Issuer shall provide, or shall cause to be provided to Agent, a designation of whether its Securities are to be issued in certificated or uncertificated form, or both.

A. *STATEMENTS OF OWNERSHIP*

Agent agrees to provide Statements of Ownership to the owner of uncertificated Securities. Such Statements shall be in accordance with the standards set forth by the Attorney General. All Statements shall be issued in the denominations of \$1,000 or \$5,000 or integral multiples thereof except for one additional Security in another denomination, which additional Security shall mature in the initial maturity year of the series of the Securities. Interest is computed on the basis of \$1,000 or \$5,000 units and in all transactions involving the payment of interest, fractions of a cent equalling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded. Agent shall at all times maintain an adequate supply of Statements of Ownership for any anticipated transfers or exchanges of the Statements.

B. *CERTIFICATED SECURITIES*

All certificated Securities issued by Issuer under this Agreement shall be in accordance with the standards set forth by the Attorney General and unless otherwise authorized by Agent, the principal thereof shall be payable only upon surrender of the Security to Agent. All certificates shall be issued in the denomination of \$1,000 or \$5,000 or integral multiples thereof except one authorized Security in another denomination which additional Security shall mature in the initial maturity year of the series of Securities. Interest is computed on the basis of \$1,000 or \$5,000 units and in all transactions involving the payment of interest, fractions of a cent equaling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded. Issuer shall at Issuer's cost provide Agent with an adequate supply of certificates for any anticipated transfers or exchanges of the certificates. Issuer shall be responsible for the payment of the printing or other expenses for such certificates. Issuer shall be responsible for obtaining appropriate "CUSIP"

number(s) and shall notify Agent of each number(s) prior to the issuance of the applicable Securities.

C. ***INTEREST CALCULATIONS***

Agent shall calculate interest on the basis of \$1,000 and \$5,000 units, or in the case of one odd denomination, calculate the unit separately. Each intermediate unit calculation is first determined, then rounded to the sixth decimal position; i.e. whenever the seventh decimal place is equal to or greater than five the sixth decimal place is increased by one. The final per unit calculation is subsequently rounded to two decimal positions. (See Attachment "A" for sample calculation.)

D. ***SURRENDER***

Securities surrendered for payment, cancellation or partial redemption shall be cancelled by Agent and returned to Issuer in accordance with K.S.A. 10-111.

E. ***TRANSFERS AND EXCHANGES***

1. When Securities are presented to Agent for transfer or exchange, Agent shall so transfer or exchange such Securities if the requirements of Section 8-401(1) of the Uniform Commercial Code are met.
2. In accordance with the authorizing Resolution or Ordinance of the Issuer (the "Bond Resolution"), payments of interest shall be made to the owner of record of each Security as of the close of business on the fifteenth day of the month preceding each interest payment date. The Agent shall make such payments to the record owner of each Security as set forth on the registration books maintained by Agent as of such date.
3. Agent shall not be required to transfer or exchange any Security during a period beginning on the day following the fifteenth day of the month preceding any interest payment date for such Securities and ending at the close of business on the interest payment date, or to transfer or exchange any Security selected or called for redemption in whole or in part subsequent to the date notice of such redemption is given in accordance with the Bond Resolution authorizing the Securities.

F. ***REGISTRATION DATES AND FUNDS FOR PAYMENTS***

Date of Registration shall be affixed on the initial Securities. Subsequent transfers or exchanges shall bear a Date of Registration as of the date that all the required documentation is received at the Agent's official place of business. Issuer will provide funds to make any interest or principal payments in accordance with K.S.A. 10-130 and amendments thereto. Agent is hereby authorized to effect any semiannual payment of interest or any principal by charging the Issuer's Fiscal Agency account with Agent.

G. ***REPLACEMENT OF SECURITIES***

If the owner of a Security claims that a Security has been lost, destroyed or wrongfully taken, Issuer shall issue and Agent shall authenticate a replacement Security if the requirements of Section 8-405 of the Uniform Commercial Code are met. Only Agent shall

perform this function. An indemnity bond and affidavit of loss shall be provided to Agent and Issuer at the expense of the owner of the Security. Such indemnity bond and affidavit of loss must be sufficient in the judgment of Issuer and Agent to protect Issuer and Agent from any loss which any of them may suffer if the Security is replaced. Issuer may charge the Security owner for its expenses in the replacement of a Security.

H. **REDEMPTIONS**

Optional Redemption. If any Securities are to be redeemed pursuant to an optional redemption in accordance with their terms, Issuer agrees to give Agent at least fifteen (15) days written notice thereof prior to the notice to be given the Security owners. If there is no provision for notice to the Security owners, Issuer agrees to give at least thirty (30) days written notice to Agent.

Mandatory Redemption. If any Securities are subject to mandatory redemption in accordance with their terms of the Bond Resolution, no additional notice is required to be given to the Agent to exercise the mandatory redemption. The Agent will provide notice of such redemption utilizing substantially the form of Notice of Mandatory Redemption attached hereto as **Appendix I**.

Notice of Redemption. Agent shall then notify, by ordinary mail, the owner of such Securities to be so redeemed. Agent shall select the Securities to be so redeemed. Agent shall not be required to exchange or register a transfer of any Security for a period of fifteen (15) days preceding the date notice is to be provided to the Security owners for the purpose of selecting Securities on a partial redemption. Further, in the event notice is given to Agent for a complete redemption of the Issue according to the terms of the Bond Resolution, Agent shall not be required to transfer or exchange any Security beginning on the day following the 15th day preceding the date set for redemption.

I. **MISCELLANEOUS**

Agent hereby acknowledges receipt of numbered Securities of Issuer (in a number equal to one Security for each maturity) for registration and exchange, and shall safeguard any “blank” Securities held for purpose of exchange or transfer.

J. **REPORTS**

Agent shall provide Issuer an annual report of the activity with respect to the issuance of Securities upon written request of Issuer.

K. **CONSTRUCTION**

This Agreement shall be construed in accordance with the laws of the State of Kansas and also the Bond Resolution authorizing the issuance of the Securities.

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CITY OF CANEY, KANSAS

(SEAL)

By _____
Mayor

ATTEST:

By _____
Clerk

**OFFICE OF THE TREASURER
OF THE STATE OF KANSAS**

(SEAL)

By _____
Director of Fiscal Services

ATTACHMENT "A"

SAMPLE

$$\begin{array}{rcll} & \$5,000.00000 & \text{..... Bond Unit} & \\ \times & \underline{.06875} & \text{..... Interest Rate} & \\ = & 343.750000 & \text{Rounded to six decimal places} & \\ & & & \\ / & \underline{360} & \text{..... Days per year} & \\ = & .954861 & \text{Rounded to six decimal places} & \\ & & & \\ \times & \underline{180} & \text{..... Day in interest period} & \\ = & 171.874980 & \text{(Rounded to second decimal = \$171.87)} & \end{array}$$

Unit interest is then multiplied by the number of units in the maturity.

APPENDIX I

**NOTICE OF CALL FOR MANDATORY REDEMPTION
TO THE OWNERS OF
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025, DATED DECEMBER 3, 2025**

Notice is hereby given that pursuant to the provisions of *Article III* of Resolution No. 25-[] (the “Bond Resolution”) of the City of Caney, Kansas (the “Issuer”) that a portion of the above-mentioned bonds (the “Bonds”) scheduled to mature in [2040] [2044] (the “Called Bonds”), have been called for mandatory redemption and payment on October 1, [] (the “Redemption Date”), at the principal office of the Treasurer of the State of Kansas (the “Bond Registrar and Paying Agent”).

| <u>[Nos.]</u> | <u>Maturity Date</u> <u>(October 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>CUSIP</u> <u>Number</u> |
|---------------|--|-----------------------------------|--------------------------------|-------------------------------|
|---------------|--|-----------------------------------|--------------------------------|-------------------------------|

On the Redemption Date there shall become due and payable, upon the presentation and surrender of each such Called Bond, the redemption price thereof equal to 100% of the principal amount thereof together with interest accrued to the Redemption Date. Bonds issued in denominations of greater than \$5,000 may be subject to partial redemption. In such event, a new certificate or certificates will be issued to the Owner in the principal amount to remain Outstanding. Interest shall cease to accrue on the Called Bonds so called for redemption from and after the Redemption Date provided such funds for redemption are on deposit with the Paying Agent.

CITY OF CANEY, KANSAS

By _____
Treasurer of the State of Kansas,
Topeka, Kansas

**UNDERWRITING SAFEKEEPING AGREEMENT
BY AND BETWEEN
DEPOSITORY TRUST COMPANY
AND
THE CITY OF CANEY, KANSAS
AND
THE OFFICE OF THE KANSAS STATE TREASURER**

**\$745,000
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
DATED DECEMBER 3, 2025**

In order to induce the Depository Trust Company (the "DTC") to accept delivery of the above captioned bonds (the "Bonds") for safekeeping prior to the delivery of the Bonds on December 3, 2025 (the "Closing Date"), the City of Caney, Kansas (the "Issuer"), and the Treasurer of the State of Kansas (the "Agent") hereby agree to place the entire principal amount of the Bonds, in the custody, control and possession of DTC at least one day prior to the Closing Date. The Issuer further agrees that by copy of this letter appropriately executed, it will notify DTC to follow the instructions of Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, as the Underwriter (the "Underwriter") in distributing the Bonds.

By executing this agreement in the appropriate place DTC acknowledges upon receipt from the Agent of possession, custody and control of the Bonds, and agrees to safekeep and hold in escrow the Bonds until it shall have received notification from one of the following authorized representatives of the Issuer to release or return the Bonds: Adam Lanter, Clerk, or Gilmore & Bell, P.C., Bond Counsel. Notification may be made by telephone or by receipt of an executed notice, delivered or telecopied to DTC; provided, however, that if the notification is made by telephone, written notice must be sent within 24 hours of the original notification. In the event the Issuer executes the release of the Bonds, DTC will distribute the Bonds pursuant to written instructions provided by the Underwriter; however, in the event a demand for the return of the Bonds is received, DTC shall return the Bonds as soon as practicable, but in any event, no later than the following business day.

DTC agrees to hold the Issuer and the Agent, as their interests may appear, and any of their officers or employees, harmless from any liability, loss, damage or reasonable expense in connection with the loss, theft, destruction or other disappearance of the Bonds while they are in the possession, custody or control of DTC, prior to concluding the Closing with respect to the Bonds and prior to distributing the Bonds in accordance with the instructions furnished by the Underwriter.

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CITY OF CANEY, KANSAS

Dated: November 17, 2025

By: _____
Clerk

**OFFICE OF THE TREASURER OF
THE STATE OF KANSAS, As Agent**

Dated: _____

By: _____
Title: Director of Fiscal Services

DEPOSITORY TRUST COMPANY

Dated: _____

By: _____
Title: _____

ESCROW AGENT'S CLOSING CERTIFICATE

\$745,000
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
DATED DECEMBER 3, 2025

Security Bank of Kansas City, Kansas City, Kansas, as escrow agent (the "Escrow Agent") under the Escrow Trust Agreement dated as of December 3, 2025 (the "Escrow Agreement"), between the Escrow Agent and the City of Caney, Kansas, in connection with the issuance of the above described bonds (the "Bonds"), does hereby certify as follows:

1. Power and Authority of Escrow Agent. The Escrow Agent is a state banking corporation duly organized and existing under the laws of the State of Kansas, is authorized and empowered to execute and deliver the Escrow Agreement and has full power and authority to act as Escrow Agent as provided in the Escrow Agreement.

2. Execution of Escrow Agreement. The Escrow Agreement has been duly executed on behalf of the Escrow Agent, by a duly authorized officer, who was at the time of the execution of the Escrow Agreement, and is now, the duly elected or appointed, qualified and acting incumbent of his or her respective office, and duly authorized to perform the acts referred to in this paragraph.

3. Deposit of Cash and Escrowed Securities. The Escrow Agent, in accordance with the requirements of the Escrow Agreement, has received the cash and Escrowed Securities as described in the Escrow Agreement, and deposited said cash and Escrowed Securities in the Escrow Fund created by the Escrow Agreement.

4. Costs of Issuance. In addition to the amounts described in **Section 3**, the Escrow Agent has received the sum of \$40,952.48 for deposit into the Costs of Issuance Account created with the Escrow Agent pursuant to the Escrow Agreement. The Escrow Agent has agreed to pay Costs of Issuance in an aggregate sum not to exceed said amount, in accordance with and the manner described in **Section 12(b)** of the Escrow Agreement. An estimated schedule of such expenses is attached hereto as **Schedule 1**.

DATED: December 3, 2025.

SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS
as Escrow Agent

By: _____
Title: _____

SCHEDULE 1

ESTIMATED COSTS OF ISSUANCE

| <i>Recipient</i> | <i>Purpose</i> | <i>Amount</i> |
|------------------------------|------------------------|---------------------------|
| Kansas State Treasurer | Paying Agent Fees | \$1,500.00 |
| Ranson Financial Group, LLC | Municipal Advisor Fees | 15,000.00 |
| Security Bank of Kansas City | Escrow Agent | 3,500.00 |
| Robert Thomas CPA, LLC | CPA Verification Fees | 2,500.00 |
| Gilmore & Bell, P.C. | Legal Fees | 13,000.00 |
| CUSIP Service Bureau | CUSIP Bureau Fee | 1,000.00 |
| Kansas Attorney General | Attorney General Fee | 250.00 |
| | Miscellaneous | <u>4,202.48</u> |
| | <i>TOTAL</i> | <i>\$40,952.48</i> |

The Issuer hereby provides to the Escrow Agent this schedule of estimated expenses to be paid by the Escrow Agent from money on deposit in the Costs of Issuance Account, all in the manner set forth in ***Section 12(b)*** of the Escrow Agreement.

CITY OF CANEY, KANSAS

By: _____
Title: Clerk

CLOSING CERTIFICATE

\$745,000
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
DATED DECEMBER 3, 2025

The undersigned Mayor and Clerk of the City of Caney, Kansas (the “Issuer”), make this Certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described bonds (the “Bonds”); and certify as of December 3, 2025 (the “Issue Date”), as follows:

1. Meaning of Words and Terms. Capitalized words and terms used in this Certificate, unless otherwise defined in this Certificate or the context requires otherwise, have the same meanings ascribed to such words and terms in the Bond Resolution (defined below) authorizing the Bonds.

2. Transcript of Proceedings. The transcript of proceedings relating to the authorization and issuance of the Bonds (the “Transcript”), furnished to the Purchaser of the Bonds, is to the best of our knowledge, information and belief full and complete; none of such proceedings have been modified, amended or repealed, except as might be shown in the Transcript; and the facts stated in the Transcript still exist. In each instance where copies appear in the Transcript, such copies are true and correct duplicates of the original instruments now on file with the Clerk. All certifications made by the Issuer in the Transcript Certificate dated November 17, 2025 are true and correct as of this date and are incorporated in this Certificate by reference.

3. Authorization and Purpose of the Bonds. The Issuer is issuing and delivering the Bonds simultaneously with the delivery of this Certificate, pursuant to and in full compliance with the Constitution and statutes of the State, including particularly K.S.A. 10-427 *et seq.*, as amended, Ordinance No. 2025-[] and Resolution No. 25-[] of the Issuer duly adopted by the Governing Body of the Issuer on November 17, 2025 (collectively the “Bond Resolution”) for the purpose of paying costs of issuance and refunding the following bonds of the Issuer (the “Refunded Bonds”):

| <i>Description</i> | <i>Series</i> | <i>Dated Date</i> | <i>Years</i> | <i>Amount</i> |
|---------------------------|----------------------|--------------------------|---------------------|----------------------|
| G.O. Bonds | 2024-A | February 8, 2024 | 2026 to 2044 | \$755,000 |

The purpose of the refunding is due to a change in use of the improvement originally financed by the Refunded Bonds and to provide an orderly plan of finance for the Issuer.

4. Security for the Bonds. The Bonds are general obligations of the Issuer payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are pledged under the Bond Resolution to the payment of the principal of and interest on the Bonds. In the Bond Resolution, the governing body of the Issuer has covenanted to annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

5. Sale of Bonds. The Bonds have been sold at rates not in excess of the limitations set forth in K.S.A. 10-1009. The Notice of Bond Sale dated October 6, 2025 and included in the Transcript constitutes a full true and correct copy thereof. A copy of such Notice of Bond Sale and Preliminary Official Statement was sent to prospective purchasers of the Bonds, and to all other persons and firms requesting copies of such Notice of Bond Sale and Preliminary Official Statement. The total proceeds to be received by the Issuer from the sale of the Bonds are as evidenced in **Exhibit A** attached to this Certificate, the purchaser's receipt and representations are contained in **Exhibit B** attached to this Certificate, and the debt service schedule for the Bonds is set forth in **Exhibit C** attached to this Certificate.

The net proceeds received from the sale of the Bonds and other available funds of the Issuer shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) The amount of \$40,952.48 shall be transferred to the Escrow Agent for deposit into the Costs of Issuance Account and applied in accordance with the Escrow Agreement.

(b) The remaining balance of the proceeds derived from the sale of the Bonds in the amount of \$683,814.02 shall be transferred to the Escrow Agent for deposit in the Escrow Fund and applied in accordance with the Escrow Agreement.

(c) Simultaneously with the issuance of the Bonds, the Issuer shall transfer to the Escrow Fund available funds of the Issuer in the amount of \$80,000 to provide for payment of the Refunded Bonds.

6. Official Statement. The Official Statement contained in the Transcript constitutes a full, true and correct copy of the Official Statement relating to the Bonds. To the best of our knowledge, the Official Statement, other than the sections entitled "The Depository Trust Company," "Ratings," "Legal Matters," "Tax Matters," "Verification of Escrow," and **Appendices B-C**, about which the Issuer expresses no opinion, is true in all material respects, and does not contain any untrue statement of a material fact or does not omit to state a material fact, necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As of this date there has been no material adverse change in the financial condition or the financial affairs of the Issuer since the date of the Official Statement. No other event has occurred which is necessary to be disclosed in the Official Statement in order to make the statements therein not misleading in any material respect as of the date of this Certificate. The Issuer has previously caused to be delivered to the Purchaser copies of the Official Statement.

7. Non-Litigation. There is no controversy, action, suit, proceeding, or to the best of our knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the best of our knowledge, threatened against or affecting the Issuer, its officers or its property, or, to the best of our knowledge, any basis therefor questioning, disputing or affecting in any way: (a) the legal organization of the Issuer or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the Transcript; (d) the constitutionality or validity of the indebtedness represented by the Bonds shown to be authorized in the Transcript; (e) the validity of the Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof; (f) the levy and collection of an ad valorem property tax to pay the principal of and interest on the Bonds; or (g) the federal or state tax-exempt status of the interest on the Bonds; wherein any unfavorable decision, ruling or finding would adversely affect the Issuer, the transactions contemplated by the Bond Resolution or the Official Statement, or the validity or enforceability of the Bonds which are not disclosed in the final Official Statement.

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WITNESS our signatures and the seal of the Issuer.

(SEAL)

Mayor

Clerk

EXHIBIT A

RECEIPT FOR PURCHASE PRICE

\$745,000

CITY OF CANEY, KANSAS

TAXABLE GENERAL OBLIGATION REFUNDING BONDS

SERIES 2025

DATED DECEMBER 3, 2025

The undersigned Clerk of the City of Caney, Kansas, this day received from Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, the original purchaser of the above-described bonds (the "Bonds"), the full purchase price of the Bonds, said purchase price and net amount received by the Issuer being calculated as follows:

| | |
|---|----------------------------|
| Principal Amount..... | \$745,000.00 |
| Less Underwriting Discount..... | <u>-20,233.50</u> |
| <i>Total Purchase Price.....</i> | <i>\$724,766.50</i> |

DATED: December 3, 2025.

CITY OF CANEY, KANSAS

By: _____
Clerk

EXHIBIT B

RECEIPT AND REPRESENTATION

**\$745,000
CITY OF CANEY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
DATED DECEMBER 3, 2025**

This Receipt and Representation (the “Certificate”) is being delivered by Robert W. Baird & Co., Inc., Milwaukee, Wisconsin (the “Purchaser”) in connection with the issuance of the above-described bonds (the “Bonds”), being issued on the date of this Receipt by the City of Caney, Kansas (the “Issuer”). Based on its records and information available to the undersigned which the undersigned believes to be correct, the Purchaser represents as follows:

- 1. Authorized Representative.** The undersigned is the duly authorized representative of the Purchaser.
- 2. Receipt for Bonds.** The Purchaser acknowledges receipt by the Depository Trust Company on behalf of the Purchaser on the Issue Date of the Bonds consisting of fully registered “book-entry-only” bonds in Authorized Denominations in a form acceptable to the Purchaser.
- 3. Issue Price.** The Purchaser has offered all the Bonds to the Public in a *bona fide* initial offering to the Public at the offering prices set forth on ***Schedule 1*** attached to this Certificate
- 4. Reliance.** The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder.

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Dated: December 3, 2025.

ROBERT W. BAIRD & CO., INC.
MILWAUKEE, WISCONSIN

By: _____
Title: _____

SCHEDULE 1

INITIAL OFFERING PRICES

SERIAL BONDS

| <u>Stated Maturity October 1</u> | <u>Principal Amount</u> | <u>Annual Rate of Interest</u> | <u>Initial Offering Price</u> | <u>Stated Maturity October 1</u> | <u>Principal Amount</u> | <u>Annual Rate of Interest</u> | <u>Initial Offering Price</u> |
|---|------------------------------------|---|--|---|------------------------------------|---|--|
| 2026 | \$30,000 | 6.00% | 101.605% | 2031 | \$30,000 | 5.00% | 103.829% |
| 2027 | 25,000 | 6.00% | 103.484% | 2032 | 35,000 | 5.00% | 103.798% |
| 2028 | 25,000 | 6.00% | 105.290% | 2033 | 35,000 | 4.35% | 99.339% |
| 2029 | 30,000 | 6.00% | 106.843% | 2034 | 35,000 | 4.45% | 99.273% |
| 2030 | 30,000 | 5.00% | 103.678% | 2035 | 35,000 | 4.55% | 99.212% |

TERM BONDS

| <u>Stated Maturity October 1</u> | <u>Principal Amount</u> | <u>Annual Rate of Interest</u> | <u>Initial Offering Price</u> |
|---|------------------------------------|---|--|
| 2040 | \$220,000 | 5.00% | 100.000% |
| 2044 | 215,000 | 5.10% | 98.801% |

EXHIBIT C

DEBT SERVICE SCHEDULE AND PROOF OF YIELD

[FORM OF BOND COUNSEL OPINION]

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

[December 3, 2025]

Governing Body
City of Caney, Kansas

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

Re: \$745,000 Taxable General Obligation Refunding Bonds, Series 2025, of the City
of Caney, Kansas, Dated December 3, 2025

We have served as Bond Counsel to the City of Caney, Kansas (the "Issuer"), in connection with the issuance by the Issuer of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. The Bonds are payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.
3. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, or the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

GILMORE & BELL, P.C.

[FORM OF DEFEASANCE OPINION]

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

[December 3, 2025]

Governing Body
City of Caney, Kansas

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

Security Bank of Kansas City
Kansas City, Kansas

Re: City of Caney, Kansas, General Obligation Bonds, Series 2024-A

This opinion is delivered to you in connection with the satisfaction, discharge and defeasance of the following described bonds (the “Defeased Bonds”) originally issued by the City of Caney, Kansas (the “Issuer”):

| <i>Series</i> | <i>Dated Date</i> | <i>Defeased Amount</i> | <i>Years</i> | <i>Redemption Date</i> |
|----------------------|--------------------------|-------------------------------|---------------------|-------------------------------|
| 2024-A | February 8, 2024 | \$755,000 | 2026 to 2044 | October 1, 2030 |

The Defeased Bonds were issued pursuant to an ordinance and a resolution adopted by the governing body of the Issuer (collectively the “Bond Resolution”). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Resolution.

Provision has been made for the payment of the principal, redemption price, if any, and interest due or to become due on the Defeased Bonds to the above-referenced Redemption Date at the times and in the manner specified in the Bond Resolution, by the irrevocable deposit in trust with Security Bank of Kansas City, Kansas City, Kansas, as escrow agent (the “Escrow Agent”), pursuant to the Escrow Trust Agreement dated as of December 3, 2025 (the “Escrow Trust Agreement”), between the Issuer and the Escrow Agent, of cash and government securities that, according to the Verification Report described below, will mature as to principal and will pay interest in amounts and at times that will provide sufficient moneys to make such payments.

We have examined the law, the Bond Resolution, the Escrow Trust Agreement and the other documents and certified proceedings that we deem necessary to render this opinion. Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Escrow Trust Agreement has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer, enforceable against the Issuer except as

may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and by equitable principles whether considered at law or in equity.

2. Provision has been made for payment of the Defeased Bonds in accordance with K.S.A. 10-427 *et seq.* All conditions precedent to the satisfaction, discharge and defeasance of the Defeased Bonds contained in the Bond Resolution have been complied with, and the Defeased Bonds are deemed to be paid and discharged under the Bond Resolution. All conditions precedent to the satisfaction, discharge and defeasance of the Bond Resolution have been complied with, and the requirements contained in the Bond Resolution and all other rights granted thereby have ceased and terminated in accordance with the provisions thereof.

3. Provision for the payment, discharge and defeasance of the Defeased Bonds will not, in and of itself, cause the interest on the Defeased Bonds to become included in gross income for federal income tax purposes.

In rendering the opinions set forth herein, we have relied upon the calculations and conclusions contained in the Verification Report dated December 3, 2025, of Robert Thomas CPA, LLC, certified public accountants, relating to the sufficiency of the Escrow Fund established under the Escrow Trust Agreement relating to the Issuer's Taxable General Obligation Refunding Bonds, Series 2025, Dated December 3, 2025 and the Defeased Bonds, without undertaking to verify the same.

We express no opinion with respect to the effect on the original status of the interest on the Defeased Bonds for federal income tax purposes of any actions taken or omitted to be taken by the Issuer or its affiliates with respect to the ownership, use or operation of the facilities financed or refinanced with the proceeds of the Defeased Bonds other than as stated in this opinion.

This opinion is delivered to you for your use only and may not be used or relied on by any third party for any purpose without our prior written approval in each instance.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

ESCROW TRUST AGREEMENT

BETWEEN

CITY OF CANEY, KANSAS

AND

**SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS
as Escrow Agent**

DATED AS OF DECEMBER 3, 2025

Entered in Connection with the Issuance of

TAXABLE GENERAL OBLIGATION REFUNDING BONDS

SERIES 2025

ESCROW TRUST AGREEMENT

THIS ESCROW TRUST AGREEMENT, dated as of December 3, 2025, by and between the City of Caney, Kansas, a municipal corporation organized and existing under the laws of the State of Kansas (the “Issuer”), and Security Bank of Kansas City, a state banking corporation with an office located in Kansas City, Kansas, and having full trust powers, as Escrow Agent (the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Issuer has heretofore duly authorized and issued the Refunded Bonds; and

WHEREAS, the Refunded Bonds will mature (or will be subject to redemption prior to maturity) and will have interest payable in the amounts and at the times shown in the Verification Report; and

WHEREAS, pursuant to the Bond Resolution, the Issuer authorized the issuance and delivery of the Bonds for the purpose of providing funds and investment earnings thereon, to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds, including the purchase of non-callable direct obligations of the United States of America described in the Verification Report.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Definitions. In addition to the definitions contained in the Bond Resolution, the following words and terms used in this Escrow Agreement shall have the following meanings, unless the context or use indicates another or different meaning:

“Agreement” means this Escrow Trust Agreement.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the Issuer.

“Bond Payment Date” means any date on which any principal of, or interest on, any of the Refunded Bonds is due and payable.

“Bond Resolution” means collectively Ordinance No. 2025-[] and Resolution No. 25-[] of the Issuer authorizing issuance of the Bonds.

“Bonds” means the Taxable General Obligation Refunding Bonds, Series 2025, of the Issuer authorized by the Bond Resolution.

“Costs of Issuance Account” means the Costs of Issuance Account for Taxable General Obligation Refunding Bonds, Series 2025 created pursuant to the Bond Resolution and administered by the Escrow Agent in accordance with **Section 12(b)** hereof.

“Escrow Agent” means Security Bank of Kansas City, Kansas City, Kansas and its successor or successors at the time acting as the Escrow Agent under this Agreement.

“Escrow Fund” means the fund by that name created in **Section 3** of this Agreement.

“Escrowed Securities” means the securities that satisfy the requirement of Defeasance Obligations as set forth in the Refunded Bonds Resolution, which are listed in the Verification Report, and any Substitute Escrowed Securities.

“Municipal Advisor” means Ranson Financial Group, LLC, Wichita, Kansas.

“Issuer” means the City of Caney, Kansas.

“Paying Agent” means the State Treasurer, the paying agent for the Refunded Bonds as designated in the Refunded Bond Resolution, and any successor or successors at the time acting as paying agent for the Refunded Bonds.

“Purchaser” means Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, the original purchaser of the Bonds, and any successor and assigns.

“Redemption Date” means October 1, 2030.

“Refunded Bond Resolution” means collectively the Issuer's Ordinance No. 2024-01 and Resolution No. 24-02, which authorized the Series 2024-A Bonds.

“Refunded Bonds” means the Series 2024-A Bonds maturing in the years 2026 to 2044, inclusive, in the aggregate principal amount of \$755,000.

“Series 2024-A Bonds” means the Issuer's General Obligation Bonds, Series 2024-A, dated February 8, 2024.

“Substitute Escrowed Securities” means securities that satisfy the requirement of Defeasance Obligations as set forth in the Refunded Bonds Resolution, which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8** of this Agreement.

“SLGS” means United States Treasury Obligations – State and Local Government Series.

“Verification Report” means the verification report referenced in **Section 4** hereof, a copy of which is attached hereto as **Schedule 1**.

2. Receipt of Bond Resolutions. Receipt of an executed counterpart of the Bond Resolution and copy of the Refunded Bond Resolution, certified as true and correct by the Clerk of the Issuer, is hereby acknowledged by the Escrow Agent, and reference herein to, or citation herein of, any provision of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

3. Creation of the Escrow Fund. There is hereby created and established with the Escrow Agent the following special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and designated as the “Escrow Fund for General Obligation Bonds, Series 2024-A.”

4. Verification Report. Robert Thomas CPA, LLC, Certified Public Accountants, have verified the mathematical computations performed by the Municipal Advisor, which demonstrate that the cash held in the Escrow Fund, together with the maturing Escrowed Securities and interest to accrue thereon, will be sufficient to pay all principal of, redemption premium, if any, and interest on the Refunded Bonds on the respective Bond Payment Dates. A copy of such report is attached hereto as **Schedule 1**.

5. Deposits to the Escrow Fund. Concurrently with the execution and delivery of this Agreement, and pursuant to the provisions of the Bond Resolution, the Issuer herewith deposits with the Escrow Agent, and the Escrow Agent acknowledges receipt and deposit into the Escrow Fund of, proceeds of the Bonds in the amount of \$683,814.02 and other available funds of the Issuer in the amount of \$80,000.00, which together aggregate \$763,814.02. The Escrow Agent shall apply such amount as follows:

(a) \$763,813.00 shall be used to purchase the Escrowed Securities described in the Verification Report, which shall be delivered to and deposited in the Escrow Fund.

(b) \$1.02 shall be held uninvested in the Escrow Fund as a beginning balance.

6. Creation of Lien. The Escrow Fund shall be irrevocable. The owners of the Refunded Bonds are hereby granted an express lien on, and security interest in, the Escrowed Securities and the cash in the Escrow Fund and all earnings thereon until used and applied in accordance with this Agreement. The matured principal of, and earnings on, the Escrowed Securities and any cash in the Escrow Fund are hereby pledged and assigned, and shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds.

7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this Section or in **Section 8** hereof, the Escrow Agent shall have no power or duty to invest any money held hereunder or to sell transfer or otherwise dispose of any Escrowed Securities.

(b) On or prior to the Business Day preceding each Bond Payment Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of, redemption premium, if any, and interest on the Refunded Bonds becoming due and payable on such Bond Payment Date or the Redemption Date, as set forth in the Verification Report and **Schedule 2** attached hereto, and shall forward such amount to the offices of the respective Paying Agent, so that immediately available funds will reach the offices of the Paying Agent on or before the close of business on the Business Day preceding such Bond Payment Date and the Redemption Date. In order to make the payments required by this **subsection (b)**, the Escrow Agent is hereby authorized to redeem or otherwise dispose of Escrowed Securities in accordance with the maturity schedules in the Verification Report. The liability of the Escrow Agent to make the payments required by this **subsection (b)** shall be limited to the money and Escrowed Securities in the Escrow Fund.

(c) In the event that the principal of or interest on any of the Escrowed Securities is not timely paid, the Escrow Agent shall immediately make written demand on the provider thereof or any guarantor thereof.

(d) Reserved.

(e) Upon the payment in full of the principal of, redemption premium, if any, and interest on the Refunded Bonds, all remaining money and Escrowed Securities in the Escrow Fund, together with any interest thereon, shall be transferred to the Issuer to be applied by the Issuer in accordance with law.

(f) After the transfers described in **subsection (b)** above, cash balances in excess of \$1,000 remaining in the Escrow Fund from redemption of Escrowed Securities shall, to the extent required or permitted by applicable Treasury Regulations and to the extent that such securities are then available for

purchase, be invested by the Escrow Agent in SLGS, maturing on or prior to the next interest Bond Payment Date on the Refunded Bonds, at the rate of 0.00%, in accordance with the provisions of the Verification Report.

8. Substitute Escrowed Securities.

(a) In the event that any of the Escrowed Securities are not available for delivery on the date of the issuance of the Bonds, the Escrow Agent is directed to accept substitute securities in lieu thereof, provided: (1) the substitute securities are non-callable direct obligations of the United States of America, (2) the maturing principal of and interest on such substitute securities (excluding any interest after any optional call date) is equal to or greater than the maturity value of such unavailable Escrowed Securities, (3) principal of and interest on the substitute securities is payable on or before the maturity date of the unavailable Escrowed Securities, and (4) the Issuer and Bond Counsel in writing approve such substitution. If the original Escrowed Securities become available and are tendered to the Escrow Agent by or on behalf of the Municipal Advisor, the Escrow Agent shall accept such Escrowed Securities, shall return the substitute securities as directed by such Municipal Advisor and shall notify Bond Counsel and the Issuer of the transaction.

(b) At the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of the Escrowed Securities and to substitute for the Escrowed Securities solely cash or Substitute Escrowed Securities. The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if: (1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously; (2) the Escrow Agent shall receive from an independent certified public accountant acceptable to the Escrow Agent in its reasonable judgment a certification, satisfactory in form and substance to the Escrow Agent, to the effect that after such substitution, (A) the principal of and interest on the Escrowed Securities to be held in the Escrow Fund after the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Refunded Bonds pursuant to the Verification Report and **Schedule 2** hereto, and (B) the amounts and dates of the anticipated transfers from the Escrow Fund to the Paying Agent for the Refunded Bonds will not be diminished or postponed thereby; and (3) the Escrow Agent shall receive a written opinion of Bond Counsel to the effect that such substitution is permitted under this Agreement and would not cause the interest on either the Bonds or the Refunded Bonds to become included in gross income for purposes of federal income taxation under then existing law. In the event that any such substitution results in cash held in the Escrow Fund in excess of the cash required for the certification of an independent certified public accountant referred to in this **subsection (b)** (as evidenced by such certification), the Escrow Agent shall, at the request of the Issuer, withdraw such excess from the Escrow Fund and pay such excess to the Issuer, and the Issuer shall apply such excess as provided by law; provided that, in the written opinion of Bond Counsel delivered to the Escrow Agent, such withdrawal and application will not be contrary to State law and will not cause the interest on the Bonds or the Refunded Bonds to become included in gross income for purposes of federal income taxation.

9. Redemption of Refunded Bonds. The Escrow Agent acknowledges that (a) the Issuer has notified the Escrow Agent that the Issuer has elected to call the Refunded Bonds described in **Schedule 2** hereto for redemption and payment prior to maturity, on the Redemption Date, in accordance with the Refunded Bond Resolution and (b) the Issuer has directed the Escrow Agent to notify the Paying Agent not less than 45 days and not more than 90 days prior to each Redemption Date of such call for redemption so that the Paying Agent may cause notice of the call for redemption and payment of the

Refunded Bonds to be given on behalf of the Issuer in the manner provided in the Refunded Bond Resolution. The Escrow Agent agrees to give notice of said redemption, in substantially the form of **Exhibit A** attached hereto, on behalf of the Issuer. The Escrow Agent is further directed by the Issuer to give additional notice of defeasance in substantially the form of **Exhibit B** attached hereto, to the Paying Agent and to Central States Capital Markets, LLC, the original purchaser of the Series 2024-A Bonds, not more than 10 days after December 3, 2025. Additional notice is for convenience in facilitating said redemption and defeasance; failure to give such notice as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption and defeasance of the Refunded Bonds.

10. Reports of the Escrow Agent. As long as any of the Refunded Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least sixty (60) days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the next Bond Payment Date or Redemption Date. In the event that funds are not sufficient to make the required payments on such Bond Payment Date or Redemption Date, the Escrow Agent shall certify in writing to the Issuer (a) the amount so determined and (b) a list of the moneys and Escrowed Securities held by the Escrow Agent in the Escrow Fund on the date of such certification, including all moneys held by it which were received as interest or profit from Escrowed Securities. On or prior to the Redemption Date, the Escrow Agent shall provide to the Issuer a certificate verifying dissemination of notice to the Paying Agent as required in **Section 9** hereof.\

11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on, or right of set-off with respect to, any of the moneys or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and moneys to pay the Refunded Bonds. So long as the Escrow Agent applies the Escrowed Securities and moneys held in the Escrow Fund as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds.

(c) In the event of the Escrow Agent's failure to account for any of the Escrowed Securities or moneys received by it, said Escrowed Securities or moneys shall be and remain the property of the Issuer pledged to the Owners of the Refunded Bonds and if, for any reason, such Escrowed Securities or moneys are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent shall not be responsible for any action or failure to take action on the part of the Paying Agent. In event of the Escrow Agent's failure to give notice to the Paying Agent to give notice of redemption as required in **Section 9** hereof, the Escrow Agent shall be liable for any loss, expense or cost to the Issuer, including the payment of additional interest on the Refunded Bonds. Notwithstanding the foregoing subsections, the Escrow Agent shall not be relieved of liability arising from, and proximate to, its failure to comply fully with the terms of this Agreement.

12. Fees and Costs.

(a) ***Escrow Agent Fees.*** The aggregate amount of the costs, fees and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is a one-time fee in the amount of \$3,500.00, which amount shall be paid from money on deposit in the Costs of Issuance Account established by the Bond Resolution concurrently with the issuance and delivery of the Bonds. Notwithstanding the preceding, the Escrow Agent shall be entitled to reimbursement from the Issuer of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made to the Issuer and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

(b) ***Costs of Issuance Account.*** In addition to the amount set forth in **Section 5** hereof, the Escrow Agent shall receive the sum of \$40,952.48 for deposit into the Costs of Issuance Account hereby created with the Escrow Agent. The Escrow Agent shall pay Costs of Issuance in an aggregate sum not to exceed said amount. At closing, the Issuer may provide a written estimate of such expenses to the Escrow Agent. The Escrow Agent is authorized to pay such costs based on receipt of invoices or statements in amounts not in excess of those estimated on said schedule. In the event invoices are received in excess of the estimated amounts set forth on said schedule, such amounts shall not be paid without written approval of the Issuer. Any Costs of Issuance funds on deposit which the Issuer shall certify to the Escrow Agent are not needed to pay such expenses shall be returned to the Issuer following receipt of such certification, but in any case not later than 30 days prior to April 1, 2026.

13. Resignation or Removal of Escrow Agent; Successor Escrow Agent. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the Issuer and the Paying Agent (who shall cause notice to be given to the Owners of the Refunded Bonds by first-class mail) not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the Issuer of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the Issuer, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and the Issuer and signed by the owners of a majority in principal amount of the Refunded Bonds then outstanding; provided that written notice thereof is mailed on or before the date of such removal by first-class mail, postage prepaid, to all Owners of such Refunded Bonds, who are not parties to such instruments. The Escrow Agent may also be removed by the Issuer if the Escrow Agent fails to make timely payment of available moneys on any Bond Payment Date to the Paying Agent of the amounts required to be paid by it on such Bond Payment Date by **Section 7(b)** of this Agreement; provided that written notice thereof is mailed on or before the date of such removal by first-class mail, postage prepaid, to the Paying Agent and to all Owners of such Refunded Bonds, who are not parties to such instruments. Any removal pursuant to this paragraph shall become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the Issuer, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

If the Escrow Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, the Issuer shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the Issuer in the manner above provided, and any such temporary Escrow Agent so appointed by the Issuer shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the Issuer pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the Issuer or instrument of removal has been delivered to the Escrow Agent, the Owner of any of the Refunded Bonds or any retiring or removed Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers authorized to do business in the State of Kansas (as required by K.S.A. 10-427 *et seq.*, as amended), and organized under the banking laws of the United States or the State of Kansas and shall have at the time of appointment capital and surplus of not less than \$10,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Issuer, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the Issuer be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Any corporation into which the Escrow Agent, or any successor to it of the duties and responsibilities created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it may be a party, shall, if satisfactory to the Issuer, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

In the event of resignation or removal of the Escrow Agent, a portion of the amount paid to the Escrow Agent pursuant to the preceding section shall be returned to the Issuer, such portion to be computed by multiplying the fee specified in the preceding section by the ratio of the number of months which the trust created by this Agreement will continue from the effective date of such resignation or removal to the entire term of such trust. Of the amount paid to the Escrow Agent, one-fourth of the one-time fee shall be treated as the initial set up fee and is not refundable.

14. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the Owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such Owners, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such Owners, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such Owners and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the Owners of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Owners or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified written opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the Owners of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

15. Indemnification. The Issuer hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees, expenses and disbursements, without limitation) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by the Issuer or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Fund or the Costs of Issuance Account established hereunder, the acceptance of the moneys and securities deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided however, that the Issuer shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this **Section 15**. The indemnities contained in this **Section 15** shall survive the termination of this Agreement.

The Escrow Agent and its respective successors, assigns, agents, directors, officers, employees and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund or the Costs of Issuance Account, the acceptance of the moneys deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof or any payment, transfer or other application of the moneys or securities held by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel who may or may not be counsel to the Issuer, and in reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary

or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

16. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Bond Resolution or this Agreement to be given to or filed with the parties hereto or any entity referenced herein if the same shall be duly mailed by certified mail, postage prepaid, return receipt requested, addressed to the Notice Representative at the Notice Address (as said terms are defined in the Bond Resolution).

17. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made.

18. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained, and shall in no way affect the validity of the remaining provisions of this Agreement.

19. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall be binding upon, and inure to the benefit of, their respective successors and assigns, whether or not so expressed.

20. Governing Law. This Agreement shall be governed by, and be construed in accordance with, the laws of the State of Kansas.

21. Headings. Any headings preceding the text of the several Sections hereof or marginal notes appended to copies hereof, shall be solely for convenience of reference, and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

22. Counterparts; Electronic Transactions. This Agreement may be executed in several counterparts, all or any of which shall be regarded, for all purposes, as one original, and shall constitute and be but one and the same instrument. The transaction described herein may be conducted and related documents may be sent, received or stored by electronic means.

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IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed in counterpart by their duly authorized officers or elected officials, and their corporate seals to be hereunder affixed and attested as of the date first above written.

CITY OF CANEY, KANSAS

By: _____
Title: Mayor

ATTEST:

By: _____
Title: Clerk

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed in counterpart by their duly authorized officers as of the date first above written.

**SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS
as Escrow Agent**

By: _____
Title: _____

SCHEDULE 1
TO ESCROW TRUST AGREEMENT

VERIFICATION REPORT

SCHEDULE 2
TO ESCROW TRUST AGREEMENT

REDEMPTION OF REFUNDED BONDS

The following maturities of the Refunded Bonds will be called for redemption and payment, prior to maturity, on the respective redemption dates and at the respective redemption prices shown below:

| Series to be <u>Redeemed</u> | Redemption <u>Date</u> | Maturities to be <u>Redeemed</u> | Principal to be <u>Redeemed</u> | Redemption <u>Price</u> |
|---|-----------------------------------|---|--|------------------------------------|
| 2024-A | October 1, 2030 | 2031 to 2044 | \$620,000 | 100% |

EXHIBIT A

Treasurer of the State of Kansas
Landon State Office Bldg.
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235

[CERTIFIED MAIL]

Central States Capital Markets, LLC
4200 West 83rd Street, Suite 101
Prairie Village, Kansas 66208

RE:

CALL FOR REDEMPTION

**CITY OF CANEY, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2024-A, DATED FEBRUARY 8, 2024**

Notice is hereby given pursuant to K.S.A. 10-129, as amended, and pursuant to the provisions of Article III of Resolution No. 24-02 (the “Bond Resolution”) of the City of Caney, Kansas (the “Issuer”), that the above mentioned bonds described in the attached Notice of Call for Redemption (the “Called Bonds”), have been irrevocably called for redemption and payment on October 1, 2030.

The Paying Agent is hereby requested to disseminate the attached Notice of Call for Redemption in accordance with K.S.A. 10-129 and the Bond Resolution. After redemption of the Called Bonds the Paying Agent is requested to complete the attached Paying Agent's Certification and forward a copy of same to the undersigned.

CITY OF CANEY, KANSAS

By: _____
Security Bank of Kansas City,
Kansas City, Kansas, as Escrow Agent

[The form of this Notice is to be modified or amended to comply with the law and industry standards at the time of its distribution to the Owners of the Series 2024-A Bonds.]

NOTICE OF CALL FOR REDEMPTION

CITY OF CANEY, KANSAS GENERAL OBLIGATION BONDS SERIES 2024-A, DATED FEBRUARY 8, 2024

Notice is hereby given to the registered owners of the above-captioned bonds (the “Bonds”) that pursuant to the provisions of Article III of Resolution No. 24-02 (the “Bond Resolution”) of the City of Caney, Kansas (the “Issuer”), that the above mentioned bonds described below (the “Called Bonds”), have been called for redemption and payment on October 1, 2030 (the “Redemption Date”), at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar and Paying Agent”).

TERM BONDS

| Maturity Date (October 1) | Principal Amount | Interest Rate | CUSIP No. (Base: 13752N) |
|--------------------------------------|-----------------------------|--------------------------|-------------------------------------|
| 2032 | \$65,000 | 3.500% | CV 2 |
| 2034 | 70,000 | 3.625% | CX 8 |
| 2036 | 80,000 | 3.750% | CZ 3 |
| 2039 | 130,000 | 4.000% | DC 3 |
| 2042 | 155,000 | 4.050% | DF 6 |
| 2044 | 120,000 | 4.100% | DH 2 |

On the Redemption Date there shall become due and payable, upon the presentation and surrender of each such Called Bond, the redemption price thereof equal to 100% of the principal amount thereof together with interest accrued to the Redemption Date. Interest shall cease to accrue on the Called Bonds so called for redemption from and after the Redemption Date provided such funds for redemption are on deposit with the Paying Agent.

Neither the Issuer nor the Paying Agent shall be responsible for the selection or use of the CUSIP identification numbers shown above or printed on any of the Called Bonds. Said CUSIP identification numbers are included solely for the convenience of the owners of the Bonds.

Under the provisions of Section 3406(a)(1) of the Internal Revenue Code of 1986, as amended, paying agents making payments of principal on municipal securities may be obligated to withhold a 28% tax on the payment of principal to registered owners who have failed to provide the paying agent with a valid taxpayer identification number. Registered Owners of the Bonds who wish to avoid the imposition of the tax should provide a certified taxpayer identification number to the Paying Agent when presenting the Bonds for payment.

CITY OF CANEY, KANSAS

By: _____
Treasurer of the State of Kansas,
Topeka, Kansas, as Paying Agent

This Notice of Redemption shall be mailed by certified mail to the Treasurer of the State of Kansas, Topeka, Kansas, not less than 45 days prior to the Redemption Date and to Central States Capital Markets, LLC, the original purchaser of the Called Bonds, not less than 30 days prior to the Redemption Date. Notice may also be given in accordance with guidelines set forth in Securities and Exchange Commission Release No. 34-23856, but such notice is not required by law. The Paying Agent shall notify the registered owners of the Called Bonds as provided in K.S.A. 10-129 as amended, and the Bond Resolution.

PAYING AGENT'S CERTIFICATION
CITY OF CANEY, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2024-A, DATED FEBRUARY 8, 2024

The State Treasurer, in its capacity as Paying Agent for the above-captioned Bonds, does hereby certify as follows:

1. Capitalized terms not defined herein, shall have the meanings ascribed thereto in the attached Notice of Call for Redemption or the Bond Resolution defined therein.

2. The Called Bonds have been called for redemption and payment on October 1, 2030 (the "Redemption Date").

3. The full redemption price of the Called Bonds and the Series 2024-A Bonds scheduled to mature on the Redemption Date (the "Maturing Bonds") as determined pursuant to the Bond Resolution is calculated as follows:

| | |
|---|----------------------------|
| Principal Amount of Called Bonds | \$620,000.00 |
| Accrued Interest to Redemption Date on Called Bonds | 12,105.00 |
| Principal Amount of Maturing Bonds | 30,000.00 |
| Accrued Interest to Redemption Date on Maturing Bonds | <u>487.50</u> |
| <i>Total</i> | <i>\$662,592.50</i> |

4. There was deposited with the Paying Agent the sum set forth above, which has been irrevocably pledged for the payment of the principal of, redemption premium, if any, and interest on the Called Bonds to the Redemption Date and the Maturing Bonds. In addition, sufficient funds have been deposited to provide for additional costs associated with such redemption.

5. The Notice of Call for Redemption, a copy of which is attached hereto, was disseminated in accordance with K.S.A. 10-129, as amended, and the Bond Resolution.

DATED as of October 1, 2030.

TREASURER OF THE STATE OF KANSAS,
TOPEKA, KANSAS

By: _____
Director of Fiscal Services

EXHIBIT B

NOTICE OF DEFEASANCE OF BONDS

**CITY OF CANEY, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2024-A, DATED FEBRUARY 8, 2024**

Notice is hereby given that the City of Caney, Kansas (the “Issuer”) and Security Bank of Kansas City, Kansas City, Kansas (the “Escrow Agent”) have entered into a certain Escrow Trust Agreement, dated as of December 3, 2025 (the “Escrow Agreement”) which provides that the bonds further described below (the “Refunded Bonds”) have been defeased pursuant to the provisions of Resolution No. 24-02 (the “Bond Resolution”) of the Issuer which prescribed the form and details of the Refunded Bonds. The Refunded Bonds maturing October 1, 2031, and thereafter, will be called for redemption and payment on October 1, 2030 (the “Redemption Date”), and the Refunded Bonds maturing in the years 2026 to 2030 will be paid at their scheduled maturity, at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar and Paying Agent”).

TERM BONDS

| <u>Maturity Date</u> <u>(October 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>CUSIP No.</u> <u>(Base: 13752N)</u> | <u>Payment or</u> <u>Redemption Date</u> |
|--|---|--|---|---|
| 2027 | \$50,000 | 3.000% | CQ 3 | 10/01/2027 |
| 2030 | 85,000 | 3.250% | CT 7 | 10/01/2030 |
| 2032 | 65,000 | 3.500% | CV 2 | 10/01/2030 |
| 2034 | 70,000 | 3.625% | CX 8 | 10/01/2030 |
| 2036 | 80,000 | 3.750% | CZ 3 | 10/01/2030 |
| 2039 | 130,000 | 4.000% | DC 3 | 10/01/2030 |
| 2042 | 155,000 | 4.050% | DF 6 | 10/01/2030 |
| 2044 | 120,000 | 4.100% | DH 2 | 10/01/2030 |

The Issuer has advance refunded the principal of and interest on the Refunded Bonds by depositing money with the Escrow Agent to be held in an escrow trust fund (the “Escrow Fund”) established under the Escrow Agreement. The money deposited in the Escrow Fund will be used to purchase Defeasance Obligations (as defined in the Bond Resolution) which, together with the interest to be earned thereon, will be sufficient for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds to the stated maturity date or redemption date thereof.

The principal of and interest on the Refunded Bonds is now payable solely from the maturing principal of the Defeasance Obligations, together with the interest earnings thereon and other money held for such purpose by the Escrow Agent. Under the Escrow Agreement, the matured principal of, and earnings on, the Defeasance Obligations and any cash in the Escrow Fund are pledged and assigned, and shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds.

A Notice of Call for Redemption will be disseminated prior to the Redemption Date.

CITY OF CANEY, KANSAS

By: Security Bank of Kansas City
Kansas City, Kansas, as Escrow Agent

This Notice of Defeasance will be mailed by first class mail to the Treasurer of the State of Kansas, Topeka, Kansas, and Central States Capital Markets, LLC, the original purchaser of the Refunded Bonds not more than 10 days after December 3, 2025. Notice may also be given in accordance with guidelines set forth in Securities and Exchange Commission Release No. 34-23856, but such notice is not required by law.



Honorable Mayor and City Council
City of Caney, Kansas

In planning and performing our audit of the financial statement of the City of Caney, Kansas as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Caney, Kansas' system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Caney, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Caney, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

Accounting standards require that City management be responsible for the financial statements and have enough understanding to recognize if something is incorrect or missing. This includes being able to tell if information in the statements or footnotes is misstated or if a required disclosure has been left out. At this time, City staff do not have the training or experience needed to prepare the full financial statements and related footnotes without outside help. Because of this, there is a risk that errors or missing information in the financial statements could go unnoticed. This situation is considered a material weakness in internal control over financial reporting.

While this is common for smaller cities, it's important for management and the City Council to be aware of the situation and continue to review and understand the City's financial reports. The City should also stay informed about any changes to financial reporting requirements.

Jarred, Gilmore & Phillips, PA
CERTIFIED PUBLIC ACCOUNTANTS

412 W. MAIN, P.O. BOX 97
NEODESHA, KANSAS 66757
(620) 325-3430

1815 S. SANTA FE, P.O. BOX 779
CHANUTE, KANSAS 66720
(620) 431-6342

16 W. JACKSON
IOLA, KANSAS 66749
(620) 365-3125

www.jgppa.com

Segregation of Duties

An effective internal control structure consists of the policies and procedures established to ensure the City's financial transactions are properly recorded, processed, summarized, and reported in the financial statements. A weakness in this structure exists when one individual is responsible for multiple accounting functions, such as billing, receipting cash, making deposits, reconciling bank accounts, and maintaining access to all financial records. Due to the City's limited staff size, an adequate segregation of duties is not always feasible. This lack of segregation increases the risk that errors or irregularities could occur and not be detected in a timely manner. We recommend the City Council remain diligent in its oversight of financial activities by thoroughly reviewing financial reports, reconciliations, and supporting documentation provided by staff. Where possible, key review functions should be assigned to someone independent of daily processing duties to strengthen internal controls.

Bank Reconciliations

During our fieldwork, it was noted that bank statements were not properly reconciled to the corresponding general ledger accounts. Failure to perform timely and accurate monthly bank reconciliations increases the risk that errors, irregularities, or other issues may go undetected and uncorrected. This deficiency in the design and operation of internal controls could adversely affect the accuracy and reliability of the City's financial reporting if actual bank balances are not reconciled to the general ledger balances at the end of each month. Accordingly, this is considered a material weakness in internal control. We recommend the City ensure that complete and accurate bank reconciliations are prepared and reviewed on a monthly basis. Timely reconciliation of all bank accounts is a critical control for maintaining accurate financial records and safeguarding cash assets.

Calculation of Utility Bills

During our audit, it was discovered that the base fee on water for a group of outside city limit customers was overbilled from May 2023 through the end of the year. In addition, it was discovered that sewer rates for the fiscal year had not been adjusted based on the ordinance. The City should review bills for accuracy when utility rate changes occur and annual sewer rates should be adjusted to ensure that citizens are being charged based on the ordinances. These controls will help ensure customers are billed accurately and consistently with established rates.

Publication of Financial Statements

K.S.A. 12-1608 requires that second-class cities publish their quarterly financial statements within 30 days after the end of each quarter (March, June, September, and December). The City did not publish its quarterly financial statements within the 30-day timeframe required by statute. We recommend the City implement procedures to ensure quarterly financial statements are prepared and published in a timely manner, in compliance with K.S.A. 12-1608. This may include establishing a calendar of reporting deadlines, assigning responsibility for publication, and reviewing compliance each quarter.

This communication is intended solely for the information and use of management, City Council, and others within the City of Caney, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

CITY OF CANEY, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2024

CITY OF CANEY, KANSAS

December 31, 2024

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Caney, Kansas

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Caney, Kansas as of and for the year ended December 31, 2023 (not presented herein), and have issued our report thereon dated March 22, 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 web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services>. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2023, on the basis of accounting described in Note 1.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

October 29, 2025
Chanute, Kansas

CITY OF CANEY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

| Funds | Beginning Unencumbered Cash Balances | Receipts | Expenditures | Ending Unencumbered Cash Balances | Add Encumbrances and Accounts Payable | Cash Balance December 31, 2024 |
|--|--|------------------------|------------------------|---|--|--------------------------------------|
| General Fund | \$ 571,456.42 | \$ 1,708,062.05 | \$ 1,644,846.48 | \$ 634,671.99 | \$ 76,002.96 | \$ 710,674.95 |
| Special Purpose Funds: | | | | | | |
| Industrial | 4,593.42 | 3,929.82 | 2,625.00 | 5,898.24 | - | 5,898.24 |
| Library | 0.03 | 72,892.75 | 72,892.75 | 0.03 | - | 0.03 |
| Special Parks | 10,557.54 | 5,826.32 | 6,129.23 | 10,254.63 | - | 10,254.63 |
| Employee Benefits | 256,361.71 | 372,136.57 | 470,810.26 | 157,688.02 | 12,474.09 | 170,162.11 |
| Vehicle Identification | 3,992.52 | 3,760.00 | 97.85 | 7,654.67 | - | 7,654.67 |
| Special Highway | 93,179.69 | 56,703.99 | 40,538.50 | 109,345.18 | 877.40 | 110,222.58 |
| Tourism | 32,804.50 | 19,847.83 | 24,558.56 | 28,093.77 | - | 28,093.77 |
| Police, Fire, and Ambulance Equipment | 26,992.52 | 57,697.35 | 57,974.92 | 26,714.95 | - | 26,714.95 |
| Street Sales Tax | 244,731.08 | 100,266.96 | 24,656.51 | 320,341.53 | - | 320,341.53 |
| Grant Projects | 413,370.62 | 340,112.77 | 602,534.32 | 150,949.07 | - | 150,949.07 |
| Equipment Reserve | 84,730.84 | 11,587.30 | 57,383.31 | 38,934.83 | - | 38,934.83 |
| Capital Project Funds: | | | | | | |
| Wastewater Improvement Project | 22,849.27 | - | - | 22,849.27 | - | 22,849.27 |
| Capital Project | 5.00 | - | 5.00 | - | - | - |
| Bond and Interest Funds: | | | | | | |
| General Obligation Bond and Interest | 338,155.39 | 1,189,174.11 | 1,269,424.82 | 257,904.68 | - | 257,904.68 |
| Business Funds: | | | | | | |
| Water Utility | 147,864.36 | 711,959.75 | 841,690.44 | 18,133.67 | 21,836.32 | 39,969.99 |
| Sewer Utility | 170,614.77 | 532,506.57 | 479,697.18 | 223,424.16 | 9,413.73 | 232,837.89 |
| Sewer Treatment Replacement | 39,791.43 | 7,509.93 | - | 47,301.36 | - | 47,301.36 |
| Solid Waste Utility | 100,855.56 | 239,365.00 | 244,209.34 | 96,011.22 | 20,223.71 | 116,234.93 |
| Grocery Store Utility | 6,192.53 | 1,147,765.48 | 1,152,310.97 | 1,647.04 | 16,041.77 | 17,688.81 |
| Total Primary Government (Excluding Agency Funds) | <u>\$ 2,569,099.20</u> | <u>\$ 6,581,104.55</u> | <u>\$ 6,992,385.44</u> | <u>\$ 2,157,818.31</u> | <u>\$ 156,869.98</u> | <u>\$ 2,314,688.29</u> |

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

Statement 1 (Continued)**CITY OF CANEY, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

| | <u>2024</u> |
|---|------------------------|
| Total Cash to be accounted for: | <u>\$ 2,314,688.29</u> |
| Composition of Cash: | |
| Utility Cash on Hand..... | \$ 250.00 |
| General Petty Cash on Hand..... | 200.00 |
| Police Petty Cash on Hand..... | 201.00 |
| Grocery Store Petty Cash on Hand..... | 2,100.00 |
| Checking Accounts: | |
| General Account | 113,065.40 |
| Grant Checking Account..... | 5.00 |
| Money Market Account | <u>2,213,505.13</u> |
| Total Cash | 2,329,326.53 |
| Agency Funds per Schedule 3 | <u>(14,638.24)</u> |
| Total Reporting Entity (Excluding Agency Funds) | <u>\$ 2,314,688.29</u> |

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

CITY OF CANEY, KANSAS

Notes to the Financial Statement
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Caney, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Financial Reporting Entity

The City of Caney, Kansas (the City) is a municipal corporation governed by a Mayor and elected eight member council. This financial statement presents the City of Caney, Kansas.

Related Municipal Entity. A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Caney City Library - The Caney City Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate financial information can be obtained from the Library.

Caney Recreation Commission - The Caney Recreation Commission oversees the City's recreation activities. The Caney Recreation Commission operates as a separate governing body but the City may appoint board members to the Recreation Commission. Separate financial information can be obtained from the Recreation Commission.

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Caney, Kansas, for the year of 2024:

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 receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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.

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

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

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

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The (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 municipality 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 municipality to use the regulatory basis of accounting.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipt source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for receipt recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

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, and business funds. Although directory rather than mandatory, the statutes provide for the following timetable in the adoption of the legal annual operating budget:

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

If the City is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did not 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. During the year ended December 31, 2024, the City amended the General Fund, Employee Benefits Fund, Solid Waste Utility Fund and the Tourism Fund.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

- Grant Projects Fund
- Equipment Reserve

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in compliance with the cash basis laws of Kansas, however as shown in Schedule 1 the City was in apparent violation of K.S.A. 79-2935 as they have obligated expenditures in excess of budgeted limits in the Special Parks Fund, Employee Benefits Fund, and Water Utility Fund.

The City was in apparent violation of K.S.A. 12-1608 which requires the treasurer of first and second class cities to publish the quarterly statements showing the total amount received into each fund and the total amount expended from each fund and the cash balances of each fund at the beginning and close of each quarter. Such quarterly statements shall show the amount of outstanding registered warrants, temporary notes, bonds and all other obligations and liabilities of the City. All four quarterly statements were not published within the 30 day requirement.

Management is not aware of any other material statutory violations.

3. DEPOSITS AND INVESTMENTS

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch 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 bank 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.

3. DEPOSITS AND INVESTMENTS (Continued)

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

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

Deposits: At year-end, the City's carrying amount of deposits was \$2,326,575.53 and the bank balance was \$2,462,615.58. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$249,110.45 was covered by FDIC insurance and \$2,213,505.13 was collateralized with a repurchase agreement.

4. RIGHT TO USE CONTRACTS

As of December 31, 2024 the City has entered into a right to use contract for office equipment. Rent expense for the year ended December 31, 2024, was \$362.45. There are no future minimum payments scheduled.

5. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order finance the purchase of 2021 Ford E450 Ambulance. Payments are made monthly including interest at 3.25%. Final maturity of the lease is August 1, 2025. Future minimum lease payments are as follows:

| <u>Year Ended December 31</u> | <u>Totals</u> |
|-------------------------------------|---------------|
| 2025 | \$ 21,983.28 |
| | 21,983.28 |
| Less: Imputed Interest | (265.52) |
| Net Present Value of Minimum | |
| Lease Payments | 21,717.76 |
| Less: Current Maturities | (21,717.76) |
| Long-Term Finance Lease Obligations | \$ 0.00 |

6. LONG-TERM DEBT

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

| Issue | Interest Rates | Date of Issue | Original Amount of Issue | Date of Final Maturity | Balance Beginning of Year | Additions | Reductions/ Payments | Balance End of Year | Interest Paid |
|--------------------------------|----------------|-------------------|--------------------------|------------------------|---------------------------|----------------------|--------------------------|------------------------|----------------------|
| General Obligation Bonds | | | | | | | | | |
| Paid by Utility Receipts: | | | | | | | | | |
| Series 2020-A | 1.375% | June 24, 2020 | \$ 540,000.00 | June 24, 2060 | \$ 508,916.50 | \$ - | \$ (10,628.23) | \$ 498,288.27 | \$ 7,016.77 |
| Series 2020-B | 1.375% | June 24, 2020 | 2,741,000.00 | June 24, 2060 | 2,583,233.72 | - | (53,944.22) | 2,529,289.50 | 35,616.78 |
| Series 2020-C | 1.375% | June 24, 2020 | 693,000.00 | June 24, 2060 | 653,110.77 | - | (13,639.12) | 639,471.65 | 9,004.88 |
| Series 2020-D | 1.1-2% | September 1, 2020 | 2,710,000.00 | December 1, 2040 | 1,880,000.00 | - | (290,000.00) | 1,590,000.00 | 34,712.50 |
| Series 2022-A | 1.375% | August 10, 2022 | 668,000.00 | August 10, 2062 | 655,361.00 | - | (12,812.79) | 642,548.21 | 9,011.21 |
| Series 2022-B | 1.50% | August 10, 2022 | 577,000.00 | August 10, 2062 | 566,365.00 | - | (10,794.52) | 555,570.48 | 8,495.48 |
| Series 2024-A | 3.00% - 4.100% | February 8, 2024 | 780,000.00 | October 1, 2044 | - | 780,000.00 | - | 780,000.00 | 18,913.46 |
| Temporary Notes | | | | | | | | | |
| Paid by Utility Receipts: | | | | | | | | | |
| Series 2022-1 | 0.550% | January 6, 2022 | 740,000.00 | February 15, 2024 | 740,000.00 | - | (740,000.00) | - | 1,955.86 |
| Finance Leases | | | | | | | | | |
| Sewage Pumper Truck | 3.50% | May 25, 2017 | 40,000.00 | September 15, 2024 | 4,557.26 | - | (4,557.26) | - | 63.42 |
| Canon Copiers | 5.717% | June 12, 2019 | 8,930.21 | June 12, 2024 | 1,012.78 | - | (1,012.78) | - | 16.98 |
| Ambulance | 3.25% | August 4, 2020 | 176,546.00 | August 1, 2025 | 53,425.86 | - | (31,708.10) | 21,717.76 | 1,266.82 |
| Total Contractual Indebtedness | | | | | <u>\$ 7,645,982.89</u> | <u>\$ 780,000.00</u> | <u>\$ (1,169,097.02)</u> | <u>\$ 7,256,885.87</u> | <u>\$ 126,074.16</u> |

6. LONG-TERM DEBT (Continued)

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

| Issue | 2025 | 2026 | 2027 | 2028 | 2029 | 2030-2034 | 2035-2039 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|
| Principal | | | | | | | |
| General Obligation Bonds | | | | | | | |
| Series 2020-A | \$ 10,793.54 | \$ 10,941.95 | \$ 11,092.40 | \$ 11,227.39 | \$ 11,399.30 | \$ 59,374.90 | \$ 63,572.40 |
| Series 2020-B | 54,783.27 | 55,536.54 | 56,300.17 | 56,985.29 | 57,857.84 | 301,360.99 | 322,665.72 |
| Series 2020-C | 13,851.26 | 14,041.72 | 14,234.79 | 14,408.02 | 14,628.63 | 76,195.36 | 81,582.00 |
| Series 2020-D | 225,000.00 | 240,000.00 | 240,000.00 | 100,000.00 | 260,000.00 | 315,000.00 | 140,000.00 |
| Series 2022-A | 12,988.96 | 13,167.56 | 13,348.61 | 13,532.16 | 13,718.22 | 71,472.92 | 76,523.68 |
| Series 2022-B | 10,956.44 | 11,120.79 | 11,287.60 | 11,456.92 | 11,628.77 | 60,813.24 | 65,513.13 |
| Series 2024-A | 25,000.00 | 25,000.00 | 25,000.00 | 25,000.00 | 30,000.00 | 165,000.00 | 210,000.00 |
| Finance Leases | | | | | | | |
| Ambulance | 21,717.76 | - | - | - | - | - | - |
| Total Principal Payments | 375,091.23 | 369,808.56 | 371,263.57 | 232,609.78 | 399,232.76 | 1,049,217.41 | 959,856.93 |
| Interest | | | | | | | |
| General Obligation Bonds | | | | | | | |
| Series 2020-A | 6,851.46 | 6,703.05 | 6,552.60 | 6,417.61 | 6,245.70 | 28,850.10 | 24,652.60 |
| Series 2020-B | 34,777.73 | 34,024.46 | 33,260.83 | 32,575.71 | 31,703.16 | 146,444.01 | 125,139.28 |
| Series 2020-C | 8,792.74 | 8,602.28 | 8,409.21 | 8,235.98 | 8,015.37 | 37,024.64 | 31,638.00 |
| Series 2020-D | 28,912.50 | 134,412.50 | 19,612.50 | 14,812.50 | 12,812.50 | 33,510.00 | 19,600.00 |
| Series 2022-A | 8,835.04 | 8,656.44 | 8,475.39 | 8,291.84 | 8,105.78 | 37,647.08 | 32,596.32 |
| Series 2022-B | 8,333.56 | 8,169.21 | 8,002.40 | 7,833.08 | 7,661.23 | 35,636.76 | 30,936.87 |
| Series 2024-A | 29,222.50 | 28,472.50 | 27,722.50 | 26,972.50 | 26,160.00 | 115,156.26 | 81,487.50 |
| Finance Leases | | | | | | | |
| Ambulance | 265.52 | - | - | - | - | - | - |
| Total Interest Payments | 125,991.05 | 229,040.44 | 112,035.43 | 105,139.22 | 100,703.74 | 434,268.85 | 346,050.57 |
| Total Principal and Interest | \$ 501,082.28 | \$ 598,849.00 | \$ 483,299.00 | \$ 337,749.00 | \$ 499,936.50 | \$ 1,483,486.26 | \$ 1,305,907.50 |

6. LONG-TERM DEBT (Continued)

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

| Issue | 2040-2044 | 2045-2049 | 2050-2054 | 2055-2059 | 2060-2062 | Total |
|------------------------------|-----------------|---------------|---------------|---------------|---------------|-----------------|
| Principal | | | | | | |
| General Obligation Bonds | | | | | | |
| Series 2020-A | \$ 68,056.69 | \$ 72,880.81 | \$ 78,033.29 | \$ 83,550.07 | \$ 17,365.53 | \$ 498,288.27 |
| Series 2020-B | 345,425.96 | 369,911.08 | 396,062.82 | 424,063.61 | 88,336.21 | 2,529,289.50 |
| Series 2020-C | 87,336.64 | 93,527.40 | 100,139.53 | 107,219.18 | 22,307.12 | 639,471.65 |
| Series 2020-D | 70,000.00 | - | - | - | - | 1,590,000.00 |
| Series 2022-A | 81,931.36 | 87,721.20 | 93,920.17 | 100,557.20 | 63,666.17 | 642,548.21 |
| Series 2022-B | 70,576.25 | 76,030.66 | 81,906.62 | 88,236.70 | 56,043.36 | 555,570.48 |
| Series 2024-A | 275,000.00 | - | - | - | - | 780,000.00 |
| Finance Leases | | | | | | |
| Ambulance | - | - | - | - | - | 21,717.76 |
| Total Principal Payments | 998,326.90 | 700,071.15 | 750,062.43 | 803,626.76 | 247,718.39 | 7,256,885.87 |
| Interest | | | | | | |
| General Obligation Bonds | | | | | | |
| Series 2020-A | 20,168.31 | 15,344.19 | 10,191.71 | 4,674.93 | 239.43 | 136,891.69 |
| Series 2020-B | 102,379.04 | 77,893.92 | 51,742.18 | 23,741.39 | 1,217.95 | 694,899.66 |
| Series 2020-C | 25,883.36 | 19,692.60 | 13,080.47 | 6,000.82 | 307.56 | 175,683.03 |
| Series 2020-D | 1,400.00 | - | - | - | - | 265,072.50 |
| Series 2022-A | 27,188.64 | 26,385.95 | 15,199.83 | 8,562.80 | 1,758.14 | 191,703.25 |
| Series 2022-B | 25,873.75 | 20,419.34 | 14,543.38 | 8,213.30 | 1,687.58 | 177,310.46 |
| Series 2024-A | 34,897.50 | - | - | - | - | 370,091.26 |
| Finance Leases | | | | | | |
| Ambulance | - | - | - | - | - | 265.52 |
| Total Interest Payments | 237,790.60 | 159,736.00 | 104,757.57 | 51,193.24 | 5,210.66 | 2,011,917.37 |
| Total Principal and Interest | \$ 1,236,117.50 | \$ 859,807.15 | \$ 854,820.00 | \$ 854,820.00 | \$ 252,929.05 | \$ 9,268,803.24 |

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate (for the Death and Disability Program) and the statutory contribution rate was 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were \$126,591.31 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,099,777.00. 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 these financial statements.

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

8. CAPITAL PROJECTS

The following is a summary of capital project authorizations and expenditures to date:

| <u>PROJECT NAME</u> | <u>AUTHORIZED</u> | <u>EXPENDED THRU 12/31/24</u> | <u>ESTIMATED COMPLETION</u> |
|--------------------------------|-------------------|-----------------------------------|---------------------------------|
| Wastewater Improvement Project | \$ 7,440,000.00 | \$ 6,890,831.90 | Completed |

9. 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 is set at 1% for the year ended December 31, 2024.

Compensated Absences:

All full-time employees of the City with one year of employment are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

| | | | |
|------------------------------|------|------|-------|
| Years Continuous Employment: | 1-5 | 6-10 | 11 + |
| Hours Earned Per Month: | 6.66 | 10 | 13.33 |
| Equivalent Work Days | 10 | 15 | 20 |

Accrued vacation benefits must be used within the employee's annual period (hire date to hire date), but an employee can carry over 3 days of vacation per year.

Sick leave accrues to all full-time employees at the rate of eight hours sick leave per month of continuous employment to a maximum of 480 hours of sick leave. In the event of termination, an employee shall not be paid for any accrued sick leave.

The City has no policy regarding compensatory time, however it is accumulated.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for annual leave and compensatory time, which has been earned, but not taken, by City employees. The estimated liability at December 31, 2024, was \$16,964.60 for annual leave. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

Other Post Employment Benefits:

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

11. RELATED PARTY

Main Street Auto and Tire, LLC is an auto repair and tire shop owned by a council member. During the year, the City paid \$28,098.30 to Main Street Auto and Tire, LLC.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

| <u>From Fund:</u> | <u>To Fund:</u> | <u>Statutory Authority</u> | <u>Amount</u> |
|-------------------|---|----------------------------|---------------|
| Sewer Utility | General Obligation Bond and Interest | K.S.A. 12-825d | \$ 220,000.00 |
| Water Utility | Grocery Store Utility | K.S.A. 12-825d | 25,000.00 |
| Water Utility | Employee Benefits | K.S.A. 12-825d | 165,000.00 |

13. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition or disclosure in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

CITY OF CANEY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2024

| Funds | Certified Budget | Adjustments for Qualifying Budget Credits | Total Budget for Comparison | Expenditures Charged to Current Year Budget | Variance - Over (Under) |
|---------------------------------------|---------------------|---|-----------------------------------|--|-------------------------------|
| General Fund | \$ 1,624,161.00 | \$ 201,643.26 | \$ 1,825,804.26 | \$ 1,644,846.48 | \$ (180,957.78) |
| Special Purpose Funds: | | | | | |
| Industrial | 3,220.00 | - | 3,220.00 | 2,625.00 | (595.00) |
| Library | 75,000.00 | - | 75,000.00 | 72,892.75 | (2,107.25) |
| Special Parks | 5,000.00 | - | 5,000.00 | 6,129.23 | 1,129.23 |
| Employee Benefits | 460,937.00 | - | 460,937.00 | 470,810.26 | 9,873.26 |
| Vehicle Identification | 6,500.00 | - | 6,500.00 | 97.85 | (6,402.15) |
| Special Highway | 65,000.00 | - | 65,000.00 | 40,538.50 | (24,461.50) |
| Tourism | 30,000.00 | - | 30,000.00 | 24,558.56 | (5,441.44) |
| Police, Fire, and Ambulance Equipment | 53,000.00 | 20,000.00 | 73,000.00 | 57,974.92 | (15,025.08) |
| Street Sales Tax | 90,000.00 | - | 90,000.00 | 24,656.51 | (65,343.49) |
| Bond and Interest Fund: | | | | | |
| General Obligation Bond and Interest | 513,688.00 | 768,690.00 | 1,282,378.00 | 1,269,424.82 | (12,953.18) |
| Business Funds: | | | | | |
| Water Utility | 752,449.00 | - | 752,449.00 | 841,690.44 | 89,241.44 |
| Sewer Utility | 584,174.00 | - | 584,174.00 | 479,697.18 | (104,476.82) |
| Solid Waste Utility | 286,000.00 | - | 286,000.00 | 244,209.34 | (41,790.66) |
| Grocery Store Utility | 1,455,038.00 | - | 1,455,038.00 | 1,152,310.97 | (302,727.03) |

CITY OF CANEY, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | | Variance - |
|------------------------------------|---------------|---------------|-----------------|----|-------------|
| | Prior | | | | Over |
| | Year | | | | |
| | Actual | Actual | Budget | | (Under) |
| Receipts | | | | | |
| Taxes and Shared Receipt | | | | | |
| Ad Valorem Property Tax | \$ 247,571.36 | \$ 223,049.08 | \$ 255,825.00 | \$ | (32,775.92) |
| Delinquent Tax | 29,484.88 | 27,397.58 | 14,000.00 | | 13,397.58 |
| Motor Vehicle Tax | 31,825.36 | 32,239.22 | 29,803.00 | | 2,436.22 |
| Recreational Vehicle Tax | 404.56 | 383.75 | 311.00 | | 72.75 |
| 16/20M Truck Tax | 174.96 | 95.50 | 144.00 | | (48.50) |
| Commercial Vehicle Tax | 286.35 | 404.29 | 321.00 | | 83.29 |
| Watercraft Tax | 69.96 | 91.45 | 118.00 | | (26.55) |
| Franchise Taxes | 240,307.92 | 280,273.95 | 246,482.00 | | 33,791.95 |
| Local Alcoholic Liquor Tax | 2,662.65 | 4,142.15 | 1,500.00 | | 2,642.15 |
| Compensating Use Tax | 231,523.19 | 328,797.24 | 200,000.00 | | 128,797.24 |
| Local Sales Tax | 190,447.05 | 200,484.13 | 282,000.00 | | (81,515.87) |
| Pool Sales Tax | 95,252.07 | 100,266.97 | 93,888.00 | | 6,378.97 |
| Neighborhood Revitalization Rebate | - | - | (9,249.00) | | 9,249.00 |
| Intergovernmental | | | | | |
| Federal Grants | 26,300.00 | 3,825.00 | - | | 3,825.00 |
| State Grants | 5,437.23 | 14,034.95 | - | | 14,034.95 |
| Licenses and Permits | | | | | |
| Licenses, Permits & Fees | 4,136.75 | 8,044.88 | 3,000.00 | | 5,044.88 |
| Charges for Services | | | | | |
| Swimming Pool | 21,965.95 | 16,752.20 | 25,000.00 | | (8,247.80) |
| Dog Tags | 77.00 | 56.00 | 200.00 | | (144.00) |
| Accident Reports & Finger Printing | 326.00 | 144.00 | 650.00 | | (506.00) |
| Cemetery Lots & Settings | 7,907.00 | 11,534.00 | 15,000.00 | | (3,466.00) |
| Ambulance Fees | 57,056.19 | 84,057.60 | 65,000.00 | | 19,057.60 |
| County Ambulance Assistance | 42,933.60 | 57,057.20 | 56,500.00 | | 557.20 |
| Fines, Forfeitures and Penalties | | | | | |
| Fines | 178,212.94 | 104,750.66 | 148,000.00 | | (43,249.34) |
| Use of Money and Property | | | | | |
| Interest Income | 15,277.48 | 15,436.32 | - | | 15,436.32 |
| Other Receipts | | | | | |
| Insurance Premium Return | 9,359.95 | 183,344.06 | 12,000.00 | | 171,344.06 |
| Reimbursed Expense | 23,776.25 | 439.25 | - | | 439.25 |
| Miscellaneous | 15,715.79 | 10,960.62 | 23,000.00 | | (12,039.38) |
| Total Receipts | 1,478,492.44 | 1,708,062.05 | \$ 1,463,493.00 | \$ | 244,569.05 |

CITY OF CANEY, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | Prior Year Actual | Current Year | | Variance - Over (Under) |
|-------------------------------|-------------------------|---------------|---------------|-------------------------------|
| | | Actual | Budget | |
| Expenditures | | | | |
| City Administrator Department | | | | |
| Personal Services | \$ 120,437.97 | \$ 137,071.02 | \$ 110,600.00 | \$ 26,471.02 |
| Contractual Services | 173,150.44 | 344,330.61 | 296,500.00 | 47,830.61 |
| Commodities | 9,693.28 | 9,263.93 | 15,000.00 | (5,736.07) |
| Capital Outlay | 7,369.97 | - | 2,000.00 | (2,000.00) |
| Street Department | | | | |
| Personal Services | 28,080.25 | 43,178.05 | 81,000.00 | (37,821.95) |
| Contractual Services | 43,756.75 | 40,460.32 | 39,000.00 | 1,460.32 |
| Commodities | 26,380.80 | 14,834.79 | - | 14,834.79 |
| Parks Department | | | | |
| Personal Services | 4,213.48 | - | 20,571.00 | (20,571.00) |
| Contractual Services | 7,291.39 | 12,548.44 | 39,000.00 | (26,451.56) |
| Commodities | 36.00 | 366.33 | - | 366.33 |
| Pool Department | | | | |
| Personal Services | 31,165.89 | 37,032.77 | 47,000.00 | (9,967.23) |
| Contractual Services | 3,435.51 | 14,968.14 | 5,000.00 | 9,968.14 |
| Commodities | 14,861.08 | 12,821.48 | 16,000.00 | (3,178.52) |
| Police Department | | | | |
| Personal Services | 363,273.27 | 380,620.19 | 383,285.00 | (2,664.81) |
| Contractual Services | 89,570.53 | 58,513.50 | 63,550.00 | (5,036.50) |
| Commodities | 31,578.63 | 25,593.49 | 29,313.00 | (3,719.51) |
| Capital Outlay | 30,809.89 | 10,095.22 | 15,000.00 | (4,904.78) |
| Dog Catcher/Pound | | | | |
| Personal Services | - | 12,300.00 | - | 12,300.00 |
| Commodities | - | 1,368.74 | - | 1,368.74 |
| Municipal Court | | | | |
| Personal Services | 31,545.53 | 33,061.52 | 31,915.00 | 1,146.52 |
| Contractual Services | 23,151.53 | 14,970.04 | 18,000.00 | (3,029.96) |
| Commodities | 576.51 | 147.84 | 1,050.00 | (902.16) |
| Fire Department | | | | |
| Personal Services | 14,412.22 | 17,423.14 | 25,000.00 | (7,576.86) |
| Contractual Services | 47,959.50 | 30,616.40 | 30,000.00 | 616.40 |
| Commodities | 4,438.33 | 22,119.30 | 20,000.00 | 2,119.30 |
| Ambulance Department | | | | |
| Personal Services | 243,753.28 | 291,158.05 | 263,939.00 | 27,219.05 |
| Contractual Services | 23,052.59 | 27,686.88 | 55,000.00 | (27,313.12) |
| Commodities | 15,538.08 | 16,186.43 | 16,438.00 | (251.57) |

CITY OF CANEY, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | Prior Year Actual | Current Year | | |
|--|-------------------------|---------------|-----------------|-------------------------------|
| | | Actual | Budget | Variance - Over (Under) |
| Expenditures (Continued) | | | | |
| Cemetery Department | | | | |
| Personal Services | \$ 5,164.57 | \$ 13,822.57 | \$ - | \$ 13,822.57 |
| Contractual Services | 32,764.87 | 20,845.00 | - | 20,845.00 |
| Commodities | - | 1,442.29 | - | 1,442.29 |
| Total Certified Budget | | | 1,624,161.00 | 20,685.48 |
| Adjustments for Qualifying Budget Credits | | | 201,643.26 | (201,643.26) |
| Total Expenditures | 1,427,462.14 | 1,644,846.48 | \$ 1,825,804.26 | \$ (180,957.78) |
| Receipts Over(Under) Expenditures | 51,030.30 | 63,215.57 | | |
| Unencumbered Cash, Beginning | 520,426.12 | 571,456.42 | | |
| Unencumbered Cash, Ending | \$ 571,456.42 | \$ 634,671.99 | | |

CITY OF CANEY, KANSAS
INDUSTRIAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | | Variance - |
|------------------------------------|-------------------------|--------------|-------------|----|-----------------|
| | Prior Year Actual | Actual | Budget | | Over (Under) |
| Receipts | | | | | |
| Taxes and Shared Receipt | | | | | |
| Ad Valorem Property Tax | \$ 3,338.54 | \$ 3,227.35 | \$ 3,700.00 | \$ | (472.65) |
| Delinquent Tax | 133.05 | 254.05 | - | | 254.05 |
| Motor Vehicle | 345.68 | 435.28 | 4.00 | | 431.28 |
| Recreational Vehicle Tax | 3.81 | 5.17 | 402.00 | | (396.83) |
| 16/20M Vehicle Tax | - | 1.29 | 2.00 | | (0.71) |
| Commerical Vehicle Tax | 3.89 | 5.45 | 4.00 | | 1.45 |
| Watercraft Tax | 0.95 | 1.23 | 2.00 | | (0.77) |
| Neighborhood Revitalization Rebate | - | - | (3.00) | | 3.00 |
| Total Receipts | 3,825.92 | 3,929.82 | \$ 4,111.00 | \$ | (181.18) |
| Expenditures | | | | | |
| General Government | | | | | |
| Contractual Services | 2,625.00 | 2,625.00 | \$ 3,220.00 | \$ | (595.00) |
| Capital Outlay | 785.00 | - | - | | - |
| Total Expenditures | 3,410.00 | 2,625.00 | \$ 3,220.00 | \$ | (595.00) |
| Receipts Over(Under) Expenditures | 415.92 | 1,304.82 | | | |
| Unencumbered Cash, Beginning | 4,177.50 | 4,593.42 | | | |
| Unencumbered Cash, Ending | \$ 4,593.42 | \$ 5,898.24 | | | |

CITY OF CANEY, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|------------------------------------|-------------------------|--------------|--------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipt | | | | |
| Ad Valorem Property Tax | \$ 56,998.85 | \$ 59,272.32 | \$ 67,984.00 | \$ (8,711.68) |
| Delinquent Tax | 5,943.76 | 6,059.20 | - | 6,059.20 |
| Motor Vehicle Tax | 6,712.41 | 7,339.05 | 6,862.00 | 477.05 |
| Recreational Vehicle Tax | 84.00 | 87.30 | 71.00 | 16.30 |
| 16/20M Truck Tax | 32.55 | 20.74 | 33.00 | (12.26) |
| Commercial Vehicle Tax | 62.17 | 93.08 | 74.00 | 19.08 |
| Watercraft Tax | 15.19 | 21.06 | 28.00 | (6.94) |
| Neighborhood Revitalization Rebate | - | - | (52.00) | 52.00 |
| Total Receipts | 69,848.93 | 72,892.75 | \$ 75,000.00 | \$ (2,107.25) |
| Expenditures | | | | |
| Culture and Recreation | | | | |
| Library Board | 69,848.93 | 72,892.75 | \$ 75,000.00 | \$ (2,107.25) |
| Total Expenditures | 69,848.93 | 72,892.75 | \$ 75,000.00 | \$ (2,107.25) |
| Receipts Over(Under) Expenditures | - | - | | |
| Unencumbered Cash, Beginning | 0.03 | 0.03 | | |
| Unencumbered Cash, Ending | \$ 0.03 | \$ 0.03 | | |

CITY OF CANEY, KANSAS
SPECIAL PARKS FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | Variance - |
|-----------------------------------|-------------------------|--------------|-------------|---------------|
| | Prior Year Actual | Actual | Budget | Over Under |
| Receipts | | | | |
| Taxes and Shared Receipt | | | | |
| Local Alcoholic Liquor Tax | \$ 2,662.65 | \$ 4,142.15 | \$ 298.00 | \$ 3,844.15 |
| County Alcoholic Liquor Tax | - | 1,684.17 | 2,116.00 | (431.83) |
| Total Receipts | 2,662.65 | 5,826.32 | \$ 2,414.00 | \$ 3,412.32 |
| Expenditures | | | | |
| Culture and Recreation | | | | |
| Contractual Services | - | 1,023.27 | \$ 5,000.00 | \$ (3,976.73) |
| Commodities | 912.80 | 5,105.96 | - | 5,105.96 |
| Total Expenditures | 912.80 | 6,129.23 | \$ 5,000.00 | \$ 1,129.23 |
| Receipts Over(Under) Expenditures | 1,749.85 | (302.91) | | |
| Unencumbered Cash, Beginning | 8,807.69 | 10,557.54 | | |
| Unencumbered Cash, Ending | \$ 10,557.54 | \$ 10,254.63 | | |

CITY OF CANEY, KANSAS
EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | | Variance - |
|--|-------------------------|---------------|---------------|----|-----------------|
| | Prior Year Actual | Actual | Budget | | Over (Under) |
| Receipts | | | | | |
| Taxes and Shared Receipt | | | | | |
| Ad Valorem Property Tax | \$ 167,218.16 | \$ 168,237.29 | \$ 192,960.00 | \$ | (24,722.71) |
| Delinquent Tax | 14,573.95 | 16,441.19 | - | | 16,441.19 |
| Motor Vehicle Tax | 19,865.63 | 21,798.90 | 20,130.00 | | 1,668.90 |
| Recreational Vehicle Tax | 240.74 | 259.49 | 209.00 | | 50.49 |
| 16/20M Truck Tax | 70.66 | 64.86 | 97.00 | | (32.14) |
| Commercial Vehicle Tax | 194.49 | 273.07 | 516.00 | | (242.93) |
| Watercraft Tax | 47.52 | 61.77 | 81.00 | | (19.23) |
| Operating Transfers from Water Utility Fund | 100,000.00 | 165,000.00 | 165,000.00 | | - |
| Total Receipts | 302,211.15 | 372,136.57 | \$ 378,993.00 | \$ | (6,856.43) |
| Expenditures | | | | | |
| General Government | | | | | |
| Social Security | 87,440.96 | 128,332.83 | \$ 110,000.00 | \$ | 18,332.83 |
| KPERS | 98,943.10 | 130,968.55 | 125,000.00 | | 5,968.55 |
| Workers Compensation | - | 3,368.25 | 5,937.00 | | (2,568.75) |
| Unemployment | 351.89 | 2,816.77 | 10,000.00 | | (7,183.23) |
| Health Insurance | 193,490.09 | 205,323.86 | 210,000.00 | | (4,676.14) |
| Total Expenditures | 380,226.04 | 470,810.26 | \$ 460,937.00 | \$ | 9,873.26 |
| Receipts Over(Under) Expenditures | (78,014.89) | (98,673.69) | | | |
| Unencumbered Cash, Beginning | 334,376.60 | 256,361.71 | | | |
| Unencumbered Cash, Ending | \$ 256,361.71 | \$ 157,688.02 | | | |

CITY OF CANEY, KANSAS
VEHICLE IDENTIFICATION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|-----------------------------------|-------------------------|--------------|-------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| VIN Inspections | \$ 4,000.00 | \$ 3,760.00 | \$ 4,200.00 | \$ (440.00) |
| Total Receipts | 4,000.00 | 3,760.00 | \$ 4,200.00 | \$ (440.00) |
| Expenditures | | | | |
| General Government | | | | |
| Commodities | 5,971.00 | 97.85 | \$ 6,500.00 | \$ (6,402.15) |
| Total Expenditures | 5,971.00 | 97.85 | \$ 6,500.00 | \$ (6,402.15) |
| Receipts Over(Under) Expenditures | (1,971.00) | 3,662.15 | | |
| Unencumbered Cash, Beginning | 5,963.52 | 3,992.52 | | |
| Unencumbered Cash, Ending | \$ 3,992.52 | \$ 7,654.67 | | |

CITY OF CANEY, KANSAS
SPECIAL HIGHWAY FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|-----------------------------------|-------------------------|---------------|--------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipt | | | | |
| Motor Fuel Tax | \$ 47,530.81 | \$ 47,429.56 | \$ 53,250.00 | \$ (5,820.44) |
| County Gas Tax | 9,152.67 | 9,274.43 | 8,440.00 | 834.43 |
| Total Receipts | 56,683.48 | 56,703.99 | \$ 61,690.00 | \$ (4,986.01) |
| Expenditures | | | | |
| General Government | | | | |
| Personal Services | 22,677.99 | 32,750.74 | \$ - | \$ 32,750.74 |
| Commodities | 9,484.45 | 7,787.76 | 65,000.00 | (57,212.24) |
| Total Expenditures | 32,162.44 | 40,538.50 | \$ 65,000.00 | \$ (24,461.50) |
| Receipts Over(Under) Expenditures | 24,521.04 | 16,165.49 | | |
| Unencumbered Cash, Beginning | 68,658.65 | 93,179.69 | | |
| Unencumbered Cash, Ending | \$ 93,179.69 | \$ 109,345.18 | | |

CITY OF CANEY, KANSAS
TOURISM FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|-----------------------------------|-------------------------|--------------|--------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipt | | | | |
| County Tourism Tax | \$ 14,288.10 | \$ 19,847.83 | \$ 10,000.00 | \$ 9,847.83 |
| Total Receipts | 14,288.10 | 19,847.83 | \$ 10,000.00 | \$ 9,847.83 |
| Expenditures | | | | |
| General Government | | | | |
| Contractual Services | 3,765.00 | 19,955.88 | \$ 20,000.00 | \$ (44.12) |
| Capital Outlay | - | 4,602.68 | 10,000.00 | (5,397.32) |
| Total Expenditures | 3,765.00 | 24,558.56 | \$ 30,000.00 | \$ (5,441.44) |
| Receipts Over(Under) Expenditures | 10,523.10 | (4,710.73) | | |
| Unencumbered Cash, Beginning | 22,281.40 | 32,804.50 | | |
| Unencumbered Cash, Ending | \$ 32,804.50 | \$ 28,093.77 | | |

CITY OF CANEY, KANSAS
POLICE, FIRE, AND AMBULANCE EQUIPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | | Variance - |
|------------------------------------|-------------------------|--------------|--------------|----|-----------------|
| | Prior Year Actual | Actual | Budget | | Over (Under) |
| Receipts | | | | | |
| Taxes and Shared Receipt | | | | | |
| Ad Valorem Property Tax | \$ 26,346.63 | \$ 30,514.36 | \$ 35,000.00 | \$ | (4,485.64) |
| Delinquent Tax | 4,396.42 | 3,620.57 | - | | 3,620.57 |
| Motor Vehicle Tax | 3,812.53 | 3,434.80 | 3,172.00 | | 262.80 |
| Recreational Vehicle Tax | 51.21 | 40.88 | 33.00 | | 7.88 |
| 16/20M Truck Tax | 29.92 | 10.22 | 15.00 | | (4.78) |
| Commercial Vehicle Tax | 30.64 | 43.03 | 34.00 | | 9.03 |
| Watercraft Tax | 7.49 | 9.74 | 13.00 | | (3.26) |
| Neighborhood Revitalization Rebate | - | - | (28.00) | | 28.00 |
| Other Receipts | | | | | |
| Miscellaneous | - | 23.75 | - | | 23.75 |
| Reimbursed Expense | - | 20,000.00 | - | | 20,000.00 |
| Total Receipts | 34,674.84 | 57,697.35 | \$ 38,239.00 | \$ | 19,458.35 |
| Expenditures | | | | | |
| General Government | | | | | |
| Contractual Service | - | 25,000.00 | \$ 53,000.00 | \$ | (28,000.00) |
| Capital Outlay | 16,865.21 | - | - | | - |
| Debt Service | | | | | |
| Finance Lease | 30,202.01 | 32,974.92 | - | | 32,974.92 |
| Total Certified Budget | | | 53,000.00 | | 4,974.92 |
| Adjustments for Qualifying | | | | | |
| Budget Credits | | | 20,000.00 | | (20,000.00) |
| Total Expenditures | 47,067.22 | 57,974.92 | \$ 73,000.00 | \$ | (15,025.08) |
| Receipts Over(Under) Expenditures | (12,392.38) | (277.57) | | | |
| Unencumbered Cash, Beginning | 39,384.90 | 26,992.52 | | | |
| Unencumbered Cash, Ending | \$ 26,992.52 | \$ 26,714.95 | | | |

CITY OF CANEY, KANSAS
STREET SALES TAX FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|-----------------------------------|-------------------------|---------------|--------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Sales Tax | \$ 95,252.09 | \$ 100,266.96 | \$ 75,000.00 | \$ 25,266.96 |
| Total Receipts | 95,252.09 | 100,266.96 | \$ 75,000.00 | \$ 25,266.96 |
| Expenditures | | | | |
| General Government | | | | |
| Contractual Services | 3,707.50 | 10,676.47 | \$ 90,000.00 | \$ (79,323.53) |
| Commodities | 1,351.50 | 13,980.04 | - | 13,980.04 |
| Total Expenditures | 5,059.00 | 24,656.51 | \$ 90,000.00 | \$ (65,343.49) |
| Receipts Over(Under) Expenditures | 90,193.09 | 75,610.45 | | |
| Unencumbered Cash, Beginning | 154,537.99 | 244,731.08 | | |
| Unencumbered Cash, Ending | \$ 244,731.08 | \$ 320,341.53 | | |

CITY OF CANEY, KANSAS
GRANT PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2024

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

| | Prior Year Actual | Current Year Actual |
|-----------------------------------|-------------------------|---------------------------|
| Receipts | | |
| Intergovernmental | | |
| Federal Grants | \$ 2,162.90 | \$ 334,277.05 |
| State Grants | 4,409.14 | - |
| Local Grants | 43,051.42 | 5,835.72 |
| Total Receipts | 49,623.46 | 340,112.77 |
| Expenditures | | |
| General Government | | |
| Contractual Services | 158,801.05 | 600,952.44 |
| Commodities | 18,750.00 | 1,581.88 |
| Capital Outlay | 23,700.56 | - |
| Total Expenditures | 201,251.61 | 602,534.32 |
| Receipts Over(Under) Expenditures | (151,628.15) | (262,421.55) |
| Unencumbered Cash, Beginning | 564,998.77 | 413,370.62 |
| Unencumbered Cash, Ending | \$ 413,370.62 | \$ 150,949.07 |

CITY OF CANEY, KANSAS
EQUIPMENT RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2024

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

| | Prior Year Actual | Current Year Actual |
|-----------------------------------|-------------------------|---------------------------|
| Receipts | | |
| Use of Money and Property | | |
| Sale of Assets | \$ 34,419.67 | \$ 11,587.30 |
| Other Receipts | | |
| Miscellaneous | 68,462.91 | - |
| Total Receipts | 102,882.58 | 11,587.30 |
| Expenditures | | |
| General Government | | |
| Capital Outlay | 18,151.74 | 57,383.31 |
| Total Expenditures | 18,151.74 | 57,383.31 |
| Receipts Over(Under) Expenditures | 84,730.84 | (45,796.01) |
| Unencumbered Cash, Beginning | - | 84,730.84 |
| Unencumbered Cash, Ending | \$ 84,730.84 | \$ 38,934.83 |

CITY OF CANEY, KANSAS
WASTEWATER IMPROVEMENT PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2024

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

| | Prior Year Actual | Current Year Actual |
|-----------------------------------|-------------------------|---------------------------|
| Receipts | | |
| Intergovernmental | | |
| Federal Grants | \$ 42,440.00 | \$ - |
| Total Receipts | 42,440.00 | - |
| Expenditures | | |
| Capital Improvements | | |
| Commodities | 1,210.00 | - |
| Total Expenditures | 1,210.00 | - |
| Receipts Over(Under) Expenditures | 41,230.00 | - |
| Unencumbered Cash, Beginning | (18,380.73) | 22,849.27 |
| Unencumbered Cash, Ending | \$ 22,849.27 | \$ 22,849.27 |

CITY OF CANEY, KANSAS
CAPITAL PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2024

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

| | Prior Year Actual | Current Year Actual |
|-----------------------------------|-------------------------|---------------------------|
| Receipts | | |
| Intergovernmental | | |
| Federal Grants | \$ - | \$ - |
| Total Receipts | - | - |
| Expenditures | | |
| Capital Improvements | | |
| Capital Outlay | - | 5.00 |
| Total Expenditures | - | 5.00 |
| Receipts Over(Under) Expenditures | - | (5.00) |
| Unencumbered Cash, Beginning | 5.00 | 5.00 |
| Unencumbered Cash, Ending | \$ 5.00 | \$ - |

CITY OF CANEY, KANSAS
GENERAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|-----------------------------------|-------------------------|---------------|-----------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Sales Tax | \$ 190,447.04 | \$ 200,484.11 | \$ 180,000.00 | \$ 20,484.11 |
| Use of Money and Property | | | | |
| Bond Proceeds | - | 768,690.00 | - | 768,690.00 |
| Operating Transfers from: | | | | |
| Water Utility Fund | 50,000.00 | - | - | - |
| Sewer Utility Fund | 170,000.00 | 220,000.00 | 220,000.00 | - |
| Total Receipts | 410,447.04 | 1,189,174.11 | \$ 400,000.00 | \$ 789,174.11 |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal | 390,563.92 | 1,131,818.88 | \$ 508,688.00 | \$ 623,130.88 |
| Interest | 112,947.58 | 124,726.94 | 5,000.00 | 119,726.94 |
| Cost of Issuance | - | 12,879.00 | - | 12,879.00 |
| Total Certified Budget | | | 513,688.00 | 755,736.82 |
| Adjustments for Qualifying | | | | |
| Budget Credits | | | 768,690.00 | (768,690.00) |
| Total Expenditures | 503,511.50 | 1,269,424.82 | \$ 1,282,378.00 | \$ (12,953.18) |
| Receipts Over(Under) Expenditures | (93,064.46) | (80,250.71) | | |
| Unencumbered Cash, Beginning | 431,219.85 | 338,155.39 | | |
| Unencumbered Cash, Ending | \$ 338,155.39 | \$ 257,904.68 | | |

CITY OF CANEY, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|---|-------------------------|---------------|---------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| Water Charges | \$ 673,433.50 | \$ 698,864.35 | \$ 749,669.00 | \$ (50,804.65) |
| Connection Fee | 8,450.00 | 7,504.54 | - | 7,504.54 |
| Bulk Water | 32.00 | 5,517.50 | - | 5,517.50 |
| Other Receipts | | | | |
| Miscellaneous | 80.59 | 73.36 | - | 73.36 |
| Total Receipts | 681,996.09 | 711,959.75 | \$ 749,669.00 | \$ (37,709.25) |
| Expenditures | | | | |
| Administration, Production, and Distribution | | | | |
| Personal Services | 203,359.69 | 226,986.02 | \$ 233,000.00 | \$ (6,013.98) |
| Contractual Services | 239,584.91 | 266,513.29 | 185,449.00 | 81,064.29 |
| Commodities | 144,742.90 | 147,569.57 | 159,000.00 | (11,430.43) |
| Capital Outlay | 56,130.00 | 10,621.56 | 10,000.00 | 621.56 |
| Operating Transfers to: | | | | |
| Employee Benefits Fund | 100,000.00 | 165,000.00 | 165,000.00 | - |
| General Obligation Bond and Interest Fund | 50,000.00 | - | - | - |
| Grocery Store Utility Fund | 70,000.00 | 25,000.00 | - | 25,000.00 |
| Total Expenditures | 863,817.50 | 841,690.44 | \$ 752,449.00 | \$ 89,241.44 |
| Receipts Over(Under) Expenditures | (181,821.41) | (129,730.69) | | |
| Unencumbered Cash, Beginning | 329,685.77 | 147,864.36 | | |
| Unencumbered Cash, Ending | \$ 147,864.36 | \$ 18,133.67 | | |

CITY OF CANEY, KANSAS
SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|-----------------------------------|-------------------------|----------------------|----------------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| Wastewater Charges | \$ 534,171.30 | \$ 532,506.57 | \$ 580,000.00 | \$ (47,493.43) |
| Total Receipts | 534,171.30 | 532,506.57 | <u>580,000.00</u> | <u>\$ (47,493.43)</u> |
| Expenditures | | | | |
| Collection and Treatment | | | | |
| Personal Services | 144,851.06 | 138,772.88 | \$ 167,000.00 | \$ (28,227.12) |
| Contractual Services | 78,572.80 | 88,014.18 | 161,154.00 | (73,139.82) |
| Commodities | 11,690.09 | 1,940.37 | 8,200.00 | (6,259.63) |
| Capital Outlay | 38,982.12 | 26,349.07 | 22,000.00 | 4,349.07 |
| Debt Service | | | | |
| Finance Lease | 5,819.07 | 4,620.68 | 5,820.00 | (1,199.32) |
| Operating Transfers to | | | | |
| General Obligation | | | | |
| Bond and Interest Fund | 170,000.00 | 220,000.00 | 220,000.00 | - |
| Total Expenditures | 449,915.14 | 479,697.18 | <u>\$ 584,174.00</u> | <u>\$ (104,476.82)</u> |
| Receipts Over(Under) Expenditures | 84,256.16 | 52,809.39 | | |
| Unencumbered Cash, Beginning | 86,358.61 | 170,614.77 | | |
| Unencumbered Cash, Ending | <u>\$ 170,614.77</u> | <u>\$ 223,424.16</u> | | |

CITY OF CANEY, KANSAS
SEWER TREATMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2024

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

| | Prior Year Actual | Current Year Actual |
|-----------------------------------|-------------------------|---------------------------|
| Receipts | | |
| Charges for Services | | |
| Wastewater Charges | \$ 7,602.02 | \$ 7,509.93 |
| Total Receipts | 7,602.02 | 7,509.93 |
| Expenditures | | |
| General Government | | |
| Capital Outlay | - | - |
| Total Expenditures | - | - |
| Receipts Over(Under) Expenditures | 7,602.02 | 7,509.93 |
| Unencumbered Cash, Beginning | 32,189.41 | 39,791.43 |
| Unencumbered Cash, Ending | \$ 39,791.43 | \$ 47,301.36 |

CITY OF CANEY, KANSAS
SOLID WASTE UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|-----------------------------------|-------------------------|---------------|---------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| Collections | \$ 269,620.50 | \$ 239,365.00 | \$ 280,000.00 | \$ (40,635.00) |
| Total Receipts | 269,620.50 | 239,365.00 | \$ 280,000.00 | \$ (40,635.00) |
| Expenditures | | | | |
| Generation and Distribution | | | | |
| Personal Services | 22,459.62 | 14,474.41 | \$ 35,000.00 | \$ (20,525.59) |
| Contractual Services | 231,630.72 | 228,988.81 | 246,000.00 | (17,011.19) |
| Commodities | 11,322.28 | 746.12 | 5,000.00 | (4,253.88) |
| Total Expenditures | 265,412.62 | 244,209.34 | \$ 286,000.00 | \$ (41,790.66) |
| Receipts Over(Under) Expenditures | 4,207.88 | (4,844.34) | | |
| Unencumbered Cash, Beginning | 96,647.68 | 100,855.56 | | |
| Unencumbered Cash, Ending | \$ 100,855.56 | \$ 96,011.22 | | |

CITY OF CANEY, KANSAS
GROCERY STORE UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2024

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

| | | Current Year | | |
|--|-------------------------|-----------------|-----------------|-------------------------------|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| Retail Sales | \$ 1,259,886.43 | \$ 1,122,288.34 | \$ 1,440,000.00 | \$ (317,711.66) |
| Other Receipts | | | | |
| Miscellaneous | (2,047.97) | 477.14 | - | 477.14 |
| Operating Transfers from Water Utility Fund | 70,000.00 | 25,000.00 | 50,000.00 | (25,000.00) |
| Total Receipts | 1,327,838.46 | 1,147,765.48 | \$ 1,490,000.00 | \$ (342,234.52) |
| Expenditures | | | | |
| General Government | | | | |
| Personal Services | 198,060.79 | 147,392.28 | \$ 220,000.00 | \$ (72,607.72) |
| Contractual Services | 102,102.77 | 95,316.20 | 75,000.00 | 20,316.20 |
| Commodities | 1,027,015.09 | 909,602.49 | 1,160,038.00 | (250,435.51) |
| Total Expenditures | 1,327,178.65 | 1,152,310.97 | \$ 1,455,038.00 | \$ (302,727.03) |
| Receipts Over(Under) Expenditures | 659.81 | (4,545.49) | | |
| Unencumbered Cash, Beginning | 5,532.72 | 6,192.53 | | |
| Unencumbered Cash, Ending | \$ 6,192.53 | \$ 1,647.04 | | |

CITY OF CANEY, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2024

| Funds | Beginning Cash Balance | Receipts | Disbursements | Ending Cash Balance |
|-------------------------|---------------------------|---------------------|---------------|------------------------|
| Special Law Enforcement | \$ 2,138.24 | \$ - | \$ - | \$ 2,138.24 |
| Land Bank | - | 12,500.00 | - | 12,500.00 |
| | <u>\$ 2,138.24</u> | <u>\$ 12,500.00</u> | <u>\$ -</u> | <u>\$ 14,638.24</u> |

835379
514
23480598



KANSAS MUNICIPALITIES
INSURANCE TRUST (KMIT)



Effective January 01, 2026 - December 31, 2026

Your financial responsibility is based on your provider's network: PPO (Blue Choice) or Traditional (CAP). Maximum benefits are available when services are received from Blue Choice providers. Non-Blue Choice & Non-CAP: The difference between the payment allowance and provider charge, additional 20% non-PPO network coinsurance amount*, deductible, coinsurance or copay amount. CAP (Non-Blue Choice): Additional 20% non-PPO network coinsurance amount*, deductible, coinsurance or copay amount. Blue Choice: Deductible, coinsurance or copay amount.
*Non-PPO Coinsurance limited to a combined \$2,000 per person, \$4,000 two-or more persons each benefit period.

| Member Pays | |
|---|---|
| Deductible (Per group anniversary benefit period) | \$500/\$1,000 individual/two-or-more persons. |
| Coinsurance (Member portion for most services) | 20% of allowed amounts after deductible has been met. |
| Maximum Out-of-Pocket (includes copays, deductible and coinsurance where applicable) | \$5,000/\$10,000 individual/two-or-more persons. |
| Doctor's Office Visits | |
| Home and office visits | \$35 Primary care office visit copay/\$70 Specialist office visit copay. |
| Telemedicine Visits | Telemedicine: Office visits provided via Telemedicine will be paid at 100% of the allowable charge. All other services provided via Telemedicine are subject to the same Cost Sharing provisions as a Non-Telemedicine service. |
| Preventive care as defined by the Affordable Care Act | Paid at 100% of the allowable charge. Some of the services include: Routine screenings Preventive immunizations Well-women visits/screenings Contraceptive methods |
| Drug Coverage | |
| Prescription Drugs & Mail Order Drug classifications have been renamed from Generic, Brand, and Specialty to Tiers. Please refer to the drug list. | BlueRx Card \$15 Tier 1/\$50 Tier 2/\$75 Tier 3/\$150 Tier 4/20% up to \$250 Tier 5 with Mail order is 2 1/2 x copay with ResultsRx formulary. A 90-day supply is available through the Extended Supply Network. The quantity per prescription is a 30-day pharmacy supply or 90-day mail order supply. Designated Specialty Pharmacy. Flex Access. |
| Medical Services | |
| Emergency medical transportation | Subject to deductible/coinsurance. |
| Inpatient surgery physician/surgical | Subject to deductible/coinsurance. |
| Inpatient facility fee | Subject to deductible/coinsurance. |
| Outpatient surgery physician/surgical | Subject to deductible/coinsurance. |
| Outpatient lab and radiology (Includes Advanced Imaging) | Paid at 100% of the allowable charge up to a combined maximum of \$300 for each covered person, each benefit period. |
| Emergency room | \$250 copay then subject to deductible/coinsurance. |
| Accidental Injury Services | Subject to deductible/coinsurance. |

| Recovery/Special Needs | |
|---|------------------------------------|
| Outpatient rehabilitation | Subject to deductible/coinsurance. |
| Hospice | Subject to deductible/coinsurance. |
| Home Social Work Visits | Subject to deductible/coinsurance. |
| Mental Health | |
| Mental Illness & Substance Use Disorders <u>Inpatient Services</u> Requires pre-admission certification from New Directions Behavioral Health at 1-800-952-5906 | Subject to deductible/coinsurance. |
| Mental Illness & Substance Use Disorders <u>Outpatient Services</u> | \$35 copay per visit. |
| Other | |
| Maximum Lifetime Benefit | Unlimited. |
| Eligible Dependents | Covered to age 26. |

Rates pending approval by the Kansas Insurance Department.

| Monthly Premium | | | |
|------------------|------------|---------------|------------|
| Type of Coverage | Health | Health Broker | Total |
| Employee | \$693.97 | \$10.00 | \$703.97 |
| Employee/Child | \$1,404.56 | \$10.00 | \$1,414.56 |
| Employee/Spouse | \$1,490.21 | \$10.00 | \$1,500.21 |
| Family | \$2,200.81 | \$10.00 | \$2,210.81 |

BCBSKS reserves the right to adjust premiums accordingly should enrollment vary from the census.

Exclusions: The following procedures and all related services and supplies are not covered under this program. Services provided directly for or relative to diseases or injuries caused by or arising out of acts of war, insurrection, rebellion, armed invasion, or aggression; duplicate benefits provided under federal, state or local laws, regulations or programs, except Medicaid; cosmetic or reconstructive surgery (except as stated in the certificate); any keratotomy procedures; charges for personal items; convalescent or custodial/maintenance care or rest cures; blood or payments to donors of blood; charges for services by immediate relatives or by members of your household; acupuncture and admissions for acupuncture; services related to temporomandibular joint dysfunction syndrome over the amount specified in the certificate; any medically-aided insemination procedure; services related to the reversal of sterilization procedures; mental illness or substance use disorder services provided by a non-eligible provider; hearing aids; eyeglasses or contact lenses (except after the removal of cataracts); unnecessary services and admissions; services or supplies which are experimental or investigative in nature; services not specifically listed as benefits in the certificate; services covered and payable by any medical expense payment provision of any automobile insurance policy.

This is a brief summary of the coverage available under this program. It is not a legal document.
The exact provisions of the benefits and exclusions are contained in the certificate.

KMIT ASSOCIATION

Blue Edge Options

✶ **BE1 (CMZSA):** \$500/\$1,000 Deductible; 80/20 to MOOP; \$35 Primary/\$70 Specialist OVC; No Deductible Carryover; \$0 Telemedicine; \$300 Lab/Xray rider; Unlimited LTM; Accidents subject to deductible/ coinsurance; \$250 ER copay; Home Social Work/Hospice Unlimited subject to ded/coins; Dependents to age 26; OB benefits available to all females; Mental Health Parity; HCR Preventive Care; BlueRX \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum \$5,000/\$10,000. FlexAccess.

| BE2 | Employee | Employee/Child | Employee/Spouse | Family |
|------------|-----------------|-----------------------|------------------------|---------------|
| | \$703.97 | \$1,414.56 | \$1,500.21 | \$2,210.81 |

(CMZTA): \$1,000/\$2,000 Deductible; 80/20 to MOOP; \$35 Primary/\$70 Specialist OVC; No Deductible Carryover; \$0 Telemedicine; \$300 Lab/Xray rider; Unlimited LTM; Accidents subject to deductible/ coinsurance; \$250 ER copay; Home Social Work/Hospice Unlimited subject to ded/coins; Dependents to age 26; OB benefits available to all females; Mental Health Parity; HCR Preventive Care; BlueRX \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum \$5,000/\$10,000. FlexAccess.

| BE3 | Employee | Employee/Child | Employee/Spouse | Family |
|------------|-----------------|-----------------------|------------------------|---------------|
| | \$690.56 | \$1,387.41 | \$1,471.39 | \$2,168.24 |

(CMZUA): \$1,500/\$3,000 Deductible; 80/20 to MOOP; \$35 Primary/\$70 Specialist OVC; No Deductible Carryover; \$0 Telemedicine; \$300 Lab/Xray rider; Unlimited LTM; Accidents subject to deductible/ coinsurance; \$250 ER copay; Home Social Work/Hospice Unlimited subject to ded/coins; Dependents to age 26; OB benefits available to all females; Mental Health Parity; HCR Preventive Care; BlueRX \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum \$5,000/\$10,000. FlexAccess.

| Employee | Employee/Child | Employee/Spouse | Family |
|-----------------|-----------------------|------------------------|---------------|
| \$679.86 | \$1,365.72 | \$1,448.39 | \$2,134.24 |

HDHP_A (HI95A): \$3,400/\$6,800 Deductible; No Deductible Carryover; Telemedicine; Accidents subject to deductible; HCR Preventive Care; Unlimited LTM; Mental Health Parity; Dependents to age 26; OB benefits available to all females; Home Social Work/Hospital Unlimited subject to deductible; Integrated Drugs (pharmacy submit) until deductible met, then covered with BlueRX Card \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum of \$6,350/\$12,700.

| Employee | Employee/Child | Employee/Spouse | Family |
|-----------------|-----------------------|------------------------|---------------|
| \$636.05 | \$1,276.95 | \$1,354.20 | \$1,995.10 |

KMIT ASSOCIATION

HDHP_B (HI96A): \$5,000/\$10,000 Deductible; No Deductible Carryover; Telemedicine; Accidents subject to deductible; HCR Preventive Care; Unlimited LTM; Mental Health Parity; Dependents to age 26; OB benefits available to all females; Home Social Work/Hospital Unlimited subject to deductible; Integrated Drugs (pharmacy submit) until deductible met, then covered with BlueRX Card \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum of \$6,350/\$12,700.

| Employee | Employee/Child | Employee/Spouse | Family |
|----------|----------------|-----------------|------------|
| \$584.47 | \$1,172.43 | \$1,243.29 | \$1,831.24 |

HDHP_C (HI80A): \$6,000/\$12,000 Deductible; No Deductible Carryover; Telemedicine; Accidents subject to deductible; HCR Preventive Care; Unlimited LTM; Mental Health Parity; Dependents to age 26; OB benefits available to all females; Home Social Work/Hospital Unlimited subject to deductible; Integrated Drugs (pharmacy submit) until deductible met, then covered with BlueRX Card \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum of \$6,350/\$12,700.

| Employee | Employee/Child | Employee/Spouse | Family |
|----------|----------------|-----------------|------------|
| \$559.66 | \$1,122.15 | \$1,189.95 | \$1,752.44 |

- CMM or BE plans can be designed as a triple option or a single option. One HDHP (A, B, or C) can be paired with Comprehensive Major Medical or BlueEdge
- HDHP A, B, and C are also available as stand-alone product.

KMIT ASSOCIATION

PLAN OPTIONS

(All rates include a \$10 PMPC broker fee)

Comprehensive Major Medical Options

CMM1 (CMM10): \$500/\$1,000 Deductible; \$1,000/\$2,000 @ 80/20; \$25 OVC; Deductible Carryover; \$0 Telemedicine; \$300 Lab/Xray rider; Unlimited LTM; Accidents covered at 100% up to \$1,000 per person per benefit; \$250 ER copay; Home Social Work/Hospice Unlimited subject to ded/coins; Dependents to age 26; OB benefits available to all females; Mental Health Parity; HCR Preventive Care; BlueRX \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum \$5,000/\$10,000. FlexAccess.

| Employee | Employee/Child | Employee/Spouse | Family |
|----------|----------------|-----------------|------------|
| \$745.30 | \$1,498.32 | \$1,589.08 | \$2,342.10 |

CMM2 (CMN10): \$1,000/\$2,000 Deductible; \$1,000/\$2,000 @ 80/20; \$25 OVC; Deductible Carryover; \$0 Telemedicine; \$300 Lab/Xray rider; Unlimited LTM; Accidents covered at 100% up to \$1,000 per person per benefit; \$250 ER copay; Home Social Work/Hospice Unlimited subject to ded/coins; Dependents to age 26; OB benefits available to all females; Mental Health Parity; HCR Preventive Care; BlueRX \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum \$5,000/\$10,000. FlexAccess.

| Employee | Employee/Child | Employee/Spouse | Family |
|----------|----------------|-----------------|------------|
| \$728.50 | \$1,464.27 | \$1,552.95 | \$2,288.72 |

CMM3 (CMQ10): \$1,500/\$3,000 Deductible; \$1,000/\$2,000 @ 80/20; \$25 OVC; Deductible Carryover; \$0 Telemedicine; \$300 Lab/Xray rider; Unlimited LTM; Accidents covered at 100% up to \$1,000 per person per benefit; \$250 ER copay; Home Social Work/Hospice Unlimited subject to ded/coins; Dependents to age 26; OB benefits available to all females; Mental Health Parity; HCR Preventive Care; BlueRX \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum \$5,000/\$10,000. FlexAccess.

| Employee | Employee/Child | Employee/Spouse | Family |
|----------|----------------|-----------------|------------|
| \$714.21 | \$1,435.31 | \$1,522.23 | \$2,243.33 |

CMM HDHP_A (HI95A): \$3,400/\$6,800 Deductible; No Deductible Carryover; Telemedicine; Accidents subject to deductible; HCR Preventive Care; Unlimited LTM; Mental Health Parity; Dependents to age 26; OB benefits available to all females; Home Social Work/Hospital Unlimited subject to deductible; Integrated Drugs (pharmacy submit) until deductible met, then covered with BlueRX Card \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum of \$6,350/\$12,700.

| Employee | Employee/Child | Employee/Spouse | Family |
|----------|----------------|-----------------|------------|
| \$636.05 | \$1,276.95 | \$1,354.20 | \$1,995.10 |

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CMM HDHP_B (HI96A): \$5,000/\$10,000 Deductible; No Deductible Carryover; Telemedicine; Accidents subject to deductible; HCR Preventive Care; Unlimited LTM; Mental Health Parity; Dependents to age 26; OB benefits available to all females; Home Social Work/Hospital Unlimited subject to deductible; Integrated Drugs (pharmacy submit) until deductible met, then covered with BlueRX Card \$15/\$50/\$75/\$150/20% up to \$250 with mail order 2.5x copay; ResultsRX Formulary; ESN network; Mandatory Specialty Pharmacy; Combined Health/RX annual Out-of-Pocket maximum of \$6,350/\$12,700.

| Employee | Employee/Child | Employee/Spouse | Family |
|----------|----------------|-----------------|------------|
| \$584.47 | \$1,172.43 | \$1,243.29 | \$1,831.24 |

- CMM or BE plans can be designed as a triple option or a single option. One HDHP (A, B, or C) can be paired with Comprehensive Major Medical or BlueEdge
- HDHP A, B, and C are also available as stand-alone product.