

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUES – BOOK-ENTRY ONLY

**RATINGS (S&P): Bonds “AA-”; Notes “SP-1+”
See “Ratings” herein**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”): (1) the interest on the Securities [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Securities is exempt from income taxation by the State of Kansas; (3) the Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3); and (4) the Notes are “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Securities may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” in this Official Statement.

CITY OF PARK CITY, KANSAS

\$4,185,000*
**GENERAL OBLIGATION
BONDS
SERIES 2023-A**

\$7,750,000*
**GENERAL OBLIGATION
TEMPORARY NOTES
SERIES 2023-1**

Dated: September 7, 2023

Due: As shown on the inside cover

The General Obligation Bonds, Series 2023-A (the “Bonds”) and General Obligation Temporary Notes, Series 2023-1 (the “Notes,” and collectively with the Bonds, the “Securities”) will be issued by the City of Park City, Kansas (the “Issuer”), as fully registered securities, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Securities. Purchases of the Securities will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). Purchasers will not receive certificates representing their interests in Securities purchased. So long as Cede & Co. is the registered owner of the Securities, as nominee of DTC, references herein to the Bond owners or Note owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Securities. Principal of the Bonds will be payable annually on December 1, beginning in 2024, and semiannual interest will be payable on June 1 and December 1, beginning on June 1, 2024. Principal of the Notes will be payable on September 1, 2026, and semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2024. Principal of the Securities will be payable upon presentation and surrender of the Securities by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and registrar (the “Paying Agent”). Interest payable on each Security shall be paid to the persons who are the registered owners of the Securities as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner, or in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Securities, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Securities, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners

The Securities and the interest thereon will constitute general obligations of the Issuer, payable in part from special assessments levied upon the property benefited by the construction of certain public improvements, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. In addition, the Notes and the interest thereon are payable from the proceeds of the Issuer's general obligation bonds.

MATURITY SCHEDULES LISTED ON INSIDE COVER PAGE

At the option of the Issuer, the Securities will be subject to redemption and payment prior to maturity as described herein. See “THE BONDS - Redemption Provisions” and “THE NOTES - Redemption Provisions” herein.

The Securities are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. Certain other legal matters will be passed upon by Douglas J. Moshier, Esq., counsel for the Issuer. It is expected that the Securities will be available for delivery through the facilities of DTC on or about September 7, 2023.

BIDS FOR THE BONDS WILL BE RECEIVED ON AUGUST 22, 2023, UNTIL 10:00 A.M., APPLICABLE CENTRAL TIME	BIDS FOR THE NOTES WILL BE RECEIVED ON AUGUST 22, 2023, UNTIL 11:00 A.M., APPLICABLE CENTRAL TIME
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THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. APPENDICES C-1 AND C-2 CONTAIN DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Preliminary Official Statement is July 25, 2023.

* Subject to change

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

CITY OF PARK CITY, KANSAS
\$4,185,000*
GENERAL OBLIGATION
BONDS
SERIES 2023-A

\$7,750,000*
GENERAL OBLIGATION
TEMPORARY NOTES
SERIES 2023-1

MATURITY SCHEDULES

BONDS

[SERIAL BONDS]

<u>Stated Maturity December 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>CUSIP ¹ Base 700222</u>
2024	\$195,000			
2025	230,000			
2026	240,000			
2027	245,000			
2028	255,000			
2029	265,000			
2030	270,000			
2031	280,000			
2032	285,000			
2033	295,000			
2034	305,000			
2035	315,000			
2036	325,000			
2037	335,000			
2038	345,000			

[TERM BONDS]

<u>Stated Maturity December 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>CUSIP ¹ Base 700222</u>
2038	\$[]			

NOTES

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>CUSIP ¹ Base 700222</u>
2026	\$7,750,000*			

¹ CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a subsidiary of The McGraw-Hill Companies, Inc, and is included solely for the convenience of the Owners of the Bonds. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

* Subject to change

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

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

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

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

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

CITY OF PARK CITY, KANSAS

City Hall
1941 E. 61st Street North
Park City, Kansas 67219
(316) 744-2026

GOVERNING BODY

John W. Lehnherr, Mayor
Jim Schroeder, Councilmember
Charley Davidson, Councilmember
Brandi Baily, Councilmember
George Glover, Councilmember
George Capps, Councilmember
Benjamin Saucedo, Councilmember
Thomas Jones, Councilmember
Charles Schwanke, Councilmember

ADMINISTRATIVE OFFICERS

CITY ADMINISTRATOR

Sean Fox

FINANCE DIRECTOR

Dee Anne Grunder

CITY CLERK

Marlo Rugg

ISSUER'S COUNSEL

Douglas J. Moshier, Esq.
Wichita, Kansas

MUNICIPAL ADVISOR

Ranson Financial Group, LLC
Wichita, Kansas

BOND COUNSEL

Gilmore & Bell, P.C.
Wichita, Kansas

CERTIFIED PUBLIC ACCOUNTANTS

FORVIS, LLP
Wichita, Kansas

BONDS PURCHASER

[To Be Determined]

NOTES PURCHASER

[To Be Determined]

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

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OFFICIAL STATEMENT

CITY OF PARK CITY, KANSAS

\$4,185,000*
GENERAL OBLIGATION
BONDS
SERIES 2023-A

\$7,750,000*
GENERAL OBLIGATION
TEMPORARY NOTES
SERIES 2023-1

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Park City, Kansas (the “Issuer” or the “City”), and the Issuer’s General Obligation Bonds, Series 2023-A (the “Bonds”) and General Obligation Temporary Notes, Series 2023-1 (the “Notes,” and collectively with the Bonds, the “Securities”), dated September 7, 2023 (the “Dated Date”).

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

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

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. All financial and other information presented herein has been compiled by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Except to the extent described under the section captioned “LEGAL MATTERS,” Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in *APPENDICES C-1* and *C-2*.

Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. In connection with the issuance of the Securities, the Issuer will enter into a continuing disclosure undertaking (the “Disclosure Undertaking”) wherein the Issuer covenants to annually provide certain financial information and operating data (collectively the “Annual Report”) and other information necessary to comply with the Rule, and to transmit the same to the MSRB. Pursuant to the Disclosure Undertaking, the Issuer has agreed to file its Annual Report with the national repository (“EMMA”) not later than the July 1st immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2023. In the Bond Resolution and Note Resolution, hereinafter defined, the Issuer covenants with the Underwriter and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Securities. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Securities.

The Issuer has previously entered into disclosure undertakings pursuant to the Rule (the “Prior Undertakings”). In 2010 the Issuer hired a third-party firm to assist the Issuer in meeting its continuing disclosure obligations.

In addition, the Issuer has issued general obligation bonds and temporary notes payable from the same source of revenue as the Securities. The official statements for such general obligation bonds and temporary notes were filed with and publicly available on EMMA.

For more information regarding the Disclosure Undertaking, see “*APPENDIX D – FORM OF DISCLOSURE UNDERTAKING.*”

Additional Information

Additional information regarding the Issuer or the Securities may be obtained from the Finance Director of the Issuer at the address set forth in the preface to this Official Statement, or from the Municipal Advisor, Ranson Financial Group, LLC, 200 W. Douglas, Suite 600, Wichita, Kansas 67202, Attention: Larry Kleeman, by phone ((316) 264-3400) or e-mail (larry@citycode.com).

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 12-685 *et seq.*, K.S.A. 12-6a01 *et seq.*, and K.S.A. 14-570 *et seq.*, as amended by Charter Ordinance No. C39-2019, all as amended and supplemented from time to time, an ordinance passed by the governing body of the Issuer and a resolution adopted by the governing body of the Issuer on August 22, 2023 (collectively the “Bond Resolution”).

Security for the Bonds

The Bonds shall be general obligations of the Issuer payable as to both principal and interest in part from special assessments levied upon the property benefitted by the construction of certain public improvements, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax, Transfer to Debt Service Account

The governing body of the Issuer 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 and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes and/or assessments 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.

Description of the Bonds

The Bonds shall consist of fully registered book-entry-only 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, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis 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 hereinafter set forth.

Designation of Paying Agent and Bond Registrar

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. 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 by the Issuer shall at all times meet the requirements of Kansas law [and shall be approved by the Bond Insurer].

The Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar” and “Paying Agent”) has been designated by the Issuer as paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

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, 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. 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 an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice not less than 10 days prior to such Special Record Date.

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

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.

Book-Entry Bonds; Securities Depository

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

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 interest in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond

Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

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

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

Registration, Transfer and Exchange of Bonds

As long as any of the Bonds remain Outstanding, 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 hereinafter provided. 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 the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. 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.

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 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.

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, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

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 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.

Redemption Provisions

Optional Redemption. At the option of the Issuer, Bonds maturing on December 1 in the years 2031, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on December 1, 2030, 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) [____] Term Bonds.]The [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on December 1 in each year, the following principal amounts of such [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	
	*

*Final Maturity

[(b) **2038 Term Bonds.**]The 2038 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on December 1 in each year, the following principal amounts of such 2038 Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	
	2038*

*Final Maturity

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 minimum Authorized Denomination 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 each minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new 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 the minimum Authorized Denomination value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of 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[, the Bond Insurer] and the Underwriter. 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. 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.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a 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.

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

THE NOTES

Authority for the Notes

The Notes are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.*, and K.S.A. 12-6a01 *et seq.*, all as amended and supplemented from time to time, and a resolution adopted by the governing body of the Issuer on August 22, 2023 (the "Note Resolution").

Security for the Notes

The Notes shall be general obligations of the Issuer payable as to both principal and interest from special assessments levied upon the property benefitted by the construction of certain public improvements or from the proceeds of the Issuer's general obligation bonds, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Notes as the same become due.

Description of the Notes

The Notes shall consist of fully registered book-entry-only notes in an Authorized Denomination and shall be numbered in such manner as the Note Registrar shall determine. All of the Notes shall be dated as of the Dated Date, shall become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis 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 hereinafter set forth.

Designation of Paying Agent and Note Registrar

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

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

Method and Place of Payment of the Notes

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

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

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

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

Payments Due on Saturdays, Sundays and Holidays

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

Book-Entry Notes: Securities Depository

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

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

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

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

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

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

Registration, Transfer and Exchange of Notes

As long as any of the Notes remain Outstanding, each Note when issued shall be registered in the name of the Owner thereof on the Note Register. Notes may be transferred and exchanged only on the Note Register as hereinafter provided. Upon surrender of any Note at the principal office of the Note Registrar, the Note Registrar shall transfer or exchange such Note for a new Note or Notes in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for transfer or exchange. Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Note Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

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

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

Mutilated, Lost, Stolen or Destroyed Notes

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

Nonpresentment of Notes

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

Redemption Provisions

Optional Redemption. At the option of the Issuer, the Notes will be subject to redemption and payment prior to their Stated Maturity on September 1, 2024, and thereafter, as a whole or in part (selection of the amount of Notes 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 thereon to the Redemption Date.

Selection of Notes to be Redeemed. Notes shall be redeemed only in an Authorized Denomination. When less than all of the Notes are to be redeemed and paid prior to their Stated Maturity, such Notes shall be redeemed in such manner as the Issuer shall determine, Notes of less than a full Stated Maturity shall be selected by the Note Registrar in minimum Authorized Denomination in such equitable manner as the Note Registrar may determine. In the case of a partial redemption of Notes by lot when Notes of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Note of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Note 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 Note to the Note 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 Note or Notes of the aggregate principal amount of the unredeemed portion of the principal amount of such Note. If the Owner of any such Note fails to present such Note to the Paying Agent for payment and exchange as aforesaid, such Note shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

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

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such

Notes are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

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

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

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

THE DEPOSITORY TRUST COMPANY

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

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

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s

records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

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

THE PROJECTS

The Bond Improvements. The Bonds are being issued to finance certain public improvements (collectively the "Bond Improvements"), more specifically described as follows:

<u>Project Description</u>	<u>Ord./Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Ironstone Village Addition-Water Improvements	Res. 1051-2020	12-6a01 <i>et seq.</i>	\$ 97,987.51
Ironstone Village Addition and High Ridge 2 nd Addition-Sanitary Sewer Improvements	Res. 1052-2020	12-6a01 <i>et seq.</i>	115,170.40
Ironstone Village Addition-Paving Improvements	Res. 1053-2020	12-6a01 <i>et seq.</i>	346,279.09
Ironstone Village Addition and High Ridge 2 nd Addition-Drainage Improvements	Res. 1054-2020	12-6a01 <i>et seq.</i>	295,287.00
Prairie Hills Addition-Water Improvements Phase 6	Res. 1061-2021	12-6a01 <i>et seq.</i>	25,318.14
Prairie Hills Addition-Paving Improvements Phase 6	Res. 1062-2021	12-6a01 <i>et seq.</i>	81,786.92

61 st Street – Broadway to the Wichita-Valley Center Floodway Bridge	Ord. 1003-2016/ Res. 1056-2020/ Res. 1069-2021/ Res. 1081-2021/ Res. 1131-2022	12-685 <i>et seq.</i> / 14-570 <i>et seq.</i> / Charter C39-2019	1,919,246.47
77 th Street – Roundabout at Broadway and 77 th Street intersection and improvements to 77 th Street	Res. 1069-2021/ Res. 1081-2021/ Res. 1131-2022	14-570 <i>et seq.</i> / Charter C39-2019	489,433.27
53 rd Street Lift Station	Res. 1069-2021/ Res. 1081-2021/ Res. 1131-2022	14-570 <i>et seq.</i> / Charter C39-2019	<u>814,491.20</u>
Total			<u>\$4,185,000.00</u>

A portion of the costs of the Improvements have been financed by the Refunded Notes, which will be retired from the proceeds of the Bonds and certain other funds.

The Note Improvements. The Notes are being issued to provide interim financing for the construction of certain public improvements (collectively the “Note Improvements,” and collectively with the Bond Improvements, the “Improvements”), more specifically described as follows:

<u>Project Description</u>	<u>Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u> ¹
BARR Estates Addition-Paving Improvements	Res. 1070-2021	12-6a01 <i>et seq.</i>	\$1,161,000.00
BARR Estates Addition-Water Improvements	Res. 1071-2021/ Res. 1132-2022	12-6a01 <i>et seq.</i>	420,000.00
BARR Estates Addition-Sanitary Sewer Improvements	Res. 1072-2021	12-6a01 <i>et seq.</i>	344,000.00
Ironstone Addition-Paving Improvements	Res. 1076-2021	12-6a01 <i>et seq.</i>	500,000.00
Ironstone Addition-Water Improvements	Res. 1077-2021	12-6a01 <i>et seq.</i>	130,000.00
Ironstone Addition-Sanitary Sewer Improvements	Res. 1078-2021	12-6a01 <i>et seq.</i>	230,000.00
Ironstone Addition-Stormwater Drainage Improvements	Res. 1079-2021	12-6a01 <i>et seq.</i>	175,000.00
Ironstone Addition-Off-Site Paving Improvements	Res. 1080-2021	12-6a01 <i>et seq.</i>	415,000.00
Prather Addition-Paving Improvements	Res. 1088-2021/ Res. 1110-2022	12-6a01 <i>et seq.</i>	600,000.00
Prather Addition-Sanitary Sewer Improvements	Res. 1089-2021/ Res. 1111-2022	12-6a01 <i>et seq.</i>	154,000.00
Prather Addition-Stormwater Drainage Improvements	Res. 1090-2021	12-6a01 <i>et seq.</i>	245,000.00
Prather Addition-Water Improvements	Res. 1091-2021/ Res. 1112-2022	12-6a01 <i>et seq.</i>	170,000.00
Prather Addition-Turn Lane Improvements	Res. 1145-2023	12-6a01 <i>et seq.</i>	92,800.00
Cambridge Valley 2 nd Addition-Sanitary Sewer Improvements	Res. 1099-2021	12-6a01 <i>et seq.</i>	200,000.00
Cambridge Valley 2 nd Addition-Paving Improvements	Res. 1100-2021	12-6a01 <i>et seq.</i>	590,000.00
Cambridge Valley 2 nd Addition-Water Improvements	Res. 1101-2021	12-6a01 <i>et seq.</i>	160,000.00
Echo Hills Commercial-Traffic Signalization Improvements	Res. 832-2012	12-6a01 <i>et seq.</i>	720,309.00
Prairie Hills Addition-Sanitary Sewer Improvements Phase 7	Res. 1118-2022	12-6a01 <i>et seq.</i>	680,000.00
Prairie Hills Addition-Water Improvements Phase 7	Res. 1119-2022	12-6a01 <i>et seq.</i>	132,000.00
Prairie Hills Addition-Paving Improvements Phase 7	Res. 1133-2022	12-6a01 <i>et seq.</i>	435,000.00
Prairie Hills Addition-Storm Water Sewer Improvements Phase 7	Res. 1146-2023	12-6a01 <i>et seq.</i>	125,000.00
Saddlebrook 3rd Addition-Paving Improvements	Res. 1122-2022	12-6a01 <i>et seq.</i>	776,000.00
Saddlebrook 3rd Addition-Sanitary Sewer Improvements	Res. 1123-2022	12-6a01 <i>et seq.</i>	135,000.00
Saddlebrook 3rd Addition-Water Improvements	Res. 1124-2022	12-6a01 <i>et seq.</i>	<u>240,000.00</u>
Total			<u>\$8,830,109.00</u>

¹ Amount does not include interest and costs of financing

SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Securities:

	<i>Bonds</i>	<i>Notes</i>
Sources of Funds:		
Principal Amount of the Securities	\$4,185,000*.00	\$7,750,000*.00
Available funds of the Issuer		
[Original Issue Premium]
[Original Issue Discount]
<i>Total</i>		
Uses of Funds:		
Deposit to Redemption Fund	\$3,875,907.13	\$ 0.00
Deposit to Improvement Fund		
Capitalized Interest		
Deposit to Debt Service Account		
Underwriter's Discount		
Costs of Issuance		
<i>Total</i>		

RISK FACTORS AND INVESTMENT CONSIDERATIONS

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

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Securities. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Securities

The enforceability of the rights and remedies of the owners of Securities, and the obligations incurred by the Issuer in issuing the Securities, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Securities to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Debt Service Source

The Securities are general obligations of the Issuer payable as to both principal and interest, if necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material

impact on the Issuer's financial situation. See "**APPENDIX A – FINANCIAL INFORMATION – Property Valuations and Property Tax Levies and Collections.**"

Kansas Public Employees Retirement System

As described in "**APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans,**" the Issuer participates in the Kansas Public Employees Retirement System ("KPERs"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERs administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen's Retirement System ("KP&F") and the Public Employees Retirement System – Local Group (the "Plan"). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERs' Valuation Reports, the Local Group had an UAAL of approximately \$1.783 billion in calendar year 2021 and KP&F had an UAAL of approximately \$1.140 billion.

Taxation of Interest on the Securities

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Securities is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Securities includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Resolution, the Note Resolution and in other documents and certificates to be delivered in connection with the issuance of the Securities to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Securities. Because the existence and continuation of the excludability of the interest on the Securities depends upon events occurring after the date of issuance of the Securities, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Securities in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Securities to become includable in gross income as of the date of issuance.]

Premium on Securities

[The initial offering prices of certain maturities of the Securities that are subject to optional redemption are in excess of the respective principal amounts thereof.]Any person who purchases a Bond or Note in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Securities are subject to redemption at par under the various circumstances described under "THE BONDS – Redemption Provisions" and "THE NOTES – Redemption Provisions."

No Additional Interest or Mandatory Redemption upon Event of Taxability

Neither the Bond Resolution nor the Note Resolution provide for the payment of additional interest or penalty on the Securities or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, neither the Bond Resolution nor the Note Resolution provide for the payment of any additional interest or penalty on the Securities if the interest thereon becomes subject to income taxation by the State.

Suitability of Investment

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

Market for the Securities

Rating. The Securities have been assigned the financial ratings set forth in the section hereof entitled "RATINGS." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised,

either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Securities.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Securities. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Securities as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Securities are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the Issuer may incur significant costs to remediate possible injury to the affected persons, and the Issuer may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the Issuer's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Natural Disasters or Terrorist Attacks

The occurrence of a terrorist attack in the Issuer, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the Issuer and its systems and infrastructure, and interrupt services or otherwise impair operations of the Issuer.

Potential Impacts Resulting from Epidemics or Pandemics

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

BOND INSURANCE

This section to be included only if the winning bidder for the Bonds purchases a bond insurance policy for the Bonds.

RATINGS

S&P Global Ratings, a division of S&P Global Inc., has assigned an underlying rating of "AA-" to the Bonds and an underlying rating of "SP-1+" to the Notes. Such ratings reflect only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any obligations, including the Securities, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Securities that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Securities.

LEGAL PROCEEDINGS

The Issuer, in the ordinary course of business, is a party to various legal proceedings. In the opinion of management of the Issuer, any judgment rendered against the Issuer in such proceedings would not materially adversely affect the financial position of the Issuer.

The Issuer certifies that there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Securities or the validity of said Securities, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Securities

All matters incident to the authorization and issuance of the Securities are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas (“Bond Counsel”), bond counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned “THE BONDS,” “THE NOTES,” “LEGAL MATTERS,” “TAX MATTERS,” “**APPENDIX C-1 – SUMMARY OF BOND FINANCING DOCUMENTS,**” and “**APPENDIX C-2 – SUMMARY OF NOTE FINANCING DOCUMENTS.**” Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Securities. Certain legal matters have been passed on for the Issuer by Douglas J. Moshier, Esq.

TAX MATTERS

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

Opinion of Bond Counsel

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

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

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

Bank Qualification – Bonds. The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b).

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

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

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

Other Tax Consequences

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

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

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Securities should be aware that ownership of the Securities may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Securities. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Securities should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Securities, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that for tax years beginning after December 31, 2022, the interest on the Securities may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

MUNICIPAL ADVISOR

Ranson Financial Group, LLC, Wichita, Kansas, has acted as municipal advisor to the Issuer in connection with the sale of the Securities. The Municipal Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Municipal Advisor has assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Securities. The Municipal Advisor will not be a manager or a member of any underwriting group submitting a proposal for the purchase of the Securities. The fees of the Municipal Advisor are contingent upon the issuance of the Securities.

UNDERWRITING

The Bonds have been sold at public sale by the Issuer to [Purchaser], [City, State] (the “Bond Underwriter”) on the basis of lowest true interest cost. [] bids were received by the Issuer. The Bond Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to the principal amount of the Bonds, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____][, less an underwriting discount of \$_____].

The Notes have been sold at public sale by the Issuer to [Purchaser], [City, State] (the “Note Underwriter”) on the basis of lowest true interest cost. [] bids were received by the Issuer. The Note Underwriter has agreed, subject to certain conditions, to purchase the Notes at a price equal to the principal amount of the Notes, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____][, less an underwriting discount of \$_____].

The Securities will be offered to the public initially at the prices determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Securities to certain dealers (including dealers depositing the Securities into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

AUTHORIZATION OF OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof. This Official Statement is submitted in connection with the issuance of the Securities and may not be reproduced or used as a whole or in part for any other purpose. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Securities.

CITY OF PARK CITY, KANSAS

John Lehnherr, Mayor
Dee Anne Grunder, Finance Director

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APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

The City of Park City, Kansas (the “City”) a legally constituted city of the second class, located in Sedgwick County, Kansas, immediately north of Wichita, Kansas. The City encompasses approximately 9.8 square miles and has a current estimated population of 8,503 persons.

Government and Organization of the Issuer

The City was originally incorporated as an improvement district in 1953 and was incorporated as a city in 1980.

The City operates under the Mayor-Council form of government. The eight Council members elected by district ward and serve four-year terms. The Mayor, elected at large for a four-year term, has veto power over certain Council action, presides over Council meetings and appoints certain City officials, subject to Council approval.

The following tables list the principal elected and appointed executive officers of the City:

Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John W. Lehnherr	Mayor	01/22 to 01/26
Jim Schroeder	Councilmember	04/15 to 01/24
Charley Davidson	Councilmember	01/22 to 01/26
Brandi Bailey	Councilmember	09/18 to 01/24
George Glover	Councilmember	04/13 to 01/26
George Capps	Councilmember	04/07 to 01/24
Benjamin Saucedo	Councilmember	01/18 to 01/26
Thomas Jones	Councilmember	04/99 to 01/24
Charles Schwanke	Councilmember	01/23 to 01/26

Appointed Officials

<u>Name</u>	<u>Title</u>
Sean Fox	City Administrator
Dee Anne Grunder	Finance Director
Marlo Rugg	City Clerk
Douglas J. Moshier	City Attorney

Municipal Services and Utilities

The City owns and operates its own water distribution and wastewater collection systems. The City contracts with the Chisholm Creek Utility Authority (the “Authority”) for the purchase of water and the treatment of its sewage. The Authority also provides management services with respect to said utilities. Reference is made to “**APPENDIX A – Debt Structure – Chisholm Creek Utility Authority**” for a further description of the Authority. The Sedgwick County Fire Department serves Fire District #1, of which the City is a member. Westar Energy supplies natural gas and electricity to the City. Telephone service is provided by SBC.

The City has 18 sworn police officers which provide continuous full-time protection to the City. Sedgwick County Emergency Medical Service operates an emergency ambulance service for the City and surrounding area

Transportation and Communication Facilities

The City is located north of the City of Wichita along Interstate 135, intersecting with the interstate at 53rd Street North, 61st Street North, 77th Street North and 85th Street North. Fifty-eight motor freight lines serve the City. Rail service in the County is provided by the Burlington Northern, and the Atchison, Topeka and Santa Fe Railroads.

Colonel James Jabara Airport is located within 5 miles of the City and provides a runway capable of handling private and corporate aircraft. Regularly scheduled air service is available at Wichita Dwight D. Eisenhower National Airport, located 17 miles from the City.

Educational Institutions and Facilities

Unified School District No. 262 (Valley Center) and Unified School District No. 259 (Wichita) operate three elementary schools, two middle/junior high schools, and two senior high schools in and around the City. Butler Community College, El Dorado, Kansas is located 25 miles east of the City and provides a two-year curriculum with vocational and technical courses of study. Private, public, and post-education is provided by Wichita State University, Friends University, Newman University and Bethel College, and each is located within 25 miles of the City.

Medical and Health Facilities

Major medical service is available at HCA Wesley Medical Center, Ascension Via Christi Riverside Medical Center, Ascension Via Christi St. Francis Campus and Ascension Via Christi St. Joseph Campus, located within 15 miles of the City. Sedgwick County provides emergency medical services (EMS) to the City. NMC Medical/Midwest Occupational Center also provides medical services to the City's residents.

Recreational, Cultural and Religious Facilities

The Jeeps Motorcycle Club Racing facility and 81 Speedway located in the immediate vicinity of the City provide motor sports activities.

The County offers a wide variety of cultural and entertainment options, including: Botanica – The Wichita Gardens, Wurlitzer Organ Pops Concerts, Metropolitan Ballet Company, Wichita Community Theater, Wichita Children's Theater, Music Theater of Wichita, Mid-America Dance Theater, Inc., Wichita Symphony and Choral Society, Wichita Art Association Galleries, Wichita Omnisphere Earth-Space Center, Lake Afton Public Observatory, Wichita Art Museum, Whittier Fine Arts Gallery, The Mid America All Indian Center Museum, and The Wichita Exploration Place.

Some of the major cultural events held annually are: St. Patrick's Day Parade, Kansas Junior Livestock Show, Wichita Jazz Festival, Renaissance Fair, Wichita River Festival, Victorian Garden Festival, National Baseball Congress Tournament, Wichita Arts Festival, the Old Sedgwick County Fair, and 4th of July Celebration. In addition to the recreational and cultural facilities offered by the cities in the County, the County operates the the Sedgwick County Zoo and Botanical Gardens, Lake Afton Park, and the Sedgwick County Park.

The Sedgwick County Zoo and Botanical Gardens are considered world-class facilities. The zoo provides an environment where animals roam in spacious areas that simulate their natural habitats, while the Botanical Gardens offers a wide variety of species of native American and foreign plants, trees, and shrubs in a natural setting.

ECONOMIC INFORMATION

The City is a vibrant, progressive community located along seven miles of the Interstate 135 corridor, directly adjacent to the City of Wichita. The City owns and maintains a water distribution system, a wastewater treatment facility, and approximately 48 miles of paved streets and roads.

In 2019, the City acquired 48 acres adjacent to the City Administration Center. This acquisition is anticipated to be developed into a downtown district and urban hub for the City, including a blend of commercial, residential, and entertainment spaces.

The City has experienced growth in its tax base and employment opportunities in recent years, bolstered by both existing regional businesses and new establishments. Alongside prominent enterprises like Kice Industries, Buckley Industries, T W Metals, Hayes Manufacturing, Tect Aerospace, Roberts Truck Center, Twister City Harley Davidson, Foley Equipment, Hartman Arena, and Air Capital Industrial Park, the City has added new businesses, including a 1.25 million square foot Amazon Distribution Center, a new Pratt Industries manufacturing plant, and the Crosswinds Casino.

Major Employers

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

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full- & Part-time Employees</u>
1. Amazon	Retail Distribution Center	912
2. Pratt Industries	Corrugated Packaging	349
3. FMI, Inc.	Manufacturer Machine Shop	198
4. ThyssenKrupp	Aerospace	286
5. Foley Equipment	Engine Remanufacturing	116
6. Cracker Barrel	Food Service	126
7. M. Bruenger Co, Inc.	Trucking Company	121
8. Kice Industries	Manufacturing	244
9. Air Capital Delivery	Delivery services	105
10. Conspc-Kansas Paving	Construction	153

Source: City Clerk

Listed below are the ten largest employers located in Sedgwick County and the number employed by each:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Full-time Employees</u>
Spirit AeroSystems Inc.	Aircraft Assemblies	9,500
Textron Aviation	Aircraft manufacturer	9,000
Unified School District No. 259	Public School District	5,600
Ascension Via Christi	Health Care	5,400
U.S. Government	Federal Government	5,200
McConnell Air Force Base	Air Force Base	3,500
Koch Industries Inc.	Global HQ - Diversified	3,300
City of Wichita	Municipal Government	2,800
Sedgwick County	County Government	2,600
Wichita State University	Higher Education	2,100

Source: Greater Wichita Partnership (August 2021)

Labor Force

The following table sets forth labor force figures for Sedgwick County and the State of Kansas:

SEDGWICK COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2018	249,381	239,959	9,422	3.8%
2019	255,062	245,943	9,119	3.6%
2020	259,283	236,571	22,712	8.8%
2021	255,879	244,066	11,813	4.6%
2022	255,813	247,806	8,007	3.1%

STATE OF KANSAS

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2018	1,493,360	1,443,204	50,156	3.4%
2019	1,504,552	1,455,263	49,289	3.3%
2020	1,503,002	1,415,445	87,557	5.8%
2021	1,500,677	1,451,204	49,473	3.3%
2022	1,504,932	1,464,834	40,098	2.7%

Source: Kansas Department of Labor

Retail Sales and Use Tax Collections

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

<u>Year</u>	<u>Sales and Use Tax Collections</u> ¹	<u>Per Capita Sales and Use Tax</u> ²
2017	\$542,322,930	\$1,068.97
2018	628,713,626	1,069.50
2019	656,724,476	1,234.11
2020	666,114,388	1,271.20
2021	762,214,079	1,360.99

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

¹ Represents amounts for State sales tax only in the year 2017 and State sales and use taxes in the years 2018–2021

² Represents amounts for State sales tax only in the years 2017–2018 and State sales and use taxes in the years 2019–2021

Source: Kansas Statistical Abstract, Annual Report for 2021

Local Option Sales Tax

In 1985 the Sedgwick County voters approved a sales tax on retail sales within the County limits (the “County Sales Tax”). Pursuant to State law, the City receives a portion of the County Sales Tax. The City uses its portion of County Sales Tax receipts to provide operating funds. The following table provides the amount of County Sales Tax received by the City during the years indicated.

<u>Year</u>	<u>Receipts</u>
2018	\$1,163,892
2019	1,258,111
2020	1,303,584
2021	1,458,799
2022	1,653,390

Source: Kansas Department of Revenue

Oil Production

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

<u>Year</u>	<u>Oil Production</u>
2018	122,441
2019	111,958
2020	98,374
2021	94,739
2022	91,176
2023 ¹	13,278

¹ Updated through February 2023

Source: Kansas Geological Survey

Financial and Banking Institutions

There are currently 37 banks located in Sedgwick County. For the years listed, bank deposits of the County's banks are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2018	\$13,401,000,000
2019	13,634,000,000
2020	16,662,000,000
2021	18,605,000,000
2022	17,990,588,000

Source: FDIC

Building Permits

The following table indicates the number of building permits and total valuation of these permits issued within the City for the years indicated. These numbers reflect permits issued either for new construction or for major renovation.

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Total Valuation</u>
2018	182	\$35,871,162
2019	218	27,605,018
2020	167	72,342,604
2021	255	85,160,767
2022	269	24,114,501

Source: City of Park City/Planning Department

Population Trends

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

<u>Year</u>	<u>City Population</u>	<u>Sedgwick County Population</u>
2018	7,730	513,607
2019	7,764	516,042
2020	7,943	519,907
2021	8,503	523,828
2022	8,656	525,525

The median age of persons in Sedgwick County and the State of Kansas is 35.9 and 37.3, respectively, per the 2020 Census.

Source: U.S. Census Bureau; 2018-2022 data: Kansas Division of Budget

Personal Income Trends

Sedgwick County personal (in thousands of dollars) and per capita income and the State of Kansas per capita income are listed for the years indicated, in the following table.

<u>Year</u>	<u>Sedgwick County Personal Income</u>	<u>Sedgwick County Per Capita Income</u>	<u>State of Kansas Per Capita Income</u>
2017	\$25,876,439	\$50,424	\$48,883
2018	26,554,949	52,010	50,663
2019	27,733,365	53,577	52,876
2020	28,897,378	55,122	55,974
2021	30,231,865	57,713	58,924

Source: U.S. Department of Commerce – Bureau of Economic Analysis

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The City's financial statements are prepared on a regulatory basis of accounting which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. The City has waived generally accepted accounting principles.

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

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

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must notify the county clerk by July 20 of the taxing subdivision's intent to exceed the revenue neutral rate and provide to the county clerk the date, time and location of the related public hearing and the taxing subdivision's proposed tax rate. The county clerk is required to provide notice of such intent to exceed the revenue neutral rate to each taxpayer with property in the taxing subdivision at least 10 days in advance of the public hearing along with following information: (1) the revenue neutral rate of each taxing subdivision relevant to the taxpayer's property; (2) the proposed property tax revenue needed to fund the proposed budget of the taxing subdivision; (3) the proposed tax rate based upon the proposed budget and the current year's total assessed valuation of the taxing subdivision; (4) the percentage by which the proposed tax rate exceeds the revenue neutral rate; (5) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement; (6) the appraised value and assessed value of the taxpayer's property for the current year; (7) the estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates; (8) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate on the taxpayer's property described in subparagraph (7) for any taxing subdivision that has a proposed tax rate that exceeds its revenue neutral rate; and (9) the date, time and location of the public hearing of the taxing subdivision. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a resolution or ordinance by roll call vote, and thereafter the taxing subdivisions will hold the public hearing and adopt the budget by majority vote of its governing body. The Kansas Department of Administration must place the roll call vote along with the approved budget document on their website. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

The City cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Securities, or the general rating of the City. A change in the rating on the Securities or a change in the general rating of the City may adversely impact the market price of the Securities in the secondary market.

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

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by BKD, LLP, (now FORVIS, LLP) in Wichita, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2022 is attached hereto as **APPENDIX B**. FORVIS, LLP has not been engaged to perform and has not performed, since the date of its report attached as **APPENDIX B**, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this Official Statement.

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

Sources of Revenue

The City finances its general operations out of its General Fund as indicated below for the fiscal year ended December 31, 2022.

<u>Source</u>	<u>Percent</u>
Taxes	48.52%
Local Retail Sales Tax	23.40
Intergovernmental	0.43
Fines and Court Costs	1.52
Charges for Services	0.13
Other Grants	0.01
Interest	0.54
Reimbursements	0.57
Franchise Fees	11.56
Licenses and Permits	3.52
Local Alcoholic Liquor	0.66
Federal Aid	0.01
Donations	0.01
Bond Administration Fee	0.00
Local Revenue Sharing	8.88
Miscellaneous	0.09
Transfers In	<u>0.15</u>
Total	100.00%

Source: 2022 Audit

Property Valuations

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

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Code §501, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law

enacted prior to January 1, 1985, assessed at 30%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

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

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

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation.

Assessed Valuation

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

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2018/19	\$66,529,961	\$1,815,795	\$8,544,023	\$ 9,845,286	\$86,735,065
2019/20	74,862,848	1,675,357	9,164,492	10,098,527	95,801,224
2020/21	82,687,422	1,452,729	7,862,165	10,390,704	102,393,020
2021/22	91,480,387	1,476,448	7,218,397	10,917,899	111,093,131
2022/23	122,180,761	1,457,785	5,038,777	10,869,886	139,547,209
2023/24 ¹	127,267,779	1,520,089	4,779,620	10,869,886	144,437,374

¹ Preliminary 2023 assessed valuation figures used for budgeting purposes. 2023 motor vehicle valuation not yet available; 2022 data used for estimation purposes only.

Source: County Clerk

Property Tax Levies and Collections

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

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

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

Tax Rates. The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser. The following table shows the City's mill levies by fund (per \$1000 of assessed valuation) for each of the years indicated and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Bond & Interest</u>	<u>Misc. Funds</u>	<u>Total Levy</u>
2018/19	36.280	5.062	3.218	44.560
2019/20	36.076	5.344	3.221	44.641
2020/21	36.353	5.069	3.221	44.643
2021/22	36.264	5.057	3.213	44.534
2022/23	36.423	5.048	2.988	44.459

Source: Kansas Dept of Administration, County Tax Levy Sheet

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

<u>Year</u>	<u>City</u>	<u>Sedgwick County</u>	<u>U.S.D. 259</u>	<u>U.S.D. 262</u>	<u>State</u>
2018/19	44.560	47.546	53.638	64.370	1.5
2019/20	44.641	48.780	53.183	64.740	1.5
2020/21	44.643	48.767	52.974	64.779	1.5
2021/22	44.534	48.687	52.514	65.584	1.5
2022/23	44.459	48.780	51.484	65.394	1.5

Source: Kansas Dept of Administration, County Tax Levy Sheet

Tax Collection Record. The following table sets forth tax collection information for the City for the years indicated:

<u>Year</u>	<u>Total Levy</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected</u>	
			<u>Amount</u>	<u>Percentage</u>
2018/19	44.560	\$3,433,243	\$3,290,313	95.80%
2019/20	44.641	3,829,864	3,482,236	90.90%
2020/21	44.643	4,113,813	3,757,328	91.30%
2021/22	44.534	4,468,299	4,215,075	94.30%
2022/23	44.459	5,733,033	5,472,616	95.46%

Source: County Treasurer

Major Taxpayers. The following table sets forth the ten largest taxpayers in the City for taxes levied in the most recent tax collection period (2022/23):

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>
1. Wichita Fulfillment DST	\$16,485,737	\$732,939.38
2. Pratt Properties 11 LLC	6,812,725	302,886.94
3. Everyg Kansas South, Inc.	2,777,281	123,475.14
4. Hartman Arena LLC	2,377,828	105,715.86
5. Air Capitol Investments, LLC	2,347,987	104,389.16
6. Broadway Avenue Park City KS LLC	2,211,105	98,303.52
7. Utica Realty Park City LLC	2,204,975	98,031.00
8. Murfin, Inc.	1,724,195	76,655.99
9. PMA, Inc.	1,325,916	58,948.90
10. Kice Industries, Inc.	1,301,816	57,877.43

Source: County Clerk

Risk Management

The City is insured against the risks arising from general liability by Employer's Mutual Company and employee medical coverage by Preferred Plus.

History of Employment

The following table indicates the history of the Issuer's employment for the years indicated.

<u>Year</u>	<u>Total Full-Time Employees</u>	<u>Total Part-Time Employees</u>	<u>Total</u>
2018	49	3	52
2019	47	3	50
2020	47	5	52
2021	50	2	52
2022	53	1	54

Source: City Clerk

Pension and Employee Retirement Plans

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

As of June 30, 2022, KPERS serves approximately 333,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

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

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

(a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

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

In 2021, the Legislature authorized the issuance of revenue bonds to provide net proceeds of up to \$500 million (the “Revenue Bonds”) the proceeds of which must be applied to the unfunded actuarial pension liability as directed by KPERS. The Revenue Bonds in the principal amount of \$504,535,000 were issued August 26, 2021. The repayment of the Revenue Bonds shall be subject to legislative annual appropriation, shall not be an obligation of the KPERS system, and the full faith and credit or taxing power of the State shall not be pledged to the repayment of the Revenue Bonds. Due to the authorization of the Revenue Bonds, the Legislature changed the State/School employer contribution rate from 14.09% to 13.33% for fiscal year 2022 and from 13.86% to 13.11% for fiscal year 2023. In 2022, the Legislature authorized additional contributions totaling \$1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. Typically when such additional contributions are made by the State, the statutory employer contribution rates for the following two fiscal years are recertified by the Legislation; however the recertification has not yet occurred. For more information about the Legislature’s actions related to KPERS, please see the 2021 Valuation Report referenced below.

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 8.43% of the employee's gross salary for calendar year 2023, and is projected to change to 9.26% of the employee's gross salary for calendar year 2024. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2021 (the "2021 Valuation Report") the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately \$1.783 billion at the end of 2021. The amount of the UAAL in 2021 changed from the previous year's amount due to the factors discussed in the 2021 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2021 Valuation Report is available on the KPERS website at kpers.org/about/reports.html. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2021 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2021 Valuation Report sets the employer contribution rate for the period beginning January 1, 2024, for the KPERS Local Group, and KPERS' actuaries identified that an employer contribution rate of 9.26% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2021 Valuation Report. The statutory contribution rate of employers currently equals the 2021 Valuation Report's actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

The Issuer has established membership in the Kansas Police and Fire Retirement System ("KP&F") for its police and fire personnel. KP&F is a division of and is administered by KPERS. Annual contributions are adjusted annually based on actuarial studies, subject to legislative caps on percentage increases. According to the 2021 Valuation Report, KP&F carried an UAAL of approximately \$1.140 billion at the end of 2021. For KP&F, the Issuer's employees currently annually contribute 7.15% of their gross salary to the plan. For the year beginning January 1, 2023, the Issuer contributes 22.86% of employees' gross salary, and is projected to change to 23.10% of the employee's gross salary for calendar year 2024.

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

DEBT STRUCTURE

Debt Summary

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

Debt Summary (As of September 7, 2023)*	City Debt*
Fair Market Value of Taxable Property ¹	\$697,736,045
Final Assessed Valuation ²	\$139,547,209
Outstanding General Obligation Debt	\$29,145,000
Direct Debt Per Capita (Population = 8,656)	\$3,367
Direct and Overlapping Debt Per Capita	\$9,043
Direct Debt as a Percentage of Final Assessed Valuation	20.89%
Direct and Overlapping Debt as a Percentage of Assessed Valuation.....	56.09%
Direct Debt as a Percentage of Fair Market Value	4.18%
Direct and Overlapping Debt as a Percentage of Fair Market Value.....	11.22%

¹ See “**Property Valuations**” *infra*.

² The final 2022 assessed valuation of taxable tangible property within the City, including the taxable value of motor vehicles.

* Preliminary, subject to change

Authority to Incur Debt

Pursuant to Kansas law, the City is permitted to issue general obligation debt in an aggregate amount not to exceed 30% of its (1) assessed valuation as certified to the county clerk on the preceding August 25 (assessed valuation figures as of August 25 are typically estimates used for budgeting purposes and may be slightly different than final valuation figures shown herein) and (2) valuation of motor vehicles (the “Debt Limit”). State law exempts various types of general obligation bonds and temporary notes from counting against the City’s Debt Limit; for instance and among other exemptions, bonds or temporary notes issued for the purpose of acquiring, enlarging, extending or improving any storm or sanitary sewer system; for the purpose of acquiring, enlarging, extending or improving any municipal utility; or to pay the cost of improvements to intersections of streets and alleys or that portion of any street immediately in front of city or school district property, are not included in computing the total bonded indebtedness of the City for the purposes of determining the limitations on bonded indebtedness. The following table provides certain information relating to the City’s outstanding general obligation debt, including Bonds and Notes and excluding the Refunded Notes, and its statutory Debt Limit, as of September 7, 2023:

Preliminary Assessed Valuation (including Motor Vehicle Valuation) ¹	\$144,437,374
Statutory Debt Limit ²	\$43,331,212
Outstanding General Obligation Debt	\$29,145,000*
Exempt Debt	\$17,548,225*
Net Debt against Debt Limit Capacity ³	\$11,596,775*
Additional legal debt capacity	\$31,734,437*
Statutory Direct debt as a percentage of Preliminary Assessed Valuation.....	8.03%*

¹ The preliminary 2023 assessed value of all tangible taxable property within the City. Also includes the taxable value of motor vehicles within the City. 2023 motor vehicle valuation not yet available; 2022 data used for estimation purposes only. See K.S.A. 10-301 *et seq.*

² Based upon preliminary assessed value of all tangible taxable property within the City. See K.S.A. 10-301 *et seq.*

³ Excludes general obligation debt that is exempt from the City’s Debt Limit pursuant to State law exceptions.

* Preliminary, subject to change

Current Indebtedness of the Issuer

The following table sets forth as of the Dated Date all of the outstanding obligations of the Issuer including the Bonds and Notes and excluding the Refunded Notes:

GENERAL OBLIGATION BONDS

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>	<u>Exempt From Debt Limit</u>
G.O. Ref. & Imp. Bonds, Series 2009-A	12/15/09	12/01/25	\$3,870,000	\$ 15,000	\$ 9,693
G.O. Bonds, Series 2013-A	11/12/13	12/01/34	1,250,000	860,000	292,916
G.O. Bonds, Series 2015-A	11/12/15	12/01/36	2,875,000	2,250,000	1,109,925
G.O. Ref. Bonds, Series 2015-B	11/12/15	12/01/36	6,180,000	4,460,000	3,389,600
Taxable G.O. Ref. Bonds, Series 2015-C	11/12/15	12/01/25	770,000	435,000	0
G.O. Ref. Bonds, Series 2016-A	02/09/16	12/01/28	4,130,000	1,535,000	820,611
G.O. Bonds, Series 2017-A	01/10/17	12/01/37	2,285,000	1,985,000	112,153
G.O. Bonds, Series 2019-A	01/08/19	12/01/34	342,000	295,000	97,763
G.O. Bonds, Series 2019-B	10/15/19	12/01/35	1,040,000	880,000	536,531
G.O. Bonds, Series 2021-A	09/09/21	12/01/36	4,780,000	4,495,000	4,495,000
G.O. Bonds, Series 2023-A	09/07/23	12/01/38	4,185,000*	4,185,000*	3,756,933*
Total				\$21,395,000	\$14,621,125

TEMPORARY NOTES

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>	<u>Exempt From Debt Limit</u>
G.O. Temporary Notes, Series 2021-1 ¹	09/09/21	10/01/24	\$3,870,000	\$ 0	\$ 0
G.O. Temporary Notes, Series 2023-1	09/07/23	09/01/26	7,750,000*	7,750,000*	2,927,100*
Total				\$7,750,000	\$2,927,100

¹ Excludes Refunded Notes to be retired from the proceeds of the Series 2023-A Bonds.

History of General Obligation Indebtedness

The Issuer has never in its history defaulted on the payment of any of its debt obligations.

Lease Obligations

The City has entered into the following leases related to the outstanding revenue bonds of the City's public building commission, the payments of which are not subject to annual appropriation.

<u>Purpose of Indebtedness</u>	<u>Dated Date</u>	<u>Final Payment Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
PBC Lease – Revenue Bonds (City Hall/Law Enforcement Center Project), Series 2016-A	05/09/16	12/01/36	\$3,500,000	\$2,965,000

Source: City Clerk

State Loans

As of the Dated Date, the City does not have any outstanding loan agreements with the State of Kansas.

Chisholm Creek Utility Authority

The City of Park City, Kansas and the City of Bel Aire, Kansas have created the Chisholm Creek Utility Authority (the “Authority”) under an Interlocal Cooperation Agreement. As of the Dated Date, the Authority has the following bonds outstanding (collectively the “Authority Bonds”):

<u>Description</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
Water and Wastewater Facilities Refunding Revenue Bonds, Series 2007 (Cities of Bel Aire and Park City, Kansas Project), Dated April 1, 2007	\$19,415,000	\$3,675,000
Water and Wastewater Facilities Refunding and Improvement Revenue Bonds, Series 2012 (Cities of Bel Aire and Park City, Kansas Project), Dated November 27, 2012	6,400,000	820,000
Water and Wastewater Facilities Revenue Bonds, Series 2015 (Cities of Bel Aire and Park City, Kansas Project), Dated December 30, 2015	1,870,000	1,410,000
Water and Wastewater Facilities Refunding Revenue Bonds, Series 2017 (Cities of Bel Aire and Park City, Kansas Project), Dated June 6, 2017	13,530,000	<u>12,515,000</u>
Total		\$18,420,000

As a contracting member of the Authority, the City will receive certain water and sewer services from the Authority and has an obligation to make payments therefor under a Service Agreement (the “Agreement Obligation”). This obligation is a “take or pay” obligation, payable whether or not water or wastewater collection and treatment services are actually received from the Authority, provided that the obligation to pay for wastewater water treatment and collection service is subject to the Kansas Cash Basis Law (K.S.A. 10-1101 *et seq.*) (the “Cash Basis Law”). The Cash Basis Law, with certain exceptions, generally requires that no indebtedness may be created by a municipality for any purpose in excess of the amount of funds budgeted and appropriated for such purpose in the applicable fiscal year. While the obligation to pay for water service under a Service agreement is effective over the term of the Service Agreement, notwithstanding the Cash Basis Law, pursuant to K.S.A. 12-824j, such statute and Cash Basis Law exception are inapplicable to the portion of the Agreement Obligation regarding wastewater service. K.S.A. 10-1116(b)(2) provides that “notwithstanding any other limits of indebtedness prescribed under the provisions of the Cash Basis Law, the following funds shall have as a limit of indebtedness an amount equal to 100% of the accrued revenue of the current fiscal year plus any balances carried forward, cash reserves, intergovernmental grants, and sums advanced to qualify for intergovernmental grants: . . . (2) enterprise funds set up in any municipality to account for the financing of self-supporting activities of governmental units which render services on a user charge basis to the general public, such as municipal utilities engaged in the provision of water, electricity and natural gas and sanitary sewer systems which are financed by user charges . . .”.

The City, through Service Agreement payments, is responsible for approximately 38% of the debt service on the Authority Bonds. The City has covenanted that such payments constitute operating expenses of its water and wastewater Utility System, that the City will not in the future cause such pledge to be subordinated to any other obligation of the System and that the City will impose such rates, fees and charges for use of such system to fulfill its obligations under the Service Agreement.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of December 31, 2022, and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Assessed Valuation</u> ¹	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Amount Applicable to Issuer</u>
Sedgwick County	\$5,901,350,627	\$ 37,825,000	2.18%	\$ 824,585
U.S.D. No. 259	3,324,409,077	228,755,000	3.87%	8,852,819
U.S.D. No. 262	195,678,151	59,995,000	65.76%	<u>39,452,712</u>
Total				\$49,130,116

¹ Final 2022 assessed valuation figures; does not include motor vehicle valuation.

Source: County Clerk

Future Indebtedness

The Issuer plans to periodically incur indebtedness in accordance with its Capital Improvement Plan in the form of temporary notes and general obligation bonds to finance internal improvements. Additionally, the City periodically evaluates the merits of refunding outstanding general obligation bonds; however the timing and/or feasibility of any such refinancing is not available at this time.

The Issuer is also exploring the issuance in the next 2 years of special obligation sales tax and revenue (STAR) bonds and/or community improvement district bonds to finance a portion of the costs of certain development projects.

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APPENDIX B

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(FOR THE FISCAL YEAR ENDED 12/31/2022)**

City of Park City, Kansas

**Independent Auditor’s Report and
Financial Statements and Regulatory
Required Supplementary Information**

For Year Ended December 31, 2022



City of Park City, Kansas
December 31, 2022

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City of Park City, Kansas

December 31, 2022

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Independent Auditor's Report

The Mayor and City Council
City of Park City, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Park City, Kansas, as of and for the year ended December 31, 2022, 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 Park City, Kansas as of December 31, 2022, 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 Park City, Kansas as of December 31, 2022, 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 City of Park City, Kansas, 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 Park City, 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 of Park City, Kansas' 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 of Park City, Kansas' 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 of Park City, Kansas' 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, 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 Park City, Kansas as of and for the year ended December 31, 2021, (not presented herein), and have issued our report thereon dated May 24, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 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 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022, (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 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, on the basis of accounting described in *Note 1*.

FORVIS,LLP

Wichita, Kansas
May 22, 2023

City of Park City, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Primary Governmental Funds						
General Fund	\$ 3,072,654	\$ 8,439,303	\$ 7,564,335	\$ 3,947,622	\$ 525,468	\$ 4,473,090
Special Purpose Funds:						
Special Highway Fund	490,146	1,048,485	1,092,482	446,149	56,627	502,776
Special Parks and Recreation Fund	55,264	56,388	7,500	104,152	-	104,152
Special Alcohol and Drug Fund	79,394	56,388	-	135,782	-	135,782
Public Safety and Court Training Fund	11,003	11,343	13,250	9,096	-	9,096
Convention and Tourism Fund	537,674	225,255	227,335	535,594	4,764	540,358
Event Fund	4,414	41,325	34,845	10,894	-	10,894
Capital Equipment Fund	906,976	916,392	64,781	1,758,587	39,470	1,798,057
Capital Improvement Fund	234,684	-	-	257,129	-	257,129
Public Safety and Court Technology Fund	24,022	6,700	-	30,722	-	30,722
Pending State Forfeiture Fund	34,887	337	-	35,224	-	35,224
Opioid Settlement Fund	-	1,952	-	1,952	-	1,952
Bond and Interest Fund	4,138,867	2,311,622	2,274,776	4,175,713	-	4,175,713
Capital Projects Fund	(2,188,944)	2,341,012	4,515,138	(4,363,070)	1,667,337	(2,695,733)
Business Funds:						
Utility Fund	1,950,422	4,766,250	4,249,404	2,467,268	234,287	2,701,555
Stormwater Utility Fund	140,058	60,653	141,627	59,084	112,900	171,984
Utility CIP/CEF/Improvement Fund	747,686	23,368	-	771,054	-	771,054
Utility Operating Reserve Fund	358,364	3,464	-	361,828	-	361,828
Utility Deprecation Fund	100,000	-	-	100,000	-	100,000
Utility Surplus Fund	1,816,466	17,556	-	1,834,022	-	1,834,022
Customer Deposit Fund	-	-	-	-	97,845	97,845
MTBE Surplus Fund	787,132	7,608	-	794,740	-	794,740
Trust Funds:						
Law Enforcement Trust Fund	3,184	31	-	3,215	-	3,215
Special Expendable Trust Fund	10,630	4,683	3,507	11,806	1,207	13,013
Flexible Spending Fund	13,301	54,553	52,688	15,166	-	15,166
Related Municipal Entities:						
Library Employee Benefits Fund	-	24,790	24,790	-	-	-
Library Fund	-	337,139	336,675	464	-	464
Land Bank Fund	226,870	2,192	90	228,972	-	228,972
Public Building Commission	-	215,538	215,538	-	-	-
Total reporting entity (excluding Agency Funds)	<u>\$ 13,555,154</u>	<u>\$ 20,996,772</u>	<u>\$ 20,818,761</u>	<u>\$ 13,733,165</u>	<u>\$ 2,739,905</u>	<u>\$ 16,473,070</u>

City of Park City, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
(Continued)
Regulatory Basis
For the Year Ended December 31, 2022

Composition of Cash

Checking accounts	\$ 1,460,170
Cash on hand	1,100
Kansas Municipal Investment Pool	<u>15,019,695</u>
Total primary government	16,480,965
Less: Agency funds per Schedule 3	<u>(7,895)</u>
Total reporting entity (excluding agency funds)	<u><u>\$ 16,473,070</u></u>

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of the City of Park City, Kansas (the City) is presented to assist in understanding the City's financial statement. The financial statement and notes are representations of the City's management, who is responsible for their integrity and objectivity.

Reporting Entity

The City of Park City, Kansas is a municipal corporation governed by an elected mayor and eight-member council. This financial statement presents the City and its related municipal entities. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents. The related municipal entities are as follows:

Public Building Commission - The City created the Public Building Commission (PBC) by ordinance in 2015 and appointed the members to the PBC board for the purpose of building a new City Hall and Law Enforcement Building. Bond ordinances must be approved by the City. The PBC has authority to issue revenue bonds to finance the cost of acquiring and/or constructing land and facilities operated for a public purpose by a governmental entity. The PBC finances the debt service of the revenue bonds by leasing the land and facilities to the governmental entity which operates it. The operating governmental entity guarantees the rentals under the PBC lease. The PBC has no power to levy taxes, and revenue bonds issued by the PBC are not included in any legal debt limitation of the City. All revenues from City Hall rents are pledged for debt service on the revenue bonds. For the payment of its lease obligations, if necessary, the City may levy taxes on all taxable tangible property within its territorial jurisdiction.

Public Library - The City's Library Board (the Library) operates the City's public library. Acquisition or disposition of real property by the Library must be approved by the City. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the Library. Because the Library is not a separate taxing entity, the City levies taxes for the Library's operations.

Land Bank - The City created a Land Bank by ordinance in 2018 and appointed the members to the Land Bank board for the purpose of maintaining and selling real property located within the City to help achieve the City's goal of returning municipally owned property to private ownership, cost effectively maintain the property, conformance with the goals of the City's Comprehensive Plan, and the encouragement of economic development.

Regulatory Basis Fund Types

The financial activities of the City are recorded and presented on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

City of Park City, Kansas

Notes to Financial Statement

For the Year Ended December 31, 2022

The following types of funds comprise the financial activities of the City of Park City Kansas for the year 2022:

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

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

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

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

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

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

Agency Funds – 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.).

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Basis of Accounting

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

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

The City has approved a charter ordinance exempting the City from the provisions of K.S.A. 75-1120a and any amendments thereto relating to the use of generally accepted accounting principles, thereby allowing the City to use the regulatory basis of accounting.

Note 2: Budgetary Information

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

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before October 1st. The municipality did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were two funds with budget amendments for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures including disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City 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.

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

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

- Capital Equipment
- Capital Improvement
- Public Safety and Court Technology
- Pending State Forfeiture
- Opioid Settlement

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

Note 3: 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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for KPERS and 22.99% for KP&F for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$153,528 for KPERS and \$238,458 for KP&F for the year ended December 31, 2022.

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$2,001,841 and \$2,499,965 for KP&F. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 4: Other Post-Employment Benefits

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

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

Note 5: Compensated Absences

Vacation

The City's pay period is bi-weekly for a total of 26 pay periods per year. The City's policy regarding vacation for full-time employees is as follows:

0-1 year	2 hours/pay period earned
2-5 years	4 hours/pay period earned
6-10 years	5 hours/pay period earned
11-15 years	6 hours/pay period earned
16 years or more	7 hours/pay period earned

Vacation may not be taken until the employee completes six months of service. The maximum accrual for vacation shall be no more than 208 hours unless an exception is approved by the City Administrator. This is not reflected in the financial statement.

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

Personal Leave

Each employee is entitled to two days of personal leave on an annual basis. This is not reflected in the financial statement.

Sick Leave

The City’s policy for sick leave permits full-time employees to earn sick leave at the rate of eight hours per calendar month up to a maximum of 520 hours.

For those employees who have attained and maintained a maximum accumulation of sick leave and leave employment in good standing, the City will pay them 50% of their accumulated sick leave at their current rate of pay. When maximum accrual of 520 hours is exceeded on October 31 of each calendar year, an “Attendance Bonus” shall be paid equivalent to 50% of the hours exceeding 520 hours. Per City policy, if the employee terminates, 50% of sick leave will be paid out if the employee meets certain service requirements. This is not reflected in the financial statement.

Comp Time

Comp time is earned at a rate of 1 ½ hours per every hour worked over 40 hours during a one-week period. Employees may accrue up to 40 hours of comp time, and may be allowed to accrue more than 40 hours with the approval of both the department head and City Administrator.

Note 6: Deposits

As of December 31, 2022, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Matures Less than 1 year</u>	<u>Rating U.S.</u>
Kansas Municipal Investment Pool	\$ 15,019,695	\$ 15,019,695	A1+/P1, A1/P1, & AA-/Aa3

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

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

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$1,460,170 and the bank balances were \$1,611,901. The bank balances were held by Emprise Bank, N.A. and Stryv Bank resulting in a concentration of credit risk. Of the bank balances, \$263,956 was covered by federal depository insurance and the remaining amount was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

At December 31, 2022, the City had invested \$15,019,695 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 7: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for the following risks of loss: property, general liability, inland marine, linebacker, workers' compensation, law enforcement, automobile, data compromise, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

Note 8: Interfund Transfers

Operating transfers per K.S.A, 12-825d, 12-1,117, 12-1,118, 12-631o, were as follows:

From	To	Amount
Public Safety and Court Training	General	\$ 13,250
Utility	Capital Equipment	80,518
General	Capital Equipment	822,067
General	Capital Improvement	20,000
General	Special Highway	719,511
General	Events Fund	12,000
Special Parks and Recreation Fund	Events Fund	7,500
Utility	Utility CIP/CEF/Improvement Fund	16,000

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

Note 9: Capital Projects

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

	Project Authorization	Expenditures to Date
Water Improvements-Matz and Winkley Additions	\$ 52,000	\$ 117
Sewer Improvements-Matz and Winkley Additions	100,100	115
61st Street North from Broadway to the Wichita-Valley Center Floodway Bridge	2,975,000	1,741,029
Downtown Development	25,000	58,631
Paving Improvements-Barr Estates Addition	1,369,980	1,115,029
Paving Improvements-Bearhill Estates Addition Phase 3	758,000	97
Water Improvements-Bearhill Estates Addition Phase 3	187,000	97
Sewer Improvements-Bearhill Estates Addition Phase 3	213,000	95
Paving Improvements-Ironstone Addition	590,000	361,801
Water Improvements-Ironstone Addition	153,400	93,245
Sewer Improvements-Ironstone Addition	271,400	156,476
Stormwater Improvements-Ironstone Addition	206,500	175,232
Off-Site Paving Improvements-Ironstone Addition	489,700	399,533
ARPA Grant-Funded Project	1,184,857	10,000
Turn Lane-Prather Addition	55,550	102
Water Improvements-Cambridge Valley 2nd Addition	180,800	101,700
Paving Improvements-Cambridge Valley 2nd Addition	666,700	510,607
Sewer Improvements-Cambridge Valley 2nd Addition	226,000	127,069
ERP Software	300,000	137,500
Traffic Signalization-Echo Hills Commercial Addition	967,183	159,879
Paving & Water-Whitson Way	5,314,840	415
Paving & Water-Air Cap Drive 53rd to 61st	4,390,100	311
Paving-Prairie Hills Addition Phase 7	439,350	237
Water-Prairie Hills Addition Phase 7	142,560	130
Sewer-Prairie Hills Addition Phase 7	734,400	130
Paving-Saddlebrook 3rd Addition	814,800	571,044
Water-Saddlebrook 3rd Addition	252,000	199,449
Sewer-Saddlebrook 3rd Addition	141,750	78,024
53rd & I-135 Traffic Signals	-	42,000

Note 10: Litigation Contingencies

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

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

Note 11: Conduit Debt

The City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are generally payable from and secured by the project financed and if needed, additional assets or revenues of the private-sector entities serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

Note 12: Capital Leases

The City has a lease agreement with the PBC for a lease of the City Hall and Law Enforcement Center. Lease payments are to be in amounts adequate to pay the PBC's principal and interest maturities on its revenue bonds payable. Future payments due from the City are expected to mirror the related revenue bond, see *Note 16 Long-Term Debt* for PBC revenue bond payments.

Note 13: Joint Venture

The City is a member of the Chisholm Creek Utility Authority (the Authority). The Authority was organized in April 2001 pursuant to the *Kansas Interlocal Cooperation Act*. The Authority was created by an interlocal agreement and is economically dependent on the members. The purpose of the Authority is to assist its members in planning, technical and financial matters for comprehensive utilities and public services, accomplish the desired objectives of effective utility and public service facilities, and organize the operation of utility and public service systems. The Authority is governed by a four-member board of commissioners, and primarily provides water and wastewater services to the members' residents.

The City's Service Agreement with the Authority requires the City to pay for minimum amounts of water and treated wastewater, whether such water is actually received by the City or whether such wastewater is actually accepted by the Authority and treated.

The Service Agreement also requires the City to maintain and collect rates and charges for service sufficient to a) pay its share of the expenses of the Authority, b) pay its share of the Authority's debt service payments, c) enable the City to have in each fiscal year a coverage ratio, as defined by the agreement, of not less than 1.25 on all debt service requirements and of not less than 1.10 on any Additional Indebtedness, as defined by the agreement, and d) provide reasonable and adequate reserves for the payment of additional indebtedness.

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

The revenues collected by the Authority are pledged for payments of the revenue bonds. The revenue bonds are carried by the Authority with the City only being proportionately liable if the Authority defaults. Covenants by both member cities ensure that debt service and operating expenses of the Authority are paid. The Authority’s revenue bond liability at December 31, 2022, totaled \$18,420,000. The City’s obligations under the Service Agreement are several; no member of the Authority is responsible for payment obligations of any other member of the Authority. Similarly, as required by the bond covenants relating to bonds issued by the Authority, the rates charged by each city participating in the Authority to its residents and businesses should result in the funds necessary for the cities to pay for all the water and wastewater costs of the Authority in addition to all debt service payments. The Authority’s water and wastewater service rates are established by a rate ordinance and sold to the member cities at the established rates. The City paid the Authority \$1,723,582 during 2022.

The below payments are recognized as expenses incurred for water and sewer operations. Funding is to be provided by user charges. The City’s scheduled share of payments due to the Authority for currently issued revenue bonds and interest as of December 31, 2022, are as follows:

	Interest and Principal
2023	\$ 742,158
2024	740,305
2025	745,399
2026	727,728
2027	724,154
Thereafter	4,604,686
	\$ 8,284,430

Note 14: Stewardship, Compliance and Accountability

K.S.A 10-1113 requires that expenditures be made in compliance with the cash basis law which requires that no indebtedness be created for a fund in excess of available monies in that fund. At December 31, 2022, the capital projects fund had an ending unencumbered cash balance of (\$4,363,070). Per K.S.A. 10-1116, the limits for indebtedness may be exceeded when provision has been made for payment by the issuance of bonds or temporary note. At December 31, 2022, the City has authorized the issuance of bonds for project payments in an amount greater than the fund deficit.

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

Note 15: Long-Term Debt

Changes in long-term debt for the City for the year ended December 31, 2022, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bond									
Series 2009A Refunding	5.00-5.375%	12/15/2009	\$ 3,870,000	12/1/2025	\$ 20,000	\$ -	\$ 5,000	\$ 15,000	\$ 1,075
Series 2013A	1.30-4.25%	11/1/2013	1,250,000	12/1/2034	920,000	-	60,000	860,000	33,725
Series 2015A	3.00-3.20%	11/12/2015	2,875,000	12/1/2036	2,380,000	-	130,000	2,250,000	72,540
Series 2015B Refunding	3.00-3.25%	11/12/2015	6,180,000	12/1/2036	4,970,000	-	510,000	4,460,000	150,612
Series 2015C Refunding	2.00-3.50%	11/12/2015	770,000	12/1/2028	500,000	-	65,000	435,000	15,450
Series 2016A Refunding	1.00-2.50%	2/9/2016	4,130,000	12/1/2028	2,200,000	-	665,000	1,535,000	46,650
Series 2017A	2.625-4.00%	1/1/2017	2,285,000	12/1/2037	2,080,000	-	95,000	1,985,000	67,938
Series 2019A	3.00-4.25%	1/8/2019	342,000	12/1/2034	315,000	-	20,000	295,000	11,825
Series 2019B	2.00-3.00%	10/15/2019	1,040,000	12/1/2035	945,000	-	65,000	880,000	21,606
Series 2021A	1.00%	9/9/2021	4,780,000	12/1/2036	4,780,000	-	285,000	4,495,000	67,405
					19,110,000	-	1,900,000	17,210,000	488,826
Temporary Notes									
Series 2021 - 1	0.35%	9/9/2021	3,870,000	10/1/2024	3,870,000	-	-	3,870,000	14,373
					3,870,000	-	-	3,870,000	14,373
Total contractual indebtedness					\$ 22,980,000	\$ -	\$ 1,900,000	\$ 21,080,000	\$ 503,199
Public Building Commission									
Series 2016 - A Revenue	2.00-3.00	5/9/2016	\$ 3,500,000	12/1/2036	\$ 3,100,000	\$ -	\$ 135,000	\$ 2,965,000	\$ 80,537

City of Park City, Kansas
Notes to Financial Statement
For the Year Ended December 31, 2022

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

Park City	Year							Total
	2023	2024	2025	2026	2027	2028-2032	2033-2037	
Principal								
General Obligation Bonds	\$ 1,800,000	\$ 1,785,000	\$ 1,535,000	\$ 1,335,000	\$ 1,390,000	\$ 5,400,000	\$ 3,965,000	\$ 17,210,000
Temporary Notes	-	3,870,000	-	-	-	-	-	3,870,000
Total principal	1,800,000	5,655,000	1,535,000	1,335,000	1,390,000	5,400,000	3,965,000	21,080,000
Interest								
General Obligation Bonds	430,928	385,159	340,940	304,329	271,578	892,017	268,961	2,893,912
Temporary Notes	13,545	13,545	-	-	-	-	-	27,090
Total interest	444,473	398,704	340,940	304,329	271,578	892,017	268,961	2,921,002
Total principal and interest	\$ 2,244,473	\$ 6,053,704	\$ 1,875,940	\$ 1,639,329	\$ 1,661,578	\$ 6,292,017	\$ 4,233,961	\$ 24,001,002

Public Building Commission	Year							Total
	2023	2024	2025	2026	2027	2028-2032	2033-2037	
Principal								
Public Building Commission Revenue Bonds	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000	\$ 1,055,000	\$ 985,000	\$ 2,965,000
Interest								
Public Building Commission Revenue Bonds	77,838	74,337	70,738	66,112	61,363	231,187	75,150	656,725
Total principal and interest	\$ 252,838	\$ 254,337	\$ 255,738	\$ 256,112	\$ 256,363	\$ 1,286,187	\$ 1,060,150	\$ 3,621,725

Regulatory-Required Supplementary Information

City of Park City, Kansas
Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Certified Budget	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 10,101,681	\$ 7,564,335	\$ (2,537,346)
Special Purpose Funds			
Special Highway	1,200,000	1,092,482	(107,518)
Special Parks and Recreation	17,500	7,500	(10,000)
Special Alcohol and Drug	45,000	-	(45,000)
Public Safety and Court Training	13,250	13,250	-
Convention and Tourism	345,930	227,335	(118,595)
Events	36,000	34,845	(1,155)
Bond and Interest Fund	6,562,217	2,274,776	(4,287,441)
Business Funds			
Utility	4,980,446	4,249,404	(731,042)
Stormwater Utility	203,000	141,627	(61,373)
Related Municipal Entities			
Library Employee Benefit	25,583	24,790	(793)
Library	336,675	336,675	-
Land Bank	124,164	90	(124,074)

City of Park City, Kansas
General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem tax	\$ 3,163,457	\$ 3,533,022	\$ 3,632,784	\$ (99,762)
Delinquent tax	58,318	142,349	-	142,349
Payments in lieu of taxes	13,773	11,191	35,825	(24,634)
Motor vehicle tax	308,011	305,607	295,271	10,336
Recreation vehicle tax	4,075	4,375	3,748	627
16/20M vehicle tax	406	643	382	261
Commercial vehicle tax	80,942	85,548	73,389	12,159
Watercraft tax	1,372	1,673	1,946	(273)
Local alcoholic liquor	25,029	56,388	14,000	42,388
Local sales tax	1,714,190	1,978,817	1,500,000	478,817
Interest	607	45,714	10,000	35,714
Reimbursements	138,398	48,775	33,800	14,975
Franchise tax	732,126	975,803	690,000	285,803
Licenses, fees, and permits	540,491	297,668	262,000	35,668
Fines and court costs	136,850	128,297	179,800	(51,503)
Intergovernmental	37,397	36,575	39,530	(2,955)
Federal aid	157,867	1,580	-	1,580
Charges for services	10,604	11,206	11,050	156
Other grant	1,030	1,030	-	1,030
Sale of property	-	1,500	-	1,500
Donations	1,699	507	300	207
Bond administration fee	83,312	-	-	-
Local revenue sharing	348,215	750,000	750,000	-
Miscellaneous	39,042	7,785	29,200	(21,415)
Transfers from:				
Public Safety and Court Training	13,250	13,250	13,250	-
Total receipts	<u>7,610,461</u>	<u>8,439,303</u>	<u>7,576,275</u>	<u>863,028</u>

City of Park City, Kansas
General Fund (Continued)
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
Administration	\$ 886,120	\$ 1,060,826	\$ 1,476,700	\$ (415,874)
Court	288,832	246,457	384,358	(137,901)
Governing body	334,925	154,738	277,207	(122,469)
Human resources	163,122	189,707	178,791	10,916
Police	2,769,230	2,333,390	2,332,604	786
Code enforcement	230,718	159,603	299,558	(139,955)
Legal	81,243	79,158	77,562	1,596
Building inspection	152,160	195,698	243,203	(47,505)
Law Enforcement	-	684,196	752,532	(68,336)
Planning	125,925	129,473	125,516	3,957
Pride	4,211	12,230	4,610	7,620
Senior center	176,243	116,653	118,622	(1,969)
Information Technology	-	23,751	-	23,751
Park board	24,194	-	-	-
Parks	501,317	601,522	631,125	(29,603)
Community building	2,855	3,355	18,720	(15,365)
Cash forward	-	-	1,399,562	(1,399,562)
Transfers to:				
Capital Equipment	513,733	822,067	822,067	-
Special Highway	626,944	719,511	626,944	92,567
Capital Improvement	186,667	20,000	20,000	-
Events	10,000	12,000	12,000	-
Capital Projects	300,000	-	300,000	(300,000)
Total expenditures	<u>7,378,439</u>	<u>7,564,335</u>	<u>10,101,681</u>	<u>\$ (2,537,346)</u>
Receipts Over (Under) Expenditures	232,022	874,968	(2,525,406)	
Unencumbered Cash, Beginning	<u>2,840,632</u>	<u>3,072,654</u>	<u>2,525,406</u>	
Unencumbered Cash, Ending	<u>\$ 3,072,654</u>	<u>\$ 3,947,622</u>	<u>\$ -</u>	

City of Park City, Kansas
Special Highway Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State of Kansas gas tax	\$ 227,878	\$ 222,537	\$ 226,537	\$ (4,000)
County transfers gas	98,960	98,679	98,679	-
Reimbursed expenses	(20,485)	7,758	-	7,758
Miscellaneous	20,970	-	-	-
Transfers from:				
Special Alcohol-Parks & Rec	30,000	-	-	-
General Fund	626,944	719,511	841,022	(121,511)
	<u>984,267</u>	<u>1,048,485</u>	<u>1,166,238</u>	<u>(117,753)</u>
Total receipts				
Expenditures				
Salaries	150,080	214,449	210,227	4,222
Employee benefits	107,986	146,670	174,858	(28,188)
Commodities	53,877	49,809	49,729	80
Contractual services	188,695	241,812	263,863	(22,051)
Capital outlay	375,779	439,646	501,323	(61,677)
Miscellaneous	-	96	-	96
	<u>876,417</u>	<u>1,092,482</u>	<u>1,200,000</u>	<u>\$ (107,518)</u>
Total expenditures				
Receipts Over (Under) Expenditures	107,850	(43,997)	(33,762)	
Unencumbered Cash, Beginning	<u>382,296</u>	<u>490,146</u>	<u>490,146</u>	
Unencumbered Cash, Ending	<u>\$ 490,146</u>	<u>\$ 446,149</u>	<u>\$ 456,384</u>	

City of Park City, Kansas
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Alcohol tax	\$ 25,029	\$ 56,388	\$ 14,000	\$ 42,388
Miscellaneous	284	-	-	-
Total receipts	<u>25,313</u>	<u>56,388</u>	<u>14,000</u>	<u>42,388</u>
Expenditures				
Contractual	7,000	-	-	-
Commodities	-	-	10,000	(10,000)
Transfers to:				
Events	7,500	7,500	7,500	-
Special Highway	30,000	-	-	-
Total expenditures	<u>44,500</u>	<u>7,500</u>	<u>17,500</u>	<u>\$ (10,000)</u>
Receipts Over (Under) Expenditures	(19,187)	48,888	(3,500)	
Unencumbered Cash, Beginning	<u>74,451</u>	<u>55,264</u>	<u>47,951</u>	
Unencumbered Cash, Ending	<u>\$ 55,264</u>	<u>\$ 104,152</u>	<u>\$ 44,451</u>	

City of Park City, Kansas
Special Alcohol and Drug Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Alcohol tax	\$ 25,028	\$ 56,388	\$ 14,000	\$ 42,388
Total receipts	<u>25,028</u>	<u>56,388</u>	<u>14,000</u>	<u>42,388</u>
Expenditures				
Capital outlay	-	-	45,000	<u>(45,000)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>\$ (45,000)</u>
Receipts Over (Under) Expenditures	25,028	56,388	(31,000)	
Unencumbered Cash, Beginning	<u>54,366</u>	<u>79,394</u>	<u>72,366</u>	
Unencumbered Cash, Ending	<u>\$ 79,394</u>	<u>\$ 135,782</u>	<u>\$ 41,366</u>	

City of Park City, Kansas
Public Safety and Court Training Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Court fees	\$ 7,373	\$ 11,343	\$ 13,250	\$ (1,907)
Expenditures				
Transfers to General	13,250	13,250	13,250	-
Total expenditures	13,250	13,250	13,250	<u>\$ -</u>
Receipts Over (Under) Expenditures	(5,877)	(1,907)	-	
Unencumbered Cash, Beginning	16,880	11,003	16,881	
Unencumbered Cash, Ending	<u>\$ 11,003</u>	<u>\$ 9,096</u>	<u>\$ 16,881</u>	

City of Park City, Kansas
Convention and Tourism Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Transient guest tax	\$ 286,376	\$ 219,802	\$ 235,000	\$ (15,198)
Interest income	91	5,453	-	5,453
Total receipts	<u>286,467</u>	<u>225,255</u>	<u>235,000</u>	<u>(9,745)</u>
Expenditures				
Salaries	222	172	300	(128)
Employee benefits	188	109	205	(96)
Contractual services	27,293	28,506	21,000	7,506
Office supplies	58	20	175	(155)
Internet	3,183	3,290	7,400	(4,110)
Miscellaneous events	28,000	18,000	8,000	10,000
City events	8,840	8,388	24,000	(15,612)
General promotions	62,000	58,000	70,000	(12,000)
Professional sports	172,200	110,700	114,700	(4,000)
Capital outlay	52,668	-	100,000	(100,000)
Dues and subscriptions	525	150	150	-
Total expenditures	<u>355,177</u>	<u>227,335</u>	<u>345,930</u>	<u>\$ (118,595)</u>
Receipts Over (Under) Expenditures	(68,710)	(2,080)	(110,930)	
Unencumbered Cash, Beginning	<u>606,384</u>	<u>537,674</u>	<u>517,802</u>	
Unencumbered Cash, Ending	<u>\$ 537,674</u>	<u>\$ 535,594</u>	<u>\$ 406,872</u>	

City of Park City, Kansas
Events Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Donations	\$ 17,860	\$ 21,825	\$ 16,500	\$ 5,325
Miscellaneous	1,513	-	-	-
Transfers from:				
Special Parks & Rec	7,500	7,500	7,500	-
General Fund	10,000	12,000	12,000	-
	<u>36,873</u>	<u>41,325</u>	<u>36,000</u>	<u>5,325</u>
Total receipts	36,873	41,325	36,000	5,325
Expenditures				
Publications	94	-	-	-
Contractual	950	154	36,000	(35,846)
Commodities	299	1,003	-	1,003
Events	31,121	33,688	-	33,688
	<u>32,464</u>	<u>34,845</u>	<u>36,000</u>	<u>\$ (1,155)</u>
Total expenditures	32,464	34,845	36,000	(1,155)
Receipts Over (Under) Expenditures	4,409	6,480	-	
Unencumbered Cash, Beginning	<u>5</u>	<u>4,414</u>	<u>5</u>	
Unencumbered Cash, Ending	<u>\$ 4,414</u>	<u>\$ 10,894</u>	<u>\$ 5</u>	

City of Park City, Kansas
Capital Equipment Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest income	\$ 114	\$ 13,807
Transfers from:		
General	513,733	822,067
Utility	-	80,518
	<u>513,847</u>	<u>916,392</u>
Total receipts		
Expenditures		
Capital outlay	<u>243,122</u>	<u>64,781</u>
Receipts Over (Under) Expenditures	270,725	851,611
Unencumbered Cash, Beginning	<u>636,251</u>	<u>906,976</u>
Unencumbered Cash, Ending	<u>\$ 906,976</u>	<u>\$ 1,758,587</u>

City of Park City, Kansas
Capital Improvement Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest income	\$ 10	\$ 2,445
Transfers from General	186,667	20,000
	<u>186,677</u>	<u>22,445</u>
Receipts Over (Under) Expenditures	186,677	22,445
Unencumbered Cash, Beginning	<u>48,007</u>	<u>234,684</u>
Unencumbered Cash, Ending	<u>\$ 234,684</u>	<u>\$ 257,129</u>

City of Park City, Kansas
Public Safety and Court Technology Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Miscellaneous	\$ 4,325	\$ 6,700
Receipts Over (Under) Expenditures	4,325	6,700
Unencumbered Cash, Beginning	<u>19,697</u>	<u>24,022</u>
Unencumbered Cash, Ending	<u>\$ 24,022</u>	<u>\$ 30,722</u>

City of Park City, Kansas
Pending State Forfeiture Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest income	\$ 5	\$ 337
Receipts Over (Under) Expenditures	5	337
Unencumbered Cash, Beginning	<u>34,882</u>	<u>34,887</u>
Unencumbered Cash, Ending	<u>\$ 34,887</u>	<u>\$ 35,224</u>

City of Park City, Kansas
Opioid Settlement Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Actual
Receipts		
Settlement distribution	\$ -	\$ 1,952
Receipts Over (Under) Expenditures	-	1,952
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 1,952

City of Park City, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem tax	\$ 441,107	\$ 492,679	\$ 506,549	\$ (13,870)
Delinquent tax	8,656	20,151	-	20,151
Payments in lieu of taxes	1,920	1,561	4,998	(3,437)
Motor vehicle tax	45,545	42,696	41,174	1,522
Recreational vehicle tax	603	612	523	89
16/20 M vehicle tax	57	95	53	42
Commercial vehicle tax	11,975	12,071	10,234	1,837
Watercraft tax	203	233	271	(38)
Special assessments	1,953,566	1,606,032	1,559,891	46,141
GO 2006-A reimbursements	87,385	83,893	83,893	-
Interest	821	51,599	15,000	36,599
Bond Proceeds	3,362,784	-	-	-
Bond Premiums	44,282	-	-	-
	<u>5,958,904</u>	<u>2,311,622</u>	<u>2,222,586</u>	<u>89,036</u>
Expenditures				
Principal	5,590,000	1,800,000	1,860,000	(60,000)
Interest	559,846	474,776	592,998	(118,222)
Cost of issuance	142,484	-	-	-
Cash basis reserve	-	-	4,109,219	(4,109,219)
Attorney Fees	1,500	-	-	-
	<u>6,293,830</u>	<u>2,274,776</u>	<u>6,562,217</u>	<u>\$ (4,287,441)</u>
Receipts Over (Under) Expenditures	(334,926)	36,846	(4,339,631)	
Unencumbered Cash, Beginning	<u>4,473,793</u>	<u>4,138,867</u>	<u>4,339,631</u>	
Unencumbered Cash, Ending	<u>\$ 4,138,867</u>	<u>\$ 4,175,713</u>	<u>\$ -</u>	

City of Park City, Kansas
Capital Projects Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
State grants	\$ -	\$ 1,023,120
ARPA Grant-Funded Project	592,429	592,429
Miscellaneous income	-	130,391
Reimbursed expenses	-	48,264
Bond Proceeds	1,497,307	-
Temporary Note Proceeds	3,589,331	-
Prepaid Special Assessment	22,914	-
Cancel prior year encumbrances	-	546,808
Transfers from General Fund	300,000	-
	<u>6,001,981</u>	<u>2,341,012</u>
Expenditures		
Contractual services	6,310,158	4,350,627
Office supplies	11,009	3,982
Capital outlay	233,595	160,529
	<u>6,554,762</u>	<u>4,515,138</u>
Receipts Over (Under) Expenditures	(552,781)	(2,174,126)
Unencumbered Cash, Beginning	<u>(1,636,163)</u>	<u>(2,188,944)</u>
Unencumbered Cash, Ending	<u><u>\$ (2,188,944)</u></u>	<u><u>\$ (4,363,070)</u></u>

City of Park City, Kansas
Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Water				
Sales	\$ 1,588,016	\$ 2,023,454	\$ 1,527,750	\$ 495,704
Reimbursements	134,401	279,108	80,000	199,108
Hook on charges	52,006	22,100	21,000	1,100
Fees	150,052	152,484	111,100	41,384
Miscellaneous income	27,122	14,546	-	14,546
Sewer				
Service revenue	1,295,348	1,576,949	1,300,000	276,949
Fees	81,171	73,277	44,500	28,777
Reimbursements	140	-	-	-
Trash				
Solid waste revenue	395,640	436,229	410,000	26,229
Recycling revenue	136,149	142,810	140,000	2,810
Fees	19,200	23,292	16,740	6,552
Reimbursements	-	1,251	-	1,251
Other				
Interest income	282	20,750	-	20,750
Total receipts	<u>3,879,527</u>	<u>4,766,250</u>	<u>3,651,090</u>	<u>1,115,160</u>
Expenditures				
Water				
Personnel	218,698	230,807	266,545	(35,738)
Contractual services	155,157	104,628	139,045	(34,417)
Commodities	247,278	339,038	394,150	(55,112)
Capital outlay	304,983	224,168	230,000	(5,832)
CCUA - related expenditures	938,513	915,416	1,036,522	(121,106)
Maintenance	113,760	105,199	124,913	(19,714)
Transfers to:				
Utility CIP/CEF/Improvement Fund	8,000	8,000	8,000	-
Capital Equipment Fund	-	40,259	40,259	-
Sewer				
Personnel	182,433	196,737	222,734	(25,997)
Contractual services	171,724	150,403	151,725	(1,322)
Commodities	17,630	22,515	23,200	(685)
Capital outlay	49,626	172,377	165,270	7,107
CCUA - related expenditures	927,246	827,509	1,237,533	(410,024)
Maintenance	110,438	146,764	174,718	(27,954)
Bond principal	-	100,000	100,000	-
Bond interest	-	28,423	28,423	-
Transfers to:				
Utility CIP/CEF/Improvement Fund	8,000	8,000	8,000	-
Capital Equipment Fund	-	40,259	40,259	-
Trash				
Personnel	19,221	17,537	17,761	(224)
Contractual services	529,802	571,365	571,389	(24)
Commodities	67	-	-	-
Total expenditures	<u>\$ 4,002,576</u>	<u>\$ 4,249,404</u>	<u>\$ 4,980,446</u>	<u>\$ (731,042)</u>
Receipts Over (Under) Expenditures	(123,049)	516,846	(1,329,356)	
Unencumbered Cash, Beginning	<u>2,073,471</u>	<u>1,950,422</u>	<u>1,950,422</u>	
Unencumbered Cash, Ending	<u>\$ 1,950,422</u>	<u>\$ 2,467,268</u>	<u>\$ 621,066</u>	

City of Park City, Kansas
Stormwater Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for services	\$ 56,090	\$ 57,993	\$ 53,000	\$ 4,993
Late fees	968	1,005	650	355
Interest income	21	1,655	200	1,455
	<u>57,079</u>	<u>60,653</u>	<u>53,850</u>	<u>6,803</u>
Expenditures				
Contracted service	39,850	112,895	20,000	92,895
Miscellaneous	475	682	3,000	(2,318)
Capital outlay	-	28,050	180,000	(151,950)
	<u>40,325</u>	<u>141,627</u>	<u>203,000</u>	<u>\$ (61,373)</u>
Receipts Over (Under) Expenditures	16,754	(80,974)	(149,150)	
Unencumbered Cash, Beginning	<u>123,304</u>	<u>140,058</u>	<u>153,884</u>	
Unencumbered Cash, Ending	<u>\$ 140,058</u>	<u>\$ 59,084</u>	<u>\$ 4,734</u>	

City of Park City, Kansas
Utility CIP/CEF/Improvement Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest income	\$ 107	\$ 7,368
Transfers from Utility Fund	<u>16,000</u>	<u>16,000</u>
Total receipts	<u>16,107</u>	<u>23,368</u>
Receipts Over (Under) Expenditures	16,107	23,368
Unencumbered Cash, Beginning	<u>731,579</u>	<u>747,686</u>
Unencumbered Cash, Ending	<u><u>\$ 747,686</u></u>	<u><u>\$ 771,054</u></u>

City of Park City, Kansas
Utility Operating Reserve Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest	\$ 51	\$ 3,464
Receipts Over (Under) Expenditures	51	3,464
Unencumbered Cash, Beginning	<u>358,313</u>	<u>358,364</u>
Unencumbered Cash, Ending	<u>\$ 358,364</u>	<u>\$ 361,828</u>

City of Park City, Kansas
Utility Depreciation Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Unencumbered Cash, Beginning	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Unencumbered Cash, Ending	<u><u>\$ 100,000</u></u>	<u><u>\$ 100,000</u></u>

City of Park City, Kansas
Utility Surplus Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest income	\$ 259	\$ 17,556
Receipts Over (Under) Expenditures	259	17,556
Unencumbered Cash, Beginning	<u>1,816,207</u>	<u>1,816,466</u>
Unencumbered Cash, Ending	<u>\$ 1,816,466</u>	<u>\$ 1,834,022</u>

City of Park City, Kansas
Customer Deposit Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Customer deposits	\$ 23,625	\$ -
Expenditures		
Customer refunds	23,625	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

City of Park City, Kansas
MTBE Surplus Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Bond proceeds	\$ 200,578	\$ -
Interest income	91	7,608
	<u>200,669</u>	<u>7,608</u>
Total receipts		
	<u>200,669</u>	<u>7,608</u>
Expenditures		
Contractual services	<u>10,615</u>	<u>-</u>
	<u>10,615</u>	<u>-</u>
Total expenditures		
	<u>10,615</u>	<u>-</u>
Receipts Over (Under) Expenditures	190,054	7,608
Unencumbered Cash, Beginning	<u>597,078</u>	<u>787,132</u>
Unencumbered Cash, Ending	<u>\$ 787,132</u>	<u>\$ 794,740</u>

City of Park City, Kansas
Law Enforcement Trust Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest income	\$ -	\$ 31
Receipts Over (Under) Expenditures	-	31
Unencumbered Cash, Beginning	<u>3,184</u>	<u>3,184</u>
Unencumbered Cash, Ending	<u>\$ 3,184</u>	<u>\$ 3,215</u>

City of Park City, Kansas
Special Expendable Trust Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Donation	\$ 3,142	\$ 4,683
Expenditures		
Commodities	597	1,871
Capital outlay	4,500	1,636
Total expenditures	5,097	3,507
Receipts Over (Under) Expenditures	(1,955)	1,176
Unencumbered Cash, Beginning	12,585	10,630
Unencumbered Cash, Ending	<u>\$ 10,630</u>	<u>\$ 11,806</u>

City of Park City, Kansas
Flexible Spending Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Actual</u>
Receipts		
Donations	\$ 60,830	\$ 54,552
Interest	1	1
	<u>60,831</u>	<u>54,553</u>
Total receipts		
Expenditures		
Distributions	<u>60,483</u>	<u>52,688</u>
Receipts Over (Under) Expenditures	348	1,865
Unencumbered Cash, Beginning	<u>12,953</u>	<u>13,301</u>
Unencumbered Cash, Ending	<u><u>\$ 13,301</u></u>	<u><u>\$ 15,166</u></u>

City of Park City, Kansas
Library Employee Benefits Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem tax	\$ 19,232	\$ 21,434	\$ 22,085	\$ (651)
Delinquent tax	374	868	-	868
Payments in lieu of taxes	84	68	220	(152)
Motor vehicle tax	1,890	1,859	1,795	64
Recreational vehicle tax	25	26	23	3
16/20 M vehicle tax	2	4	2	2
Commercial vehicle tax	497	521	446	75
Watercraft tax	8	10	12	(2)
Reimbursements	-	-	1,000	(1,000)
	<u>22,112</u>	<u>24,790</u>	<u>25,583</u>	<u>(793)</u>
Expenditures				
Remittance to library board	<u>22,112</u>	<u>24,790</u>	<u>25,583</u>	<u>(793)</u>
	<u>22,112</u>	<u>24,790</u>	<u>25,583</u>	<u>\$ (793)</u>
Receipts Over (Under) Expenditures	-	-	-	
Unencumbered Cash, Beginning	-	-	-	
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

City of Park City, Kansas
Library Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem tax	\$ 261,062	\$ 291,593	\$ 299,792	\$ (8,199)
Delinquent tax	5,019	11,773	-	11,773
Payments in lieu of taxes	1,137	924	2,957	(2,033)
Motor vehicle tax	25,609	25,226	24,368	858
Recreational vehicle tax	339	361	309	52
16/20 M vehicle tax	34	54	31	23
Commercial vehicle tax	6,730	7,070	6,057	1,013
Watercraft tax	114	138	161	(23)
Reimbursements	-	-	3,000	(3,000)
	<u>300,044</u>	<u>337,139</u>	<u>336,675</u>	<u>464</u>
Expenditures				
Remittance to library board	<u>300,044</u>	<u>336,675</u>	<u>336,675</u>	<u>-</u>
	<u>300,044</u>	<u>336,675</u>	<u>336,675</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	464	-	
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 464</u>	<u>\$ -</u>	

City of Park City, Kansas
Land Bank Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sales of property	\$ 736,595	\$ -	\$ -	\$ -
Interest	<u>36</u>	<u>2,192</u>	<u>100</u>	<u>2,092</u>
Total receipts	<u>736,631</u>	<u>2,192</u>	<u>100</u>	<u>2,092</u>
Expenditures				
Contractual	509,663	-	124,164	(124,164)
Publication fees	<u>378</u>	<u>90</u>	<u>-</u>	<u>90</u>
Total expenditures	<u>510,041</u>	<u>90</u>	<u>124,164</u>	<u>\$ (124,074)</u>
Receipts Over (Under) Expenditures	226,590	2,102	(124,064)	
Unencumbered Cash, Beginning	<u>280</u>	<u>226,870</u>	<u>124,064</u>	
Unencumbered Cash, Ending	<u>\$ 226,870</u>	<u>\$ 228,972</u>	<u>\$ -</u>	

City of Park City, Kansas
Public Building Commission Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2022

	Prior Year Actual	Actual
Receipts		
Lease income	\$ 213,138	\$ 215,538
Expenditures		
Bond principal	130,000	135,000
Bond interest	83,138	80,538
Total expenditures	213,138	215,538
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

City of Park City, Kansas
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2022

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Sales tax	\$ 2,999	\$ 12,150	\$ 11,229	\$ 3,920
Water protection fee	2,007	1,050	1,050	2,007
RWD #2 Fees	<u>1,968</u>	<u>7,394</u>	<u>7,394</u>	<u>1,968</u>
Total Agency Funds	<u>\$ 6,974</u>	<u>\$ 20,594</u>	<u>\$ 19,673</u>	<u>\$ 7,895</u>

APPENDIX C-1

SUMMARY OF BOND FINANCING DOCUMENTS

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

THE BOND RESOLUTION

DEFINITIONS

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

“Act” means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.* and K.S.A. 12-685 *et seq.*, K.S.A. 12-6a01 *et seq.*, and K.S.A. 14-570 *et seq.*, as amended by Charter Ordinance No. C39-2019, all as amended and supplemented.

[**“AGM”** means Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company, or any successor thereto.]

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

[**“BAM”** means Build America Mutual Assurance Company., a New York domiciled mutual insurance corporation, or any successor thereto.]

“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 Insurance Policy”** means the municipal bond insurance policy issued by the Bond Insurer concurrently with the delivery of the Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Bonds.]

[**“Bond Insurer”** means [AGM] [BAM] with respect to the Bonds.]

“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 its successors and assigns.

“Bond Resolution” means collectively the Ordinance passed by the governing body of the Issuer and the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

“Bonds” means the General Obligation Bonds, Series 2023-A, authorized and issued by the Issuer pursuant to the 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 with respect to the Bonds.

“City” means the City of Park City, Kansas.

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

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

“Compliance Account” means the account by that name created by the Bond Resolution.

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

“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 account by that name created by the Bond Resolution.

“Dated Date” means September 7, 2023.

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

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the 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) [evidences of ownership of proportionate interests in future interest and principal payments on United States Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated; or

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

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

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

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

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

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

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

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

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

“DTC” means The Depository Trust Company, New York, New York.

“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 the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

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

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

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

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

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

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

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

[**“Insurer's Fiscal Agent”** means the agent designated by the Bond Insurer pursuant to the Bond Insurance Policy.]

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Bond which shall be June 1 and December 1 of each year, commencing June 1, 2024.

“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 in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Mayor” means the duly elected and acting Mayor of the Issuer, 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 [with notice to the Bond Insurer].

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

“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 the Bond Resolution; [and]
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder[.];
and
- [(d) Bonds, the principal or interest of which has been paid by the Bond Insurer.]

“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 the 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 county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; [or] (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f); or (m) other investment obligations authorized by the laws of the State and approved in writing by the Bond Insurer], all as may be further restricted or modified by amendments to applicable State law.

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

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

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

“Rebate Fund” means the fund by that name created by the Bond Resolution.

“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 the 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 the 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 Notes” means the Series 2021-1 Notes in the aggregate principal amount of \$3,870,000.

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

“Refunded Notes Redemption Date” means September 8, 2023.

“Refunded Notes Redemption Fund” means the Redemption Fund for Refunded Notes created pursuant to the Bond Resolution

“Refunded Notes Resolution” means the resolution which authorized the Refunded Notes.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

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

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

“Series 2021-1 Notes” means the Issuer's General Obligation Temporary Notes, Series 2021-1, dated September 9, 2021.

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

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

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer of the State 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 the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

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

[“**Term Bonds**” means the Bonds scheduled to mature in the year 2038.]

[“**___ Term Bonds**” means the Bonds scheduled to mature in the year _____.]

[“**2038 Term Bonds**” means the Bonds scheduled to mature in the year 2038.]

[“**Term Bonds**” means collectively, the ___ Term Bonds and the 2038 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.

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

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:

- (a) Improvement Fund.
- (b) Refunded Notes Redemption Fund.
- (c) Debt Service Account (within the Bond and Interest Fund).
- (d) Rebate Fund.
- (e) Costs of Issuance Account.
- (f) Compliance Account.

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

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

- (a) All accrued interest and excess proceeds, if any, received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) An amount necessary to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.
- (c) An amount necessary to retire the Refunded Notes shall be deposited into the Refunded Notes Redemption Fund.
- (d) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

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

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

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

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the 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 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 the 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.

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.

Application of Moneys in the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money.

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

Application of Moneys in the Refunded Notes Redemption Fund. Moneys in the Refunded Notes Redemption Fund shall be paid and transferred to the Refunded Notes Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Notes on the Refunded Notes Redemption Date. The Refunded Notes issued to temporarily finance the costs of the Improvements pending the issuance of the Bonds have been called for redemption and payment. The Clerk is authorized and instructed to provide appropriate notice of redemption in accordance with the Refunded Notes Resolution authorizing the issuance of such Refunded Notes. Any moneys remaining in the Refunded Notes Redemption Fund not needed to retire the Refunded Notes shall be transferred to the Debt Service Account.

Application of Moneys in the Compliance Account. Moneys in the Compliance Account shall be used by the Issuer to pay the fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws. Any funds remaining in the Compliance Account not necessary for such payments shall be transferred to the Debt Service Account.

DEPOSIT AND INVESTMENT OF MONEYS

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

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

DEFAULT AND REMEDIES

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.

[The Paying Agent shall notify the Owners and Bond Insurer of any Event of Default of which it has actual notice.]

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Bond Resolution 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 of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts 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 the 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 in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

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

[**Control of Remedies By Bond Insurer Upon an Event of Default and Event of Insolvency.** Upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under the Bond Resolution. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Bonds.]

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 the Bond Resolution and all other rights granted thereby 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 the 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 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. [The Issuer shall notify the Bond Insurer of any defeasance of the Bonds.]

[Notwithstanding anything in the Bond Resolution to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.]

TAX COVENANTS

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

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

CONTINUING DISCLOSURE REQUIREMENTS

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

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

PROVISIONS RELATING TO THE BOND INSURANCE POLICY

Provisions relating to the bond insurance policy, if any, will be inserted if the Bonds are purchased with a bond insurance policy.

MISCELLANEOUS PROVISIONS

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

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Bonds as the same become due by levying and collecting the necessary taxes

and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes and/or assessments referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the 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 and/or assessments 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.

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of [the Bond Insurer and] 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 [the Bond Insurer and] 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 the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of [the Bond Insurer and] 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 the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to provide for Substitute Improvements, to conform the 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.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent[and the Bond Insurer]. The Issuer, the Paying Agent[, the Bond Insurer] and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

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

Severability. If any section or other part of the 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 the Bond Resolution.

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

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APPENDIX C-2

SUMMARY OF NOTE FINANCING DOCUMENTS

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

THE NOTE RESOLUTION

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

“**Compliance Account**” means the account by that name created by the Note Resolution.

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

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

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

“**Dated Date**” means September 7, 2023.

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

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

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

“Defeasance Obligations” means any of the following obligations:

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

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

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

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

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

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

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

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

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

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

“DTC” means The Depository Trust Company.

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

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

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

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

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

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

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

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

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

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

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

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Note which shall be March 1 and September 1 of each year, commencing March 1, 2024.

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

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

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

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

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

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

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

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

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

“Notes” means the General Obligation Temporary Notes, Series 2023-1, authorized and issued by the Issuer pursuant to the Note Resolution.

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

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

- (a) Notes theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes deemed to be paid in accordance with the provisions of the Note Resolution; and

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered hereunder.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**State**” means the state of Kansas.

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

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

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

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

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

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

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

- (a) Improvement Fund
- (b) Debt Service Account.
- (c) Rebate Fund.
- (d) Costs of Issuance Account.
- (e) Compliance Account.

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

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

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

Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Notes during construction of the Improvements; (c) paying Costs of Issuance; and (d) transferring any amounts to the Rebate Fund.

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Note Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such

payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Note Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

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

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

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

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

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

Application of Moneys in the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Notes shall have any rights in or claim to such money.

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

Application of Moneys in the Compliance Account. Moneys in the Compliance Account shall be used by the Issuer to pay the to pay fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws.

DEPOSIT AND INVESTMENT OF MONEYS

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

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

DEFAULT AND REMEDIES

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

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

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

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

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

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

DEFEASANCE

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

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that: it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Notes; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future

laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Notes will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

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

CONTINUING DISCLOSURE REQUIREMENTS

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

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

MISCELLANEOUS PROVISIONS

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

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

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

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

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

- (a) extend the maturity of any payment of principal or interest due upon any Note;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Note;
- (c) permit preference or priority of any Note over any other Note; or
- (d) reduce the percentage in principal amount of Notes required for the written consent to any modification or alteration of the provisions of the Note Resolution.

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

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

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

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

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

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

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

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APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

DATED AS OF SEPTEMBER 7, 2023

BY

CITY OF PARK CITY, KANSAS

\$4,185,000*
GENERAL OBLIGATION
BONDS
SERIES 2023-A

\$7,750,000*
GENERAL OBLIGATION
TEMPORARY NOTES
SERIES 2023-1

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of September 7, 2023 (the “Continuing Disclosure Undertaking”), is executed and delivered by **THE CITY OF PARK CITY, KANSAS** (the “Issuer”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2023-A and General Obligation Temporary Notes, Series 2023-1 (collectively the “Securities”), pursuant to an ordinance and resolutions adopted by the governing body of the Issuer (collectively the “Resolution”).

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

The Issuer covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

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

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than the July 1st immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2023, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF PARK CITY, KANSAS

(SEAL)

Mayor

Clerk

EXHIBIT A

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

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

- Assessed Valuation
- Tax Rates
- Aggregate Tax Levies
- Tax Collection Record
- Major Taxpayers
- Current Indebtedness of the Issuer*
- Lease Obligations*
- State Loans*

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