

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 13, 2025

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

**RATING: S&P “SP-1+”
See “Rating” 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 Notes [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Notes is exempt from income taxation by the State of Kansas; and (3) the Notes are “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Notes may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS – Opinion of Bond Counsel” in this Official Statement.

\$3,435,000*

**CITY OF KINGMAN, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2025**

Dated: Date of Delivery

Due: March 1, 2027

The General Obligation Temporary Notes, Series 2025 (the “Notes”) will be issued by the City of Kingman, Kansas (the “City” or the “Issuer”), as fully registered notes, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). Purchasers will not receive certificates representing their interests in Notes purchased. So long as Cede & Co. is the registered owner of the Notes, as nominee of DTC, references herein to the Note owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Notes. Principal will be payable at maturity or earlier redemption upon presentation and surrender of the Notes by the registered owners thereof at the office of Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and note registrar (the “Paying Agent” and “Note Registrar”). Semiannual interest on each Note will be payable on March 1 and September 1, beginning on September 1, 2025 to the persons who are the registered owners of the Notes as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner, or in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Notes, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Notes and the interest thereon will constitute general obligations of the Issuer, payable from the proceeds of the Issuer's general obligation bonds, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

MATURITY SCHEDULE

Stated Maturity	Principal	Annual Rate	Initial	
<u>March 1</u>	<u>Amount*</u>	<u>of Interest</u>	<u>Offering Price</u>	<u>CUSIP</u>¹
2027	\$3,435,000	___%	___%	

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 Notes. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

The Notes will be subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2026, or any date thereafter as described herein. See “THE NOTES-Redemption Provisions” herein.

The Notes are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. It is expected that the Notes will be available for delivery through the facilities of DTC on or about March 18, 2025.

RAYMOND JAMES®

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. “APPENDIX C – SUMMARY OF FINANCING DOCUMENTS” CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Official Statement is February __, 2025.

* Preliminary, Subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, 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. As of this date, this Preliminary Official Statement has been deemed “final” by the City for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

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

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

Jon Wollen, Mayor
Tracy Winsor, Vice Mayor and Commissioner
Adrian Harrell, Commissioner
Sean Wallace, Commissioner
Merlin McFarland, Commissioner

ADMINISTRATIVE OFFICERS

CITY MANAGER
Greg Graffman

CLERK
Zachary Bieghler

TREASURER
Denise Niedermann

CITY ATTORNEY
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Graffman & Smith, LLC

BOND COUNSEL
Gilmore & Bell, P.C.
Wichita, Kansas

UNDERWRITER
Raymond James & Associates, Inc.
Leawood, Kansas

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Notes other than those contained in this 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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein concerning the Issuer has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. 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 Notes.

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OFFICIAL STATEMENT

\$3,435,000*
CITY OF KINGMAN, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2025

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Kingman, Kansas (the “Issuer” or the “City”), and the General Obligation Temporary Notes, Series 2025 (the “Notes”), of the Issuer, dated March 18, 2025 (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. Except for the information expressly attributed to other sources deemed to be reliable, all information has been provided by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. 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 “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*”

Continuing Disclosure

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

The Issuer has previously entered into disclosure undertakings pursuant to the Rule (the “Prior Undertakings”). In certain prior years, the Issuer has failed to file its Annual Report within the time period prescribed by the Prior Undertakings or with all of the required information, and did not timely file notices on EMMA that the Annual Report was missing or late. The City failed to timely post a Material Event Notice for the incurrence of debt related to the Series 2020-1 General Obligation Temporary Notes and link such notice to the outstanding Series 2019 General Obligation Bonds. In 2015, the Issuer hired a third-party firm to assist the Issuer in meeting its continuing disclosure obligations. The Issuer’s filings for the previous six years are set forth in the table below:

** Preliminary, Subject to change.*

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Filing Date</u>	<u>Financial Statement</u> <u>Filing Date</u>	<u>Operating Data</u> <u>Filing Date</u>
2019	300	09/16/2020	09/16/2020
2020	300	10/01/2021	10/01/2021
2021	300	10/10/2022	10/10/2022
2022	300	10/05/2023	10/05/2023
2023	300	10/17/2024	10/17/2024
2024	300	Not Yet Due	Not Yet Due

During the past five years, the Issuer has made filings of event notices on EMMA with respect to some bond calls, defeasances, and rating changes, but may not have made timely filings of event notices on EMMA relating to all bond calls, defeasances or rating changes. The Issuer believes this information was disseminated or available through other sources.

For more information regarding the Issuer's continuing disclosure undertaking, see “*APPENDIX D – FORM OF DISCLOSURE UNDERTAKING.*”

Additional Information

Additional information regarding the Issuer or the Notes may be obtained from the Clerk of the Issuer at the address set forth in the preface to this Official Statement.

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 and K.S.A. 12-631r *et seq.*, all as amended and supplemented from time to time (collectively the “Act”), and a resolution adopted by the governing body of the Issuer (the “Note Resolution”).

Security for the Notes

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

Description of the Notes

The Notes shall consist of fully registered book-entry-only notes in 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 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. The Issuer reserves the right to appoint a successor paying agent or note registrar.

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 March 1, 2026 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 Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each scheduled maturity of the Notes and will be deposited with DTC.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

4. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting

or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

THE PROJECT

The proceeds of the Notes will be used to finance culvert and drainage improvements in the City (the "Improvements"). The balance of the proceeds of the Notes will be used to pay the costs of issuance for the Notes and interest on the Notes during construction.

SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount of the Notes	\$3,435,000.00*
[Underwriter's Discount]	-
[Original Issue Premium]	
Total	\$
Uses of Funds:	
Deposit to Project Fund	\$
Capitalized Interest	
Costs of Issuance	
Total	\$

* Preliminary, subject to change.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

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

Legal Matters

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

Limitations on Remedies Available to Owners of Notes

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

Debt Service Source

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

Taxation of Interest on the Notes

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

The Issuer has covenanted in the Note Resolution and in other documents and certificates to be delivered in connection with the issuance of the Notes to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Notes. Because the existence and continuation of the excludability of the interest on the Notes depends upon events occurring after the date of issuance of the Notes, the opinion of Bond Counsel described under "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 Notes in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Notes to become includable in gross income as of the date of issuance.

Premium on Notes

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

No Additional Interest or Mandatory Redemption upon Event of Taxability

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

Suitability of Investment

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

Market for the Notes

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Notes. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal Notes which the Underwriter distributes. The Underwriter intends to continue this practice with respect to the Notes, but is not obligated to do so. Prices of Notes traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary for the Underwriter to suspend indefinitely secondary market trading in the Notes as a result of the financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Notes are in default as to principal and interest payments, and other factors which in the opinion of the Underwriter may give rise to uncertainty concerning prudent secondary market practices.

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. For others: According to KPERs’ Valuation Reports, the Local Group had an UAAL of approximately \$2.089 billion in calendar year 2024 and KP&F had an UAAL of approximately \$1.381 billion.

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, Terrorist or Cyber Attacks

The occurrence of a terrorist attack or cyber security breach in the Issuer, or natural disasters, such as fires, tornadoes, winter storms, extreme cold, 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 City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The City 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 City, including but not limited to the payment and debt service on the Bonds.

RATING

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

ABSENCE OF LITIGATION

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

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

LEGAL MATTERS

Approval of Notes

All matters incident to the authorization and issuance of the Notes are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"), 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 NOTES," "LEGAL MATTERS," "TAX MATTERS" and "*APPENDIX C* – SUMMARY OF FINANCING DOCUMENTS." Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Notes.

TAX MATTERS

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

who purchase the Notes in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Notes.

Opinion of Bond Counsel

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

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

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

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

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

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

Other Tax Consequences

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

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

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

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Notes, and to the proceeds paid on the sale of Notes, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest

income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

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

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

UNDERWRITING

The Notes are being purchased for reoffering by Raymond James & Associates, Inc., Leawood, Kansas (the "Underwriter") 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 Note Purchase Agreement provides that the Underwriter will purchase all of the Notes if any are purchased. The obligation of the Underwriter to accept delivery of the Notes is subject to various conditions contained in the Note Purchase Agreement.

The Notes will be offered to the public initially at the prices determined to produce the yields to maturity or applicable redemption date set forth on the cover page of this Official Statement. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices other than the price stated on the 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 Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

AUTHORIZATION OF 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 Notes 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 Notes.

CITY OF KINGMAN, KANSAS

By: _____
Mayor

APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

The City of Kingman, Kansas (the "City") is the county seat of Kingman County, Kansas, and is located approximately 43 miles west of Wichita, Kansas and 34 miles south of Hutchinson, Kansas. The City has a current population of 3,105 persons.

Government and Organization of the Issuer

The City was established in 1883 and is a city of the second class. The City operates under a Commission-Manager form of government. The five members of the City Commission are elected 3 commissioners elected every two years, with the low vote commissioner serving a two year term and the other two serving 4 year terms in each odd-numbered year. The City Manager is appointed by the Commission and is charged with the efficient and effective administration of the City.

The City owns and operates its own electric, water and sewer utility and distribution systems. Kansas Gas Service supplies natural gas to the City. Telephone service is provided by AT&T. Cox Communications operates a cable television system under franchise with the City.

The City has 7 sworn police officers and volunteers and 31 firefighters which provide continuous full-time protection to the City. The City operates an emergency ambulance service for the City and most of Kingman County.

Transportation

The City is served by U.S. Highway 54 and Kansas Highway 14. Various motor freight lines serve the City. South Kansas and Oklahoma Railroad (WATCO) Railway and Kansas Southwestern Railway serve the City. Regular scheduled commercial air service is available at nearby Eisenhower National Airport, located in Wichita, Kansas. The Kingman Municipal Airport is located in the City and provides a runway capable of handling private and corporate aircraft.

Educational Institutions and Facilities

Unified School District No. 331 operates two elementary school, two junior high schools and two senior high schools in the City and surrounding area. The District has a total enrollment of approximately 858 students. In addition, there is a parochial school located in the City (providing educational programs from kindergarten up to, but not including, high school). Community colleges providing a two-year curriculum are located in nearby Pratt and Reno counties, and the four neighboring counties provide vocational and technical courses of study. Wichita State University, Friends University and Newman University, all fully accredited four year schools, are located within 45 miles of the City.

Medical and Health Facilities

The 50-bed Kingman Community Hospital was built in 1970, with additions completed in 1981 and 2002. Major medical service is available in Wichita, Kansas. There are extended-care nursing homes also located in the community, providing over 170 beds. Wheatlands Heath Care Center offers assisted living, skilled nursing, intermediate care and dementia care.

Recreational, Cultural and Religious Facilities

There is recreation available in the area including five parks, a golf course, summer recreational programs, a County Expo Center and Historic Museum. The Kingman State Lake and Byron Walker Wildlife Area, located west of the City, provides a 185 acre lake and adjoining 2,700 acre hunting reserve.

ECONOMIC INFORMATION

Major Employers

The economy of Kingman County is devoted mainly to agriculture including substantial production of wheat, sorghum, forage, alfalfa, hay and livestock. The County has approximately 770 farms totaling approximately 552,000 acres and encompassing 864 square miles. There is also significant oil and gas production in the County, placing it among the top producers in the State of Kansas. In addition, in recent years there have been a significant number of electric generating wind turbines constructed in Kingman County.

The following is a list of what are believed to be the major employers located in or near the City:

<u>Employer</u>	<u>Product</u>	<u>Number of Employees</u>
FabPro Oriented Polymers LLC *	Synthetic Fibers	140
Unified School District No. 331	Education	125
Kingman Community Hospital	Health Services	100
City of Kingman	Government	81
Kingman County	Government	80
Wheatlands Healthcare Center	Retirement Home	60
Klaver Construction	Construction	60
White's Foodliner	Grocery Store	60
Mize & Co.	Wire Manufacturing	35
Kanza Bank	Banking	32

* FabPro Oriented Polymers was acquired by Great Lakes Polymer Technologies.

Source: County Clerk

Labor Force and Employment

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

KINGMAN COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2014	3,609	3,466	143	4.0%
2015	3,659	3,500	159	4.3%
2016	3,544	3,388	156	4.4%
2017	3,407	3,282	125	3.7%
2018	3,426	3,315	111	3.2%
2019	3,399	3,290	109	3.2%
2020	3,266	3,094	172	5.3%
2021	3,276	3,173	103	3.1%
2022	3,267	3,188	79	2.4%
2023	3,304	3,215	89	2.7%

STATE OF KANSAS

<u>Year</u>	<u>Total</u>		<u>Unemployed</u>	
	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Rate</u>
2014	1,494,203	1,426,892	67,311	4.5%
2015	1,493,782	1,431,533	62,249	4.2%
2016	1,491,961	1,431,920	60,041	4.0%
2017	1,488,346	1,434,516	53,830	3.6%
2018	1,493,360	1,443,204	50,156	3.4%
2019	1,504,415	1,456,662	47,753	3.2%
2020	1,501,827	1,414,596	87,231	5.8%
2021	1,498,226	1,448,294	49,932	3.3%
2022	1,502,603	1,463,010	39,593	2.6%
2023	1,510,988	1,470,936	40,052	2.7%

Source: Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor

Retail Sales Tax Collections

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

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Per Capita Sales Tax</u>
2014	\$5,104,451	\$628.05
2015	4,160,713	603.86
2016	4,651,674	588.74
2017	4,184,940	606.12
2018	5,334,112	586.81
2019	6,065,543	758.31
2020	7,406,977	934.46
2021	7,171,964	1,035.49
2022	7,830,817	1,026.53
2023	7,121,582	1,081.15

Source: Kansas Statistical Abstract

Financial and Banking Institutions

There are currently 4 banks with 4 banking locations in Kingman County. For the years listed, deposits of the banks located in Kingman County are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2015	\$204,442,000
2016	203,984,000
2017	204,442,000
2018	205,285,000
2019	208,302,000
2020	221,815,000
2021	248,417,000
2022	259,589,000
2023	248,934,000
2024	250,156,000

Source: FDIC

Population

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

<u>Year</u>	<u>City of Kingman Population</u>	<u>Kingman County Population</u>
1960	3,582	9,958
1970	3,622	8,886
1980	3,563	8,960
1990	3,196	8,292
2000	3,387	8,673
2010	3,177	7,719
2020	2,786	7,084
2024	2,824	7,137

The median age of persons in the County and the State of Kansas is 45.8 and 37.4, respectively, per the 2020 Census.

Source: Kansas Statistical Abstract

Building Permits and Construction

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>	
	<u>Residential</u>	<u>Non-Residential</u>	<u>Residential</u>	<u>Non-Residential</u>
2015	22	5	\$601,000	\$175,000
2016	15	9	409,000	750,000
2017	17	3	475,000	850,000
2018	17	3	400,000	250,000
2019	14	3	36,500	200,000
2020	18	1	650,000	50,000
2021	6	6	549,000	93,500
2022	3	8	153,000	216,000
2023	6	7	1,060,100	130,842
2024	6	7	372,400	130,500

** In 2023, the Building Permit totals do not include two projects consisting of a commercial building with apartment units with an estimated value of \$1,705,250 and an apartment complex with an estimated value of \$2,250,000.*

Source: City Clerk

Personal Income

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

<u>Year</u>	<u>Kingman County Total Personal Income</u>	<u>Kingman County Per Capita Personal Income</u>	<u>State of Kansas Per Capita Personal Income</u>
2014	\$322,763,000	\$40,856	\$42,290
2015	302,989,000	38,353	46,597
2016	296,691,000	38,476	46,718
2017	290,736,000	38,129	48,272
2018	308,536,000	40,931	50,283
2019	322,040,000	43,007	52,156
2020	359,579,000	48,428	55,101
2021	386,492,000	53,009	59,021
2022	384,890,000	53,651	62,326
2023	419,408,000	59,356	66,115

Source: Kansas Statistical Abstract

FINANCIAL INFORMATION OF THE ISSUER

Accounting, Budgeting and Auditing Procedures

The City follows a statutory basis of accounting which is designed to show compliance with cash basis and budget laws of Kansas. The City has received a GAAP Waiver from the State of Kansas.

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

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

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the 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, and thereafter the taxing subdivisions will hold the public hearing and adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

The City cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Bonds, or the general rating of the City. A change in the rating on the Bonds or a change in the general rating of the City may adversely impact the market price of the Bonds 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. 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 year ended December 31, 2023 is attached hereto as *Appendix B*.

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

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 Labette County Appraiser's office determines the assessed valuation that is to be used as a basis for the mill levy on property located in the City.

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

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 value of the taxable tangible property of the City by category in the years as indicated:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2015	\$16,365,584	\$280,923	\$543,508	\$3,202,205	\$20,392,220
2016	16,422,322	224,761	555,714	3,306,597	20,509,394
2017	16,534,758	207,508	551,353	3,469,344	20,762,963
2018	16,198,717	183,003	544,548	3,369,946	20,296,214
2019	16,598,534	168,228	581,010	3,459,834	20,807,614
2020	16,780,143	174,436	621,496	3,503,046	21,079,121
2021	16,878,770	150,377	593,102	3,849,897	21,472,146
2022	17,524,548	167,543	672,382	3,543,413	21,907,886
2023	19,551,148	257,849	737,261	3,678,792	24,225,050
2024	22,209,115	323,106	751,892	3,686,590	26,970,703

Source: County Clerk

Estimated Actual Valuation

Based on an estimated average assessment percentage, the following table provides the estimated actual valuation figures for the taxable tangible property, including motor vehicles, for the City in the years indicated:

<u>Year</u>	<u>Estimated Actual Valuation</u>
2015	\$127,451,375
2016	128,183,713
2017	129,768,519
2018	126,851,338
2019	130,047,588
2020	131,744,506
2021	134,200,913
2022	136,924,288
2023	151,406,563
2024	168,566,894

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. Prior to July 1, 1999, tax levies were further restricted by a state aggregate tax lid. The funds of the City restricted by such tax lid included the general fund, capital improvement funds and special improvement funds. Levies not effected by such tax lid included debt service payments on bonds, notes and no fund warrants; payments made to a public building commission; expenses related to tort claim liability, employer contributions for employee retirement, health care and benefit programs, expenses incurred for rebates to owners of property in connection with neighborhood revitalization programs and certain expenses incurred for the by cities in administering juvenile delinquency and crime programs. Effective July 1, 1999, the aggregate tax lid is no longer in effect.

The following table shows the City's mill levies by fund (per \$1,000 of assessed valuation) for each of the years indicated and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Employee Benefit Fund</u>	<u>Library Fund</u>	<u>G.O. Bonds</u>	<u>Misc. Funds</u>	<u>Total Levy</u>
2015	24.689	23.770	6.005	0.000	4.826	59.290
2016	16.172	25.903	6.228	6.147	7.066	61.516
2017	37.358	18.124	6.211	0.000	2.669	64.362
2018	49.318	8.748	6.239	0.000	5.248	69.553
2019	46.765	16.922	6.246	0.589	3.620	74.172
2020	47.093	13.977	6.043	2.336	3.373	72.822
2021	46.717	14.127	6.769	2.256	4.118	73.987
2022	51.719	13.293	6.084	0.286	4.813	76.195
2023	54.702	7.463	5.496	0.000	4.296	71.957
2024	40.862	6.769	5.289	0.834	20.160	73.914

Source: County Clerk

Aggregate Tax Levies

The aggregate tax levies (per \$1,000 assessed valuation) of the City and overlapping jurisdictions for the years are included in the following table:

<u>Year</u>	<u>City</u>	<u>Kingman County</u>	<u>School District</u>	<u>State</u>	<u>Total Levy</u>
2015/16	59.290	62.041	65.447	1.500	188.278
2016/17	61.516	62.640	63.577	1.500	189.233
2017/18	64.362	70.093	62.243	1.500	198.198
2018/19	69.553	71.005	58.556	1.500	200.614
2019/20	74.142	69.647	51.765	1.500	197.054
2020/21	72.822	70.701	54.635	1.500	199.658
2021/22	73.987	68.256	48.709	1.500	192.452
2022/23	76.195	65.969	50.188	1.500	193.852
2023/24	71.957	65.449	50.927	1.500	189.833
2024/25	73.914	65.485	52.776	1.500	193.675

Source: County Clerk

Tax Collection Record

The following is a summary of tax collections levied and collected in the City:

<u>Year</u>	<u>Total Levy</u>	<u>Total Taxes Levied</u>	<u>Current and Delinquent Taxes Collected Amount</u>	<u>Percent Collected</u>
2014/15	57.157	\$1,016,110	\$956,366	88.07%
2015/16	59.290	1,176,918	1,046,977	94.08%
2016/17	61.516	1,179,328	1,102,760	93.51%
2017/18	64.362	1,241,130	1,167,967	94.11%
2018/19	69.553	1,429,239	1,338,000	93.62%
2019/20	74.142	1,443,489	1,355,645	95.77%
2020/21	72.822	1,443,489	1,379,706	98.53%
2021/22	73.987	1,420,193	1,396,279	98.32%
2022/23	76.195	1,508,393	1,473,721	97.70%
2023/24	71.957	1,598,198	1,518,638	95.02%
2024/25	73.914	1,763,046	1,016,887	58.33%

Source: County Treasurer

Major Taxpayers

The following table sets forth the ten largest taxpayers in the City in 2024:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>
Fabpro Synthetic Fibers Group LLC	\$1,142,276	\$221,230.32
Kansas Gas Service, A Division of One Gas	684,860	132,620.90
Eck Management Co LLC	269,578	50,185.28
Vereit	192,921	37,363.98
Corey Annie LLC	190,696	36,933.10
State Bank of Kingman	168,648	32,662.90
Bishop, Charlus J & Teresa L Liv Tr	165,088	31,151.06
JF Properties LLC A KS LTD Liability	150,085	29,067.72
Livingston Funeral Home Inc	149,416	28,834.36
Citizens Bank of Kansas	138,189	26,763.78

Source: County Clerk

Pension and Employee Retirement Plans

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

As of June 30, 2023, KPERs serves approximately 323,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERs administers the following three statewide, defined benefit retirement plans for public employees:

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

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

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

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

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

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERS to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling \$1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. For more information about the Legislature's actions related to KPERS, please see the 2023 Valuation Report referenced below.

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 9.26% of the employee's gross salary for calendar year 2024, and is projected to change to 9.71% of the employee's gross salary for calendar year 2025. 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, 2023 (the "2023 Valuation Report") the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately \$2.089 billion at the end of 2023. The amount of the UAAL in 2023 changed from the previous year's amount due to the factors discussed in the 2023 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 2023 Valuation Report is available on the KPERS website at kpers.org/about/reports. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2023 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 2023 Valuation Report sets the employer contribution rate for the period beginning January 1, 2026, for the KPERS Local Group, and KPERS' actuaries identified that an employer contribution rate of 9.59% 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 2023 Valuation Report. The statutory contribution rate of employers currently equals the 2023 Valuation Report's actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

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

DEBT STRUCTURE OF THE ISSUER

Debt Summary

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

Assessed Valuation ⁽¹⁾	\$26,970,703
Estimated Appraised Valuation ⁽²⁾	\$168,566,894
Outstanding General Obligation Bonds and Notes	\$7,150,000
Net Overlapping Debt	\$1,017,146
Population	2,824
Per Capita General Obligation Bonded Indebtedness	\$2,531.87
Ratio of Outstanding General Obligation Bonds to Assessed Valuation	26.51%
Ratio of Outstanding General Obligation Bonds to Appraised Valuation	4.24%
Direct and Net Overlapping Debt	\$8,167,146
Per Capita Direct and Net Overlapping Debt	\$2,892.05
Ratio of Direct and Net Overlapping Debt to Assessed Valuation	30.28%
Ratio of Direct and Net Overlapping Debt to Appraised Valuation	4.85%

⁽¹⁾ Includes Motor Vehicle Valuation.

⁽²⁾ Based upon an estimated average assessment ratio. Includes Motor Vehicle Valuation.

General Obligation Bonds

The following table shows the outstanding general obligation bonded indebtedness of the City:

GENERAL OBLIGATION BONDS – PROPERTY TAX SUPPORTED

<u>Series</u>	<u>Original Amount</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Currently Outstanding</u>
2019	\$1,255,000	04/09/2019	09/01/2033	\$895,000
2021	1,615,000	03/16/2021	09/01/2041	430,000
			Total	<u>\$1,325,000</u>

GENERAL OBLIGATION BONDS – UTILITY SYSTEM

<u>Series</u>	<u>Original Amount</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Currently Outstanding</u>
2022	\$2,135,000	01/31/2022	09/01/2037	<u>\$2,135,000</u>
			Total	<u>\$2,135,000</u>

GENERAL OBLIGATION BONDS – TIF PROJECT

<u>Series</u>	<u>Original Amount</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Currently Outstanding</u>
2022-B	\$400,000	05/17/2022	09/01/2027	<u>\$255,000</u>
			Total	<u>\$255,000</u>

General Obligation Temporary Notes

The following table shows the outstanding general obligation temporary notes of the City, which temporarily financed various public improvements in the City:

<u>Series</u>	<u>Original Amount</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Currently Outstanding⁽¹⁾</u>
2025 ⁽¹⁾	\$3,435,000	03/18/2025	03/01/2027	<u>\$3,435,000</u>
			Total	<u>\$3,435,000</u>

⁽¹⁾ This Issue. Preliminary, subject to change

Debt Payment Record

The City has never in its history defaulted on the payment of any of its debt obligations, nor has it defaulted on any of its lease obligations.

Overlapping Indebtedness

The following table sets forth the overlapping indebtedness as of December 31, 2024 and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Assessed Valuation</u>	<u>Gross Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable To Issuer</u>	<u>Gross Amount Applicable To Issuer</u>	<u>Net Amount Applicable To Issuer⁽¹⁾</u>
Kingman County	\$134,122,739	\$6,745,000	15.08%	\$1,017,146	\$1,017,146
Unified School District 331 ⁽¹⁾	79,290,478	-0-	25.50%	-0-	<u>-0-</u>
				Total	<u>\$1,017,146</u>

⁽¹⁾ For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 38% of the debt service on bonds issued by Unified School District No. 331. For bonds approved by voters after July 1, 2015, but before July 1, 2022, the State of Kansas will pay 0% of debt service for Unified School District No. 331. For bonds approved by voters after July 1, 2022, the State of Kansas will pay 0% of debt service for Unified School District No. 331.

Future Debt

The City does not have any plans to issue additional bonds in the near future.

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APPENDIX B

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

CITY OF KINGMAN, KANSAS

FINANCIAL STATEMENT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**



LOYD GROUP, LLC

Certified Public Accountants

**CITY OF KINGMAN, KANSAS
CITY OF THE SECOND CLASS
For the Year Ended December 31, 2023**

BOARD OF CITY COMMISSIONERS

Merlin McFarland
Commissioner

Adrain Harrel
Mayor

Stan Hacker
Commissioner

Jon Wollen
Commissioner

Sean Wallace
Vice Mayor

CITY OFFICERS

Denise Niedermann
Treasurer

Greg Graffman
Manager

Cody Smith
Attorney

David Lux
Police Chief

Cindy Conrardy
Clerk

James Mathis
Municipal Judge

CITY OF KINGMAN, KANSAS

For the Year Ended December 31, 2023

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For the Year Ended December 31, 2023
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For the Year Ended December 31, 2023
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LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Kingman, Kansas 67068

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Kingman, Kansas (City), a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

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

D. Scot Loyd, CPA, CGFM, CFE, CGMA, CNC

"Creating Maneuverability in Government"

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts, expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds and schedules of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2, 3 and 4 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 Kingman, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued their report thereon dated May 19, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and their accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipalservices>. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (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 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 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, 2022, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement of City of Kingman. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of City of Kingman's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of City of Kingman's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kingman's internal control over financial reporting and compliance.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
May 22, 2024

CITY OF KINGMAN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2023

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	\$ 942,261	\$ 3,138,031	\$ 3,264,888	\$ 815,404	\$ 32,733	\$ 848,137
SPECIAL PURPOSE FUNDS:						
Airport Operations Fund	53,353	146,784	153,136	47,001	2,293	49,294
Airport Bond and Interest Fund	-	-	-	-	-	-
City Safety Fund	166	2,000	1,380	786	-	786
Convention and Tourism Fund	20,875	24,387	16,446	28,816	-	28,816
Employee Benefit Fund	74,550	277,397	148,686	203,261	1,294	204,555
EMS Training Fund	12,310	26,584	22,215	16,679	79	16,758
Flood Control Fund	33,130	900,167	837,665	95,632	-	95,632
Grants Fund	(1,617)	56,073	54,456	-	-	-
Teffi Seed Grant Fund	-	48,179	33,416	14,763	-	14,763
Health and Life Management Fund	1,019,053	748,945	842,331	925,667	-	925,667
Insurance Proceeds Fund	170,255	8,115	170,255	8,115	-	8,115
KAMI Fund	77	451	528	-	-	-
Law Enforcement Trust Fund	14,969	8,142	7,936	15,175	394	15,569
Forfeited Property Fund	796	-	796	-	-	-
Library Fund	3,360	124,392	127,700	52	-	52
Special Highway Fund	90,698	82,346	90,663	82,381	-	82,381
Special Park Fund	14,438	18,263	3,777	28,924	-	28,924
Economic Development Fund	174,777	174,879	114,094	235,562	-	235,562
Economic Development Director Fund	22,996	82,478	82,199	23,275	756	24,031
ARPA Fund	436,983	21,381	-	458,364	-	458,364
Kingman Land Bank Fund	5,976	20,213	8,976	17,213	-	17,213
Fire Department Trust Fund	155,275	7,115	4,009	158,381	-	158,381
Municipal Court Fund	10,974	81,369	87,966	4,377	-	4,377
2022 Bond Fund	-	-	-	-	-	-
Total Special Purpose Funds	2,313,394	2,859,660	2,808,630	2,364,424	4,816	2,369,240
BOND AND INTEREST FUNDS:						
Bond and Interest Fund	73,628	129,460	140,322	62,766	-	62,766

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

CITY OF KINGMAN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2023

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
CAPITAL PROJECT FUNDS:						
Police Reserve Fund	\$ 24,188	\$ 27,586	\$ 47,209	\$ 4,565	\$ -	\$ 4,565
Ambulance Reserve Fund	78,626	10,194	59,913	28,907	-	28,907
Fire Reserve Fund	38,999	991	35,000	4,990	-	4,990
Municipal Equipment Reserve Fund	30,348	66,110	95,458	1,000	-	1,000
Airport Improvement Fund	55,078	100,175	33,350	121,903	-	121,903
Street Improvement Fund	(191,161)	353,493	121,252	41,080	-	41,080
TIF Fund	166,285	166,206	141,440	191,051	-	191,051
TIF Improvement Fund	466	-	-	466	-	466
TIF Debt	-	94,103	90,974	3,129	-	3,129
TIF Cost of Issuance Fund	3,131	-	3,131	-	-	-
Capital Improvement Fund	80,215	251,332	102,850	228,697	-	228,697
CDBG Grant Project Fund	11,398	62,441	73,839	-	-	-
Total Capital Project Funds	297,573	1,132,631	804,416	625,788	-	625,788
TRUST FUNDS:						
Cemetery Endowment Fund	127,802	2,950	-	130,752	-	130,752
Cemetery Capital Improvement Fund	54,563	250	-	54,813	-	54,813
Bowren Interest Fund	3,852	162	-	4,014	-	4,014
Keys Estate Fund	1,207	50	-	1,257	-	1,257
Total Trust Funds	187,424	3,412	-	190,836	-	190,836
BUSINESS FUNDS:						
Water Fund	1,148,446	653,863	808,571	993,738	2,261	995,999
Water Surplus Fund	2,575,929	289,144	226,750	2,638,323	-	2,638,323
Light Fund	1,855,310	6,277,100	6,334,814	1,797,596	238,347	2,035,943
Light Principal and Interest Fund	468,178	368,925	818,176	18,927	-	18,927
Light Surplus Fund	1,405,978	1,109,407	530,330	1,985,055	-	1,985,055
Light Improvement Fund	91,456	7,500	73,414	25,542	-	25,542
Light Cost of Issuance Fund	13,928	-	13,928	-	-	-
Disposal System Fund	352,146	712,476	718,414	346,208	1,510	347,718
Disposal System Debt Service Fund	191,166	85,517	232,090	44,593	-	44,593
Disposal Replacement Fund	1,164,141	130,766	21,884	1,273,023	1,121	1,274,144
Total Business Funds	9,266,678	9,634,698	9,778,371	9,123,005	243,239	9,366,244

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

CITY OF KINGMAN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2023

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
RELATED MUNICIPAL ENTITY:						
Kingman Carnegie Library	\$ 1,218,106	\$ 199,294	\$ 216,746	\$ 1,200,654	\$ -	\$ 1,200,654
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 14,299,064</u>	<u>\$ 17,097,186</u>	<u>\$ 17,013,373</u>	<u>\$ 14,382,877</u>	<u>\$ 280,788</u>	<u>\$ 14,663,665</u>
COMPOSITION OF CASH:						
Petty Cash					\$ 100	
Checking Accounts - Kanza Bank					1,820,131	
Checking Accounts - Muncipal - Kanza Bank					4,377	
Checking Accounts - CDBG - Kanza Bank					-	
CDARS					11,744,000	
Related Municipal Entities					<u>1,200,654</u>	
Total Cash						14,769,262
Less Agency Funds per Schedule 3						<u>(105,597)</u>
Total Reporting Entity (Excluding Agency Funds)						<u>\$ 14,663,665</u>

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

CITY OF KINGMAN, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Municipal Financial Reporting Entity*

The City of Kingman is a municipal corporation governed by an elected commission. The regulatory financial statement presents the City of Kingman (the City), a Municipal Financial Reporting Entity, 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.

Library. The City of Kingman Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at the administrative offices of the entity at 455 N Main St, Kingman, KS 67068.

(b) *Regulatory Basis Fund Types*

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

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

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

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

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

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

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

(c) *Basis of Accounting*

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

(d) Budgetary Information

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

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for the year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for the year 2023.

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

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

A legal operating budget is not required for Capital Project Funds, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A cash basis violation did not occur in the Grant Fund at January 1, 2023. This fund was waiting on reimbursement from a reimbursement grant in 2023.

A cash basis violation did not occur in the Street Improvement Fund at January 1, 2023. This fund was waiting on reimbursement from a reimbursement grant in 2023.

3. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City and Library's carrying amount of deposits was \$14,769,262 and the bank balance was \$15,286,525. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$502,960 was covered by federal depository insurance, \$11,744,000 was covered by federal depository insurance in the Certificate of Deposit Account Registry Service (CDARS), and the remaining \$3,039,466 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.

Restricted Deposits

Certain deposits of the City's business funds are restricted as to their use. The carrying amount of the restricted assets at December 31, 2023 was \$63,520.

4. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2023, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 2019	2.50% to 3.00%	04-09-19	\$ 1,255,000	09-01-33	\$ 1,055,000	\$ -	\$ 80,000	\$ 975,000	\$ 29,813
Series 2021	2.50%	09-01-21	1,615,000	09-01-41	1,560,000	-	1,000,000	560,000	16,725
Series 2022	3.00%	01-31-22	2,135,000	09-01-37	2,135,000	-	-	2,135,000	64,050
TIF Series 2022-B	2.75% to 3.25%	05-17-22	410,000	09-01-27	-	410,000	76,000	334,000	14,972
Low-interest Loan Program	0.25%	03-26-21	400,000	01-01-31	<u>328,932</u>	<u>-</u>	<u>328,932</u>	<u>-</u>	<u>8,397</u>
Total General Obligation Bonds					<u>5,078,932</u>	<u>410,000</u>	<u>1,484,932</u>	<u>4,004,000</u>	<u>133,957</u>
General Obligation Temporary Notes:									
Series 2020-2	1.50%	05-28-20	500,000	05-01-24	500,000	-	-	500,000	7,500
Capital Leases:									
2021 Sweeper	1.75%	02-25-21	201,054	02-28-28	150,796	-	28,120	122,676	1,950
Police Truck	12.00%	09-22-23	65,084	09-01-26	-	65,084	-	65,084	-
Total Capital Leases					<u>150,796</u>	<u>65,084</u>	<u>28,120</u>	<u>187,760</u>	<u>1,950</u>
Total Contractual Indebtedness					<u>\$ 5,729,728</u>	<u>\$ 475,084</u>	<u>\$ 1,513,052</u>	<u>\$ 4,691,760</u>	<u>\$ 143,407</u>

4. LONG-TERM DEBT (CONT.)

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

	Year								TOTAL
	2024	2025	2026	2027	2028	2029 to 2033	2034 to 2038	2039 to 2042	
Principal:									
General Obligation Bonds:									
Series 2019	\$ 80,000	\$ 85,000	\$ 85,000	\$ 95,000	\$ 100,000	\$ 530,000	\$ -	\$ -	\$ 975,000
Series 2021	130,000	20,000	20,000	20,000	20,000	125,000	135,000	90,000	560,000
Series 2022	-	135,000	140,000	145,000	150,000	815,000	750,000	-	2,135,000
TIF Series 2022-B	79,000	82,000	85,000	88,000	-	-	-	-	334,000
Total General Obligation Bonds	<u>289,000</u>	<u>322,000</u>	<u>330,000</u>	<u>348,000</u>	<u>270,000</u>	<u>1,470,000</u>	<u>885,000</u>	<u>90,000</u>	<u>4,004,000</u>
General Obligation Temporary Notes:									
Series 2020-2	500,000	-	-	-	-	-	-	-	500,000
Capital Leases:									
2021 Sweeper	28,616	29,135	29,656	30,186	5,083	-	-	-	122,676
Police Truck	20,802	21,640	22,642	-	-	-	-	-	65,084
Total Capital Leases	<u>49,418</u>	<u>50,775</u>	<u>52,298</u>	<u>30,186</u>	<u>5,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,760</u>
Total Principal	<u>838,418</u>	<u>372,775</u>	<u>382,298</u>	<u>378,186</u>	<u>275,083</u>	<u>1,470,000</u>	<u>885,000</u>	<u>90,000</u>	<u>4,691,760</u>
Interest:									
General Obligation Bonds:									
Series 2019	27,413	25,013	22,462	19,912	17,062	43,638	-	-	155,500
Series 2021	11,226	10,250	10,036	9,790	9,490	40,002	24,660	5,132	120,586
Series 2022	64,050	64,050	60,000	55,800	51,450	186,900	57,000	-	539,250
TIF Series 2022-B	10,330	8,039	5,537	2,860	-	-	-	-	26,766
Total General Obligation Bonds	<u>113,019</u>	<u>107,352</u>	<u>98,035</u>	<u>88,362</u>	<u>78,002</u>	<u>270,540</u>	<u>81,660</u>	<u>5,132</u>	<u>842,102</u>
General Obligation Temporary Notes:									
Series 2020-2	7,500	-	-	-	-	-	-	-	7,500
Capital Leases:									
2021 Sweeper	1,950	1,432	911	381	12	-	-	-	4,686
Police Truck	2,888	2,050	1,048	-	-	-	-	-	5,986
Total Capital Leases	<u>4,838</u>	<u>3,482</u>	<u>1,959</u>	<u>381</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,672</u>
Total Interest	<u>125,357</u>	<u>110,834</u>	<u>99,994</u>	<u>88,743</u>	<u>78,014</u>	<u>270,540</u>	<u>81,660</u>	<u>5,132</u>	<u>860,274</u>
Total Principal and Interest	<u>\$ 963,775</u>	<u>\$ 483,609</u>	<u>\$ 482,292</u>	<u>\$ 466,929</u>	<u>\$ 353,097</u>	<u>\$ 1,740,540</u>	<u>\$ 966,660</u>	<u>\$ 95,132</u>	<u>\$ 5,552,034</u>

5. CONCENTRATIONS

A substantial portion of the City's electric sales are to one customer. During 2023, sales to that customer were \$1,747,034, or 29%.

6. DEFINED BENEFIT PENSION PLAN

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

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were \$215,239 for the year ended December 31, 2023.

Net Pension Liability. At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was \$2,275,241. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. 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.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) *Other Post Employment Benefits*

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

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

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

(b) *Death and Disability Other Post Employment Benefits*

K.S.A. 74-4927, disabled members in KPERS receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

(c) *Other Employment Benefits*

Vacation – Vacation shall be earned from the most recent date of employment. A full-time employee must accrue 156 hours of service a month to qualify for vacation time for such month of service. Each full-time employee with less than nine years of service shall accrue one working day of vacation for each full month of service. Employees with nine or more years of service shall accrue one and one-quarter working days of vacation for each month of service. Vacations are considered vested on each anniversary date of employment. Vacations shall not be taken during the first 12-months of service with the City. Vacations must be taken within a 12-month period immediately following vesting. Upon termination, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay.

Sick leave – Full-time employees who regularly work not less than 30 hours per week shall be entitled to sick leave with pay for absences resulting from illness, injuries, accidents or other physical incapacity, occurring either on or off the job. Full-time employees shall earn eight hours a month of sick leave for each full month of service. An employee may accumulate a maximum of 704 hours of sick leave. Employees are allowed to sell 48 or less hours at the end of each year depending on the number of sick hours used throughout the year. An employee shall not be paid for any unused sick leave upon termination of his or her employment with the City.

(d) *Deferred Compensation Plan*

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

8. CLAIMS AND JUDGMENTS

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

The City is exposed to various risks of loss related to property loss; torts, theft of, damage to, and destruction of assets, errors and omissions, employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2022 to 2023 and there were no settlements that exceeded insurance coverage in the past three years.

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

9. RELATED PARTY

The City Manager is a law partner with the City Attorney and a law partner in the firm the City has retained for legal consultation.

10. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Regulatory Authority	Amount
Airport Operations Fund	Airport Improvement Fund	K.S.A.12-1,118	\$ 30,000
Water Fund	Municipal Equipment Reserve Fund	K.S.A.12-825d	15,000
Water Fund	Water Surplus Fund	K.S.A.12-825d	175,000
Water Surplus Fund	General Fund	K.S.A.12-825d	100,000
Water Surplus Fund	Capital Improvement Fund	K.S.A.12-825d	40,000
Light Fund	Light Surplus Fund	K.S.A.12-825d	1,034,992
Light Fund	Light Principal and Interest Fund	K.S.A.12-825d	308,586
Disposal System Fund	Disposal System Debt Service Fund	K.S.A.12-825d	77,220
Disposal System Fund	Disposal Replacement Fund	K.S.A.12-825d	75,000
Disposal System Fund	Municipal Equipment Reserve Fund	K.S.A.12-825d	10,000
Light Surplus Fund	Light Principal and Interest Fund	K.S.A.12-825d	25,000
Light Surplus Fund	Capital Improvement Fund	K.S.A.12-825d	40,000
Municipal Equipment Reserve Fund	Ambulance Reserve Fund	K.S.A.12-825d	8,371
TIF Fund	TIF Debt Fund	K.S.A.12-825d	90,972
Light Fund	Municipal Equipment Reserve Fund	K.S.A.12-825d	10,000
Light Fund	Light Improvement Fund	K.S.A.12-825d	7,500
Disposal Replacement Fund	Capital Improvement Fund	K.S.A.12-825d	20,000
Special Highway Fund	Street Improvement Fund	K.S.A.12-825d	50,000
Economic Development Fund	Economic Development Director Fund	K.S.A.12-825d	39,164
Economic Development Fund	CDBG Grant Project Fund	K.S.A.12-825d	3,314
Economic Development Fund	Kingman Land Bank Fund	K.S.A.12-825d	3,000
			<u>\$ 2,163,119</u>

11. OTHER RELATIONSHIPS

The City of Kingman along with the Kingman Board of Education entered into an agreement Resolution on May 11, 1951, initiating the establishment of a joint City-School District Recreation Commission. The purpose of the Commission is to organize and coordinate recreational activities to meet the needs of the community.

Management of the Commission is carried out by an appointed five member Commission. The City appoints two members to the Commission, Kingman Board of Education appoints two members and the fifth member is appointed collectively by the other four members of the Commission. Funding is provided by the Kingman Board of Education levying funds for the recreation program.

12. CAPITAL PROJECTS

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

	Project Authorization	Expenditures To Date
FEMA Project (137376)	\$ 955,419	\$ 219,700
CCLIP 54 Hwy (048 KA-6452-01)	2,697,866	41,717
Airport Runway Repairs (42-22-2023)	415,200	387,533
Depot Park	736,326	732,653

13. RISK MANAGEMENT

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

During 2023, the City has partially self-funded insurance for eligible health care costs of participating employees. The City is liable for claims up to \$30,000 per employee annually, and aggregate claims up to \$574,559.

14. SUBSEQUENT EVENTS

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

CITY OF KINGMAN, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

CITY OF KINGMAN, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2023

	Certified Budget	Adjustment for for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
GENERAL FUND:					
General Fund	\$ 3,424,928	\$ -	\$ 3,424,928	\$ 3,264,888	\$ (160,040)
SPECIAL PURPOSE FUNDS:					
Airport Operations Fund	161,599	-	161,599	153,136	(8,463)
Convention and Tourism Fund	25,500	-	25,500	16,446	(9,054)
Employee Benefit Fund	322,458	-	322,458	148,686	(173,772)
Flood Control Fund	45,000	861,327	906,327	837,665	(68,662)
Library Fund	128,000	-	128,000	127,700	(300)
Special Highway Fund	95,000	-	95,000	90,663	(4,337)
Special Park Fund	20,000	-	20,000	3,777	(16,223)
Economic Development Fund	117,164	-	117,164	114,094	(3,070)
Economic Development Director Fund	94,947	-	94,947	82,199	(12,748)
Kingman Land Bank Fund	8,976	-	8,976	8,976	-
BOND AND INTEREST FUND:					
Bond and Interest Fund	160,322	-	160,322	140,322	(20,000)
CAPITAL PROJECT FUND:					
TIF Fund	280,972	-	280,972	141,440	(139,532)
BUSINESS FUNDS:					
Water Fund	817,505	-	817,505	808,571	(8,934)
Light Fund	6,634,216	-	6,634,216	6,334,814	(299,402)
Disposal System Fund	719,055	-	719,055	718,414	(641)

CITY OF KINGMAN, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u>		<u>Variance -</u> <u>Over</u> <u>(Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes -				
Ad valorem property tax	\$ 717,771	\$ 816,419	\$ 903,420	\$ (87,001)
Delinquent tax	16,344	21,970	-	21,970
Motor vehicle tax	129,086	129,702	139,283	(9,581)
Recreational vehicle tax	1,708	1,809	1,878	(69)
16/20M vehicle tax	1,827	1,741	1,961	(220)
Commercial vehicle tax	8,856	9,681	8,385	1,296
Local alcoholic liquor tax	9,107	5,742	6,000	(258)
Local sales tax	499,758	527,664	410,000	117,664
Excise tax	10	34	-	34
Special assessments	4,461	225	-	225
TIF	49,366	53,926	-	53,926
Neighborhood revitalization rebate	(14,695)	(13,193)	(12,332)	(861)
Total Taxes	1,423,599	1,555,720	1,458,595	97,125
Intergovernmental Revenues -				
Ambulance county share	247,000	296,682	293,632	3,050
Transportation grants	64,613	73,096	141,977	(68,881)
Highway connecting links	57,100	57,100	57,100	-
Rural fire contracts	73,500	58,800	58,800	-
Total Intergovernmental Revenues	442,213	485,678	551,509	(65,831)
Licenses and Permits -				
Utility franchise fees	296,698	302,732	265,000	37,732
Dog tags, impounds, adoption fees	825	280	-	280
Miscellaneous licenses and permits	6,547	9,358	6,000	3,358
Total Licenses and Permits	304,070	312,370	271,000	41,370
Charges for Services -				
Police	2,440	2,308	1,000	1,308
Cemetery	14,683	20,480	8,000	12,480
Ambulance	398,441	430,929	317,000	113,929
Swimming and concessions	7,892	-	6,000	(6,000)
Transportation	18,838	9,480	8,000	1,480
Total Charges for Services	442,294	463,197	340,000	123,197
Fines, Forfeitures and Penalties -				
Fines	84,434	67,791	60,000	7,791
Use of Money and Property -				
Interest income	27,787	99,195	89,236	9,959

CITY OF KINGMAN, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2023</u>			<u>Variance - Over (Under)</u>
	<u>2022 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts (cont.)				
Other -				
Miscellaneous	\$ 45,909	\$ 54,080	\$ 700	\$ 53,380
Transfer from Water Surplus Fund	22,780	100,000	131,600	(31,600)
Total Other	<u>68,689</u>	<u>154,080</u>	<u>132,300</u>	<u>21,780</u>
Total Receipts	<u>2,793,086</u>	<u>3,138,031</u>	<u>\$ 2,902,640</u>	<u>\$ 235,391</u>
Expenditures				
Administrative -				
Personal services	289,102	262,716	\$ 174,000	\$ 88,716
Contractual services	267,627	502,378	470,960	31,418
Commodities	35,852	14,503	40,920	(26,417)
Capital outlay	-	-	5,000	(5,000)
Transfer to CDBG Fund	22,780	-	-	-
Total Administrative	<u>615,361</u>	<u>779,597</u>	<u>690,880</u>	<u>88,717</u>
Police -				
Personal services	579,600	676,712	630,962	45,750
Contractual services	56,552	59,806	95,688	(35,882)
Commodities	56,927	47,304	62,900	(15,596)
Capital outlay	43,203	16,380	21,000	(4,620)
Total Police	<u>736,282</u>	<u>800,202</u>	<u>810,550</u>	<u>(10,348)</u>
Fire -				
Personal services	25,918	28,971	29,352	(381)
Contractual services	14,953	42,907	22,000	20,907
Commodities	23,291	21,304	26,000	(4,696)
Capital outlay	-	-	20,000	(20,000)
Lease purchase - fire trucks	25,419	-	-	-
Total Fire	<u>89,581</u>	<u>93,182</u>	<u>97,352</u>	<u>(4,170)</u>
Streets -				
Personal services	120,972	153,347	156,746	(3,399)
Contractual services	105,801	102,885	110,882	(7,997)
Commodities	95,224	71,090	79,706	(8,616)
Lease purchase - JD motor grader	30,567	30,567	30,567	-
Total Streets	<u>352,564</u>	<u>357,889</u>	<u>377,901</u>	<u>(20,012)</u>

CITY OF KINGMAN, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2023</u>			Variance - Over (Under)
	<u>2022 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Expenditures (cont.)				
Parks -				
Personal services	\$ 75,635	\$ 100,815	\$ 117,941	\$ (17,126)
Contractual services	6,703	18,541	14,202	4,339
Commodities	15,604	19,784	18,846	938
Capital outlay	400	-	10,000	(10,000)
Pool and recreation	32,589	265	25,380	(25,115)
Total Parks	<u>130,931</u>	<u>139,405</u>	<u>186,369</u>	<u>(46,964)</u>
Cemeteries -				
Personal services	43,427	47,684	49,997	(2,313)
Contractual services	7,369	4,346	6,183	(1,837)
Capital outlay	12,153	10,220	12,096	(1,876)
Total Cemeteries	<u>62,949</u>	<u>62,250</u>	<u>68,276</u>	<u>(6,026)</u>
Street Lighting -				
Contractual services	54,145	47,142	56,000	(8,858)
City Water -				
Contractual services	5,040	3,582	5,000	(1,418)
Sanitation and Environment				
Contractual services	924	1,761	2,000	(239)
Ambulance -				
Personal services	588,278	688,066	692,990	(4,924)
Contractual services	67,404	80,854	81,310	(456)
Commodities	88,534	80,388	99,650	(19,262)
Capital outlay	2	10,323	12,400	(2,077)
Total Ambulance	<u>744,218</u>	<u>859,631</u>	<u>886,350</u>	<u>(26,719)</u>
Transportation -				
Personal services	100,023	106,960	110,110	(3,150)
Contractual services	3,556	5,542	7,500	(1,958)
Commodities	9,856	7,745	26,640	(18,895)
Total Transportation	<u>113,435</u>	<u>120,247</u>	<u>144,250</u>	<u>(24,003)</u>
Cash reserve adjustment	-	-	100,000	(100,000)
Total Expenditures	<u>2,905,430</u>	<u>3,264,888</u>	<u>\$ 3,424,928</u>	<u>\$ (60,040)</u>
Receipts Over (Under) Expenditures	(112,344)	(126,857)		
Unencumbered Cash, Beginning	<u>1,054,605</u>	<u>942,261</u>		
Unencumbered Cash, Ending	<u>\$ 942,261</u>	<u>\$ 815,404</u>		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

AIRPORT OPERATIONS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2023</u>			Variance - Over (Under)
	<u>2022</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Ad valorem property tax	\$ 38,171	\$ 45,242	\$ 50,065	\$ (4,823)
Delinquent tax	1,132	1,185	-	1,185
Motor vehicle tax	6,332	6,896	7,405	(509)
Recreational vehicle tax	84	96	100	(4)
16/20M vehicle tax	119	85	104	(19)
Commercial vehicle tax	434	515	446	69
Excise tax	1	2	-	2
TIF	2,625	2,988	-	2,988
Neighborhood revitalization rebate	(781)	(731)	(683)	(48)
Use of property	47,284	52,691	45,000	7,691
Fuel sales	28,178	18,626	14,000	4,626
Interest income	43	484	812	(328)
Permits	1,000	-	500	(500)
Miscellaneous	2,519	-	-	-
Total Receipts	<u>127,141</u>	<u>146,784</u>	<u>\$ 117,749</u>	<u>\$ 29,035</u>
Expenditures				
Personal services	17,903	15,585	\$ 20,599	\$ (5,014)
Contractual services	44,521	96,877	74,000	22,877
Commodities	35,507	10,674	32,000	(21,326)
Capital outlay	-	-	5,000	(5,000)
Lease purchase - airport hangars	11,300	-	-	-
Transfer to Airport Improvement Fund	20,000	30,000	30,000	-
Total Expenditures	<u>129,231</u>	<u>153,136</u>	<u>\$ 161,599</u>	<u>\$ (8,463)</u>
Receipts Over (Under) Expenditures	(2,090)	(6,352)		
Unencumbered Cash, Beginning	<u>55,443</u>	<u>53,353</u>		
Unencumbered Cash, Ending	<u>\$ 53,353</u>	<u>\$ 47,001</u>		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

AIRPORT BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 578	\$ -
Grants	<u>45,000</u>	<u>-</u>
Total Receipts	<u>45,578</u>	<u>-</u>
Expenditures		
Principal	45,000	-
Interest	956	-
Transfer to Airport Improvement Fund	<u>37,886</u>	<u>-</u>
Total Expenditures	<u>83,842</u>	<u>-</u>
Receipts Over (Under) Expenditures	(38,264)	-
Unencumbered Cash, Beginning	<u>38,264</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

CITY SAFETY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022 Actual</u>	<u>2023 Actual</u>
Receipts		
Miscellaneous	\$ 2,000	\$ 2,000
Expenditures		
Safety awards and t-shirts	<u>1,985</u>	<u>1,380</u>
Receipts Over (Under) Expenditures	15	620
Unencumbered Cash, Beginning	<u>151</u>	<u>166</u>
Unencumbered Cash, Ending	<u>\$ 166</u>	<u>\$ 786</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

CONVENTION AND TOURISM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
Hotel tax	\$ 17,221	\$ 23,995	\$ 18,000	\$ 5,995
Interest income	41	392	-	392
Total Receipts	<u>17,262</u>	<u>24,387</u>	<u>\$ 18,000</u>	<u>\$ 6,387</u>
Expenditures				
Commodities	1,696	9,000	\$ 2,500	\$ 6,500
Capital outlay	<u>13,244</u>	<u>7,446</u>	<u>23,000</u>	<u>(15,554)</u>
Total Expenditures	<u>14,940</u>	<u>16,446</u>	<u>\$ 25,500</u>	<u>\$ (9,054)</u>
Receipts Over (Under) Expenditures	2,322	7,941		
Unencumbered Cash, Beginning	<u>18,553</u>	<u>20,875</u>		
Unencumbered Cash, Ending	<u>\$ 20,875</u>	<u>\$ 28,816</u>		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUNDEMPLOYEE BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 212,945	\$ 209,840	\$ 232,199	\$ (22,359)
Delinquent tax	5,033	6,310	-	6,310
Motor vehicle tax	38,312	39,221	42,119	(2,898)
Recreational vehicle tax	507	547	568	(21)
16/20M vehicle tax	661	517	593	(76)
Commercial vehicle tax	2,628	2,927	2,536	391
Excise tax	3	10	-	10
TIF	14,928	13,860	-	13,860
Neighborhood revitalization rebate	(4,444)	(3,391)	(3,170)	(221)
Interest income	562	5,152	-	5,152
Total Receipts	<u>271,135</u>	<u>277,397</u>	<u>\$ 274,845</u>	<u>\$ 2,552</u>
Expenditures				
Social security	33,343	23,168	\$ 38,300	\$ (15,132)
Workers' compensation	18,541	14,650	28,000	(13,350)
KPERS	44,504	27,322	39,550	(12,228)
Unemployment insurance	2,031	3,808	3,500	308
Health insurance	128,624	59,491	193,550	(134,059)
Flex One plan	1,300	1,889	1,200	689
Library benefits	17,600	18,358	18,358	-
Total Expenditures	<u>245,943</u>	<u>148,686</u>	<u>\$ 322,458</u>	<u>\$ (173,772)</u>
Receipts Over (Under) Expenditures	25,192	128,711		
Unencumbered Cash, Beginning	<u>49,358</u>	<u>74,550</u>		
Unencumbered Cash, Ending	<u>\$ 74,550</u>	<u>\$ 203,261</u>		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

EMS TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Training fees and miscellaneous	\$ 11,417	\$ 26,461
Reimbursements	331	-
Interest income	-	123
	<u>11,748</u>	<u>26,584</u>
Total Receipts		
Expenditures		
Commodities	9,835	22,215
Capital outlay	<u>2,279</u>	<u>-</u>
	<u>12,114</u>	<u>22,215</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(366)	4,369
Unencumbered Cash, Beginning	<u>12,676</u>	<u>12,310</u>
Unencumbered Cash, Ending	<u>\$ 12,310</u>	<u>\$ 16,679</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

FLOOD CONTROL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2023</u>			Variance - Over (Under)
	<u>2022</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Ad valorem property tax	\$ 24,162	\$ 30,737	\$ 34,015	\$ (3,278)
Delinquent tax	228	714	-	714
Motor vehicle tax	2,914	4,537	4,870	(333)
Recreational vehicle tax	39	63	66	(3)
16/20M vehicle tax	984	39	69	(30)
Commercial vehicle tax	200	339	293	46
TIF	1,727	2,030	-	2,030
Neighborhood revitalization rebate	(514)	(497)	(464)	(33)
FEMA reimbursement	-	861,327	-	861,327
Interest income	297	878	-	878
Total Receipts	<u>30,037</u>	<u>900,167</u>	<u>\$ 38,849</u>	<u>\$ 861,318</u>
Expenditures				
Personal services	-	-	\$ 5,000	\$ (5,000)
Commodities	-	286,014	10,000	276,014
Contractual services	143,355	551,651	5,000	546,651
Capital outlay	-	-	25,000	(25,000)
Adjust to comply with qualifying budget credit	-	-	861,327	(861,327)
Total Expenditures	<u>143,355</u>	<u>837,665</u>	<u>\$ 906,327</u>	<u>\$ (68,662)</u>
Receipts Over (Under) Expenditures	(113,318)	62,502		
Unencumbered Cash, Beginning	<u>146,448</u>	<u>33,130</u>		
Unencumbered Cash, Ending	<u>\$ 33,130</u>	<u>\$ 95,632</u>		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

GRANTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022 Actual</u>	<u>2023 Actual</u>
Receipts		
Grants	\$ -	\$ 56,073
Expenditures		
Personal services	1,507	9,473
Contractual services	110	36,585
Commodities	-	8,398
Total Expenditures	<u>1,617</u>	<u>54,456</u>
Receipts Over (Under) Expenditures	(1,617)	1,617
Unencumbered Cash, Beginning	-	<u>(1,617)</u>
Unencumbered Cash, Ending	<u>\$ (1,617)</u>	<u>\$ -</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

TEFFI SEED GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Grants	\$ -	\$ 48,179
Expenditures		
Contractual services	<u>-</u>	<u>33,416</u>
Receipts Over (Under) Expenditures	-	14,763
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 14,763</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

HEALTH AND LIFE MANAGEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 7,552	\$ 34,890
Reimbursements	<u>642,461</u>	<u>714,055</u>
Total Receipts	<u>650,013</u>	<u>748,945</u>
Expenditures		
Health and dental insurance premiums	193,028	271,061
Life insurance premiums	1,021	-
Health insurance claims	<u>501,515</u>	<u>571,270</u>
Total Expenditures	<u>695,564</u>	<u>842,331</u>
Receipts Over (Under) Expenditures	(45,551)	(93,386)
Unencumbered Cash, Beginning	<u>1,064,604</u>	<u>1,019,053</u>
Unencumbered Cash, Ending	<u>\$ 1,019,053</u>	<u>\$ 925,667</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

INSURANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Insurance proceeds	\$ 177,767	\$ 8,115
Expenditures		
Miscellaneous	<u>7,512</u>	<u>170,255</u>
Receipts Over (Under) Expenditures	170,255	(162,140)
Unencumbered Cash, Beginning	<u>-</u>	<u>170,255</u>
Unencumbered Cash, Ending	<u>\$ 170,255</u>	<u>\$ 8,115</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

KAMI FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Miscellaneous	\$ 389	\$ 451
Expenditures		
Miscellaneous	<u>437</u>	<u>528</u>
Receipts Over (Under) Expenditures	(48)	(77)
Unencumbered Cash, Beginning	<u>125</u>	<u>77</u>
Unencumbered Cash, Ending	<u><u>\$ 77</u></u>	<u><u>\$ -</u></u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

LAW ENFORCEMENT TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
VIN fees	\$ 8,580	\$ 7,510
Interest income	<u>67</u>	<u>632</u>
Total Receipts	<u>8,647</u>	<u>8,142</u>
Expenditures		
Commodities	<u>12,177</u>	<u>7,936</u>
Receipts Over (Under) Expenditures	(3,530)	206
Unencumbered Cash, Beginning	<u>18,499</u>	<u>14,969</u>
Unencumbered Cash, Ending	<u>\$ 14,969</u>	<u>\$ 15,175</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

FORFEITED PROPERTY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022 Actual</u>	<u>2023 Actual</u>
Receipts		
Interest income	\$ 12	\$ -
Expenditures		
Commodities	<u>1,630</u>	<u>796</u>
Receipts Over (Under) Expenditures	(1,618)	(796)
Unencumbered Cash, Beginning	<u>2,414</u>	<u>796</u>
Unencumbered Cash, Ending	<u>\$ 796</u>	<u>\$ -</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 104,027	\$ 96,040	\$ 106,275	\$ (10,235)
Delinquent tax	2,216	2,874	-	2,874
Motor vehicle tax	16,564	18,793	20,181	(1,388)
Recreational vehicle tax	219	262	272	(10)
16/20M vehicle tax	244	223	284	(61)
Commercial vehicle tax	1,136	1,403	1,215	188
Excise tax	1	5	-	5
TIF	7,153	6,344	-	6,344
Neighborhood revitalization rebate	(2,129)	(1,552)	(1,451)	(101)
Total Receipts	129,431	124,392	\$ 126,776	\$ (2,384)
Expenditures				
Appropriation to Library	128,000	127,700	\$ 128,000	\$ (300)
Receipts Over (Under) Expenditures	1,431	(3,308)		
Unencumbered Cash, Beginning	1,929	3,360		
Unencumbered Cash, Ending	<u>\$ 3,360</u>	<u>\$ 52</u>		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023		Variance - Over (Under)
		Actual	Actual	
Receipts				
State of Kansas gas tax	\$ 78,874	\$ 81,452	\$ 79,020	\$ 2,432
Interest income	213	894	-	894
Total Receipts	79,087	82,346	\$ 79,020	\$ 3,326
Expenditures				
Contractual	-	-	\$ 20,000	\$ (20,000)
Capital outlay	49,335	40,663	25,000	15,663
Transfer to Street Improvement Fund	30,000	50,000	50,000	-
Total Expenditures	79,335	90,663	\$ 95,000	\$ (4,337)
Receipts Over (Under) Expenditures	(248)	(8,317)		
Unencumbered Cash, Beginning	90,946	90,698		
Unencumbered Cash, Ending	\$ 90,698	\$ 82,381		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

SPECIAL PARK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local alcoholic liquor tax	\$ 9,106	\$ 5,743	\$ 6,000	\$ (257)
Donations	20,522	1,277	-	1,277
Interest income	12	213	-	213
Grants	5,980	10,000	-	10,000
Reimbursements	2,080	1,030	-	1,030
Total Receipts	37,700	18,263	\$ 6,000	\$ 12,263
Expenditures				
Commodities	-	1,277	\$ -	\$ 1,277
Contractual services	84,025	2,500	-	2,500
Capital outlay	-	-	20,000	(20,000)
Total Expenditures	84,025	3,777	\$ 20,000	\$ (16,223)
Receipts Over (Under) Expenditures	(46,325)	14,486		
Unencumbered Cash, Beginning	60,763	14,438		
Unencumbered Cash, Ending	\$ 14,438	\$ 28,924		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

ECONOMIC DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local sales tax	\$ 109,664	\$ 115,829	\$ 80,000	\$ 35,829
Land lease	6,378	4,924	6,000	(1,076)
Interest income	399	4,059	-	4,059
Miscellaneous	970	50,067	-	50,067
Total Receipts	117,411	174,879	\$ 86,000	\$ 88,879
Expenditures				
Contractual services	61,680	53,108	\$ 38,000	\$ 15,108
Commodities	-	5,000	2,000	3,000
Capital outlay	30,331	10,508	30,000	(19,492)
Donation to Kingman Theater	-	-	5,000	(5,000)
Transfer to Economic Development Director Fund	38,164	39,164	39,164	-
Transfer to Kingman Land Bank Fund	3,001	3,000	3,000	-
Transfer to CDBG Grant Project Fund	-	3,314	-	3,314
Total Expenditures	133,176	114,094	\$ 117,164	\$ (3,070)
Receipts Over (Under) Expenditures	(15,765)	60,785		
Unencumbered Cash, Beginning	190,542	174,777		
Unencumbered Cash, Ending	<u>\$ 174,777</u>	<u>\$ 235,562</u>		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

ECONOMIC DEVELOPMENT DIRECTOR FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
County share	\$ 38,164	\$ 41,410	\$ 39,164	\$ 2,246
City share (Transfer from Econ Dev Fund)	38,164	39,164	39,164	-
Interest income	13	189	-	
Small City contributions	2,000	-	2,000	(2,000)
Miscellaneous	-	1,500	-	1,500
Reimbursed expenses	18,581	215	-	215
Total Receipts	96,922	82,478	\$ 80,328	\$ 1,961
Expenditures				
Personal services	66,753	74,378	\$ 69,947	\$ 4,431
Contractual services	12,350	7,438	20,000	(12,562)
Commodities	132	383	5,000	(4,617)
Total Expenditures	79,235	82,199	\$ 94,947	\$ (12,748)
Receipts Over (Under) Expenditures	17,687	279		
Unencumbered Cash, Beginning	5,309	22,996		
Unencumbered Cash, Ending	\$ 22,996	\$ 23,275		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

ARPA FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Grants	\$ 216,858	\$ -
Interest	<u>3,181</u>	<u>21,381</u>
Total Receipts	220,039	21,381
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	220,039	21,381
Unencumbered Cash, Beginning	<u>216,944</u>	<u>436,983</u>
Unencumbered Cash, Ending	<u>\$ 436,983</u>	<u>\$ 458,364</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

KINGMAN LAND BANK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
Transfer from Economic Development Fund	\$ 3,001	\$ 3,000	\$ 3,000	\$ -
Miscellaneous	-	17,213	-	17,213
Total Receipts	3,001	20,213	\$ 3,000	\$ 17,213
Expenditures				
Memory Lane	-	8,976	\$ 8,976	\$ -
Receipts Over (Under) Expenditures	3,001	11,237		
Unencumbered Cash, Beginning	2,975	5,976		
Unencumbered Cash, Ending	\$ 5,976	\$ 17,213		

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

FIRE DEPARTMENT TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest	\$ 814	\$ 7,115
Donations	<u>500</u>	<u>-</u>
Total Receipts	1,314	7,115
Expenditures		
Commodities	<u>-</u>	<u>4,009</u>
Receipts Over (Under) Expenditures	1,314	3,106
Unencumbered Cash, Beginning	<u>153,961</u>	<u>155,275</u>
Unencumbered Cash, Ending	<u>\$ 155,275</u>	<u>\$ 158,381</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL COURT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023
	Actual	Actual
Receipts		
Diversion fees	\$ 5,170	\$ 3,705
Court costs	22,136	23,892
Fines	44,627	30,080
Restitution	1,454	3,746
Attorney fees	4,821	2,922
KBI fees	3,614	2,206
Law enforcement training fees	7,546	6,867
Reinstatement fees	732	1,232
State administrative fees	337	305
Community Correction fund	2,500	1,010
Miscellaneous	4,462	5,404
	<u>97,399</u>	<u>81,369</u>
Total Receipts		
Expenditures		
Payments to City of Kingman	81,723	71,918
Payments to State of Kansas	14,698	12,502
Miscellaneous	36	3,546
	<u>96,457</u>	<u>87,966</u>
Total Expenditures		
Receipts Over (Under) Expenditures	942	(6,597)
Unencumbered Cash, Beginning	<u>10,032</u>	<u>10,974</u>
Unencumbered Cash, Ending	<u>\$ 10,974</u>	<u>\$ 4,377</u>

CITY OF KINGMAN, KANSAS

SPECIAL PURPOSE FUND

2022 BOND FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Proceeds	\$ 1,908,888	\$ -
Expenditures		
Principal	1,855,000	-
Interest	53,888	-
Total Expenditures	<u>1,908,888</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF KINGMAN, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2023</u>			Variance - Over (Under)
	2022 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 38,776	\$ 4,518	\$ 4,999	\$ (481)
Delinquent tax	377	664	-	664
Motor vehicle tax	6,403	6,263	6,726	(463)
Recreational vehicle tax	85	87	91	(4)
16/20M vehicle tax	23	86	95	(9)
Commercial vehicle tax	439	467	405	62
TIF	2,384	298	-	298
Neighborhood revitalization rebate	(710)	(73)	(68)	(5)
Interest income	1,026	5,161	-	5,161
Special assessments	<u>110,740</u>	<u>111,989</u>	<u>113,522</u>	<u>(1,533)</u>
Total Receipts	<u>159,543</u>	<u>129,460</u>	<u>\$ 125,770</u>	<u>\$ 3,690</u>
Expenditures				
Principal	100,000	100,000	\$ 100,000	\$ -
Interest	42,812	40,322	40,322	-
Cash reserve adjustment	-	-	20,000	(20,000)
Total Expenditures	<u>142,812</u>	<u>140,322</u>	<u>\$ 160,322</u>	<u>\$ (20,000)</u>
Receipts Over (Under) Expenditures	16,731	(10,862)		
Unencumbered Cash, Beginning	<u>56,897</u>	<u>73,628</u>		
Unencumbered Cash, Ending	<u>\$ 73,628</u>	<u>\$ 62,766</u>		

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

POLICE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022 Actual</u>	<u>2023 Actual</u>
Receipts		
Interest income	\$ 184	\$ 377
Reimbursements	-	27,209
	<u>184</u>	<u>27,586</u>
Total Receipts		
Expenditures		
Commodities	10,916	20,000
Lease purchase	-	27,209
	<u>10,916</u>	<u>47,209</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(10,732)	(19,623)
Unencumbered Cash, Beginning	<u>34,920</u>	<u>24,188</u>
Unencumbered Cash, Ending	<u>\$ 24,188</u>	<u>\$ 4,565</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

AMBULANCE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Transfer from Municipal Equipment Reserve Fund	\$ -	\$ 8,371
Interest income	618	1,500
Coronavirus Relief Funds	-	323
Miscellaneous	<u>1,861</u>	<u>-</u>
Total Receipts	2,479	10,194
Expenditures		
Capital outlay	<u>-</u>	<u>59,913</u>
Receipts Over (Under) Expenditures	2,479	(49,719)
Unencumbered Cash, Beginning	<u>76,147</u>	<u>78,626</u>
Unencumbered Cash, Ending	<u>\$ 78,626</u>	<u>\$ 28,907</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

FIRE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 257	\$ 991
Transfer from Municipal Equipment Reserve Fund	<u>18,222</u>	<u>-</u>
Total Receipts	18,479	991
Expenditures		
Equipment improvement	<u>-</u>	<u>35,000</u>
Receipts Over (Under) Expenditures	18,479	(34,009)
Unencumbered Cash, Beginning	<u>20,520</u>	<u>38,999</u>
Unencumbered Cash, Ending	<u>\$ 38,999</u>	<u>\$ 4,990</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUNDMUNICIPAL EQUIPMENT RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 202	\$ 1,197
Miscellaneous	-	29,913
Transfer from Water Fund	15,000	15,000
Transfer from Light Fund	-	10,000
Transfer from Disposal System Fund	<u>10,000</u>	<u>10,000</u>
Total Receipts	<u>25,202</u>	<u>66,110</u>
Expenditures		
Lease purchase	-	23,900
Equipment improvement	5,000	63,187
Transfer to Ambulance Reserve Fund	-	8,371
Transfer to Fire Reserve	<u>18,222</u>	<u>-</u>
Total Expenditures	<u>23,222</u>	<u>95,458</u>
Receipts Over (Under) Expenditures	1,980	(29,348)
Unencumbered Cash, Beginning	<u>28,368</u>	<u>30,348</u>
Unencumbered Cash, Ending	<u>\$ 30,348</u>	<u>\$ 1,000</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

AIRPORT IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Grants - State of Kansas	\$ 171,648	\$ 68,220
Interest income	129	1,955
Transfer from Airport Bond and Interest Fund	37,886	-
Transfer from Airport Operations Fund	<u>20,000</u>	<u>30,000</u>
Total Receipts	229,663	100,175
Expenditures		
Construction costs	<u>85,052</u>	<u>33,350</u>
Receipts Over (Under) Expenditures	144,611	66,825
Unencumbered Cash, Beginning	<u>(89,533)</u>	<u>55,078</u>
Unencumbered Cash, Ending	<u>\$ 55,078</u>	<u>\$ 121,903</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

STREET IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Interest income	\$ 98	\$ 3,493
Transfer from Special Highway Fund	<u>30,000</u>	<u>50,000</u>
Total Receipts	30,098	353,493
Expenditures		
Construction costs	<u>357,501</u>	<u>121,252</u>
Receipts Over (Under) Expenditures	(327,403)	232,241
Unencumbered Cash, Beginning	<u>136,242</u>	<u>(191,161)</u>
Unencumbered Cash, Ending	<u>\$ (191,161)</u>	<u>\$ 41,080</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUNDTIF FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023		Variance - Over (Under)
		Actual	Actual	
Receipts				
Tax increment financing allocation	\$ 155,485	\$ 160,683	\$ 140,000	\$ 20,683
Interest income	632	5,523	-	5,523
Miscellaneous	5,125	-	-	-
Total Receipts	<u>161,242</u>	<u>166,206</u>	<u>\$ 140,000</u>	<u>\$ 26,206</u>
Expenditures				
Contractual services	157,086	47,368	\$ 60,000	\$ (12,632)
Commodities	7,721	766	10,000	(9,234)
Capital outlay	352,729	2,334	120,000	(117,666)
Transfer to TIF debt service	-	90,972	90,972	-
Total Expenditures	<u>517,536</u>	<u>141,440</u>	<u>\$ 280,972</u>	<u>\$ (139,532)</u>
Receipts Over (Under) Expenditures	(356,294)	24,766		
Unencumbered Cash, Beginning	<u>522,579</u>	<u>166,285</u>		
Unencumbered Cash, Ending	<u>\$ 166,285</u>	<u>\$ 191,051</u>		

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

TIF IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Grants	\$ 82,722	\$ -
Bond proceeds	<u>400,000</u>	<u>-</u>
Total Receipts	482,722	-
Expenditures		
Contractual	<u>482,256</u>	<u>-</u>
Receipts Over (Under) Expenditures	466	-
Unencumbered Cash, Beginning	<u>-</u>	<u>466</u>
Unencumbered Cash, Ending	<u>\$ 466</u>	<u>\$ 466</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

TIF DEBT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Miscellaneous	\$ -	\$ 3,131
Transfer from TIF Fund	<u>-</u>	<u>90,972</u>
Total Receipts	-	94,103
Expenditures		
Contractual	<u>-</u>	<u>90,974</u>
Receipts Over (Under) Expenditures	-	3,129
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 3,129</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

TIF COST OF ISSUANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Bond proceeds	\$ 10,000	\$ -
Expenditures		
Contractual	<u>6,869</u>	<u>3,131</u>
Receipts Over (Under) Expenditures	3,131	(3,131)
Unencumbered Cash, Beginning	<u>-</u>	<u>3,131</u>
Unencumbered Cash, Ending	<u>\$ 3,131</u>	<u>\$ -</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 126	\$ 5,471
Grant	-	91,700
Lease	48,161	54,161
Transfer from Disposal Replacement Fund	20,000	20,000
Transfer from Light Surplus Fund	-	40,000
Transfer from Water Surplus Fund	<u>40,000</u>	<u>40,000</u>
 Total Receipts	 108,287	 251,332
Expenditures		
Capital outlay	<u>231,455</u>	<u>102,850</u>
Receipts Over (Under) Expenditures	(123,168)	148,482
Unencumbered Cash, Beginning	<u>203,383</u>	<u>80,215</u>
Unencumbered Cash, Ending	<u>\$ 80,215</u>	<u>\$ 228,697</u>

CITY OF KINGMAN, KANSAS

CAPITAL PROJECT FUND

CDBG GRANT PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
CDBG grant	\$ 92,862	\$ 59,127
Miscellaneous	2,193	-
Transfer from Economic Development Fund	-	3,314
Transfer from General Fund	<u>22,780</u>	<u>-</u>
Total Receipts	<u>117,835</u>	<u>62,441</u>
Expenditures		
Project costs	95,034	73,839
Transfer to General Fund	<u>22,780</u>	<u>-</u>
Total Exenditures	<u>117,814</u>	<u>73,839</u>
Receipts Over (Under) Expenditures	21	(11,398)
Unencumbered Cash, Beginning	<u>11,377</u>	<u>11,398</u>
Unencumbered Cash, Ending	<u>\$ 11,398</u>	<u>\$ -</u>

CITY OF KINGMAN, KANSAS

TRUST FUND

CEMETERY ENDOWMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Permits issues	\$ 2,450	\$ 2,950
Expenditures		
Miscellaneous	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	2,450	2,950
Unencumbered Cash, Beginning	<u>125,352</u>	<u>127,802</u>
Unencumbered Cash, Ending	<u>\$ 127,802</u>	<u>\$ 130,752</u>

CITY OF KINGMAN, KANSAS

TRUST FUND

CEMETERY CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Sale of lots	\$ 1,125	\$ 250
Expenditures		
Miscellaneous	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	1,125	250
Unencumbered Cash, Beginning	<u>53,438</u>	<u>54,563</u>
Unencumbered Cash, Ending	<u>\$ 54,563</u>	<u>\$ 54,813</u>

CITY OF KINGMAN, KANSAS

TRUST FUND

BOWREN INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Interest income	\$ 26	\$ 162
Expenditures		
Miscellaneous	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	26	162
Unencumbered Cash, Beginning	<u>3,826</u>	<u>3,852</u>
Unencumbered Cash, Ending	<u>\$ 3,852</u>	<u>\$ 4,014</u>

CITY OF KINGMAN, KANSAS

TRUST FUND

KEYS ESTATE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u>	<u>2023</u>
Receipts		
Interest income	\$ 8	\$ 50
Expenditures		
Miscellaneous	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	8	50
Unencumbered Cash, Beginning	<u>1,199</u>	<u>1,207</u>
Unencumbered Cash, Ending	<u>\$ 1,207</u>	<u>\$ 1,257</u>

CITY OF KINGMAN, KANSAS

BUSINESS FUNDWATER FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2023</u>			Variance - Over (Under)
	<u>2022</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Charge for services	\$ 629,520	\$ 613,208	\$ 585,000	\$ 28,208
Interest income	8,250	37,210	28,000	9,210
Reimbursements	170	263	-	263
Miscellaneous	3,216	3,182	3,300	(118)
Total Receipts	<u>641,156</u>	<u>653,863</u>	<u>\$ 616,300</u>	<u>\$ 37,563</u>
Expenditures				
Production -				
Personal services	-	-	\$ 1,000	\$ (1,000)
Contractual services	61,767	84,016	78,429	5,587
Commodities	9,491	9,814	16,100	(6,286)
Total Production	<u>71,258</u>	<u>93,830</u>	<u>95,529</u>	<u>(1,699)</u>
Transmission -				
Personal services	179,894	227,352	196,762	30,590
Contractual services	40,636	33,587	40,000	(6,413)
Commodities	45,539	50,477	40,000	10,477
Capital outlay	-	-	20,000	(20,000)
Total Transmission	<u>266,069</u>	<u>311,416</u>	<u>296,762</u>	<u>14,654</u>
Administration -				
Personal services	130,588	153,892	150,888	3,004
Contractual services	18,106	26,004	32,100	(6,096)
Commodities	24,100	1,547	22,226	(20,679)
Franchise fee	31,587	31,882	30,000	1,882
Transfer to Water Surplus Fund	190,000	175,000	175,000	-
Transfer to Municipal Equipment Reserve Fund	15,000	15,000	15,000	-
Total Administration	<u>409,381</u>	<u>403,325</u>	<u>425,214</u>	<u>(21,889)</u>
Total Expenditures	<u>746,708</u>	<u>808,571</u>	<u>\$ 817,505</u>	<u>\$ (8,934)</u>
Receipts Over (Under) Expenditures	(105,552)	(154,708)		
Unencumbered Cash, Beginning	<u>1,253,998</u>	<u>1,148,446</u>		
Unencumbered Cash, Ending	<u>\$ 1,148,446</u>	<u>\$ 993,738</u>		

CITY OF KINGMAN, KANSAS

BUSINESS FUND

WATER SURPLUS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 23,424	\$ 114,144
Transfer from Water Fund	<u>190,000</u>	<u>175,000</u>
Total Receipts	<u>213,424</u>	<u>289,144</u>
Expenditures		
Capital outlay	-	86,750
Transfer to Capital Improvement Fund	40,000	40,000
Transfer to General Fund	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>40,000</u>	<u>226,750</u>
Receipts Over (Under) Expenditures	173,424	62,394
Unencumbered Cash, Beginning	<u>2,402,505</u>	<u>2,575,929</u>
Unencumbered Cash, Ending	<u>\$ 2,575,929</u>	<u>\$ 2,638,323</u>

CITY OF KINGMAN, KANSAS

BUSINESS FUNDLIGHT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for services	\$ 6,571,400	\$ 6,038,025	\$ 5,834,000	\$ 204,025
Kansas Power Pool	615,851	139,174	138,588	586
Interest income	18,390	74,569	49,594	24,975
Licenses and permits	525	700	800	(100)
Reimbursements	53,933	27,710	-	27,710
Miscellaneous	14,360	(3,078)	4,000	(7,078)
Total Receipts	<u>7,274,459</u>	<u>6,277,100</u>	<u>\$ 6,026,982</u>	<u>\$ 250,118</u>
Expenditures				
Production -				
Personal services	512,459	536,228	\$ 552,057	\$ (15,829)
Contractual services	4,412,843	3,094,725	3,576,033	(481,308)
Commodities	801,504	131,082	398,000	(266,918)
Total Production	<u>5,726,806</u>	<u>3,762,035</u>	<u>4,526,090</u>	<u>(764,055)</u>
Transmission -				
Personal services	317,228	352,160	412,041	(59,881)
Contractual services	63,012	160,562	138,564	21,998
Commodities	153,411	312,547	238,750	73,797
Capital outlay	-	2,746	-	2,746
Total Transmission	<u>533,651</u>	<u>828,015</u>	<u>789,355</u>	<u>38,660</u>
Administrative -				
Personal services	149,483	175,484	165,271	10,213
Contractual services	56,555	62,941	52,000	10,941
Commodities	54,759	10,261	45,000	(34,739)
Franchise fee	135,000	135,000	135,000	-

CITY OF KINGMAN, KANSAS

BUSINESS FUNDLIGHT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u>		<u>Variance -</u> <u>Over</u> <u>(Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures (Cont.)				
Administrative (Cont.) -				
Transfer to Municipal Equip, Reserve Fund	\$ -	\$ 10,000	\$ 10,000	\$ -
Transfer to Electric Improvement Fund	-	-	7,500	(7,500)
Transfer to Light Principal and Interest Fund	238,910	308,586	290,000	18,586
Transfer to Light Improvement Fund	-	7,500	-	7,500
Transfer to Light Surplus Fund	594,535	1,034,992	614,000	420,992
Total Administrative	<u>1,229,242</u>	<u>1,744,764</u>	<u>1,318,771</u>	<u>425,993</u>
Total Expenditures	<u>7,489,699</u>	<u>6,334,814</u>	<u>\$ 6,634,216</u>	<u>\$ (299,402)</u>
Receipts Over (Under) Expenditures	(215,240)	(57,714)		
Unencumbered Cash, Beginning	<u>2,070,550</u>	<u>1,855,310</u>		
Unencumbered Cash, Ending	<u>\$ 1,855,310</u>	<u>\$ 1,797,596</u>		

CITY OF KINGMAN, KANSAS

BUSINESS FUND

LIGHT PRINCIPAL AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 5,676	\$ 21,412
Miscellaneous	6	13,927
Transfer from Light Surplus Fund	-	25,000
Transfer from Light Fund	<u>238,910</u>	<u>308,586</u>
Total Receipts	<u>244,592</u>	<u>368,925</u>
Expenditures		
Principal	425,000	750,000
Interest	<u>54,160</u>	<u>68,176</u>
Total Expenditures	<u>479,160</u>	<u>818,176</u>
Receipts Over (Under) Expenditures	(234,568)	(449,251)
Unencumbered Cash, Beginning	<u>702,746</u>	<u>468,178</u>
Unencumbered Cash, Ending	<u>\$ 468,178</u>	<u>\$ 18,927</u>

CITY OF KINGMAN, KANSAS

BUSINESS FUND

LIGHT SURPLUS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 13,960	\$ 74,415
Transfer from Light Fund	<u>594,535</u>	<u>1,034,992</u>
Total Receipts	<u>608,495</u>	<u>1,109,407</u>
Expenditures		
Contractual services	563,414	89,722
Capital outlay	-	30,779
Principal	10,174	328,932
Interest	49,254	15,897
Transfer to Light Principal and Interest Fund	-	25,000
Transfer to Capital Improvement Fund	<u>-</u>	<u>40,000</u>
Total Expenditures	<u>622,842</u>	<u>530,330</u>
Receipts Over (Under) Expenditures	(14,347)	579,077
Unencumbered Cash, Beginning	<u>1,420,325</u>	<u>1,405,978</u>
Unencumbered Cash, Ending	<u>\$ 1,405,978</u>	<u>\$ 1,985,055</u>

CITY OF KINGMAN, KANSAS

BUSINESS FUND

LIGHT IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 1,125	\$ -
Temporary note proceeds	387,547	-
Transfer from Light Fund	<u>-</u>	<u>7,500</u>
Total Receipts	<u>388,672</u>	<u>7,500</u>
Expenditures		
Contractual services	270,670	68,605
Commodities	<u>8,132</u>	<u>4,809</u>
Total Expenditures	<u>278,802</u>	<u>73,414</u>
Receipts Over (Under) Expenditures	109,870	(65,914)
Unencumbered Cash, Beginning	<u>(18,414)</u>	<u>91,456</u>
Unencumbered Cash, Ending	<u>\$ 91,456</u>	<u>\$ 25,542</u>

CITY OF KINGMAN, KANSAS

BUSINESS FUND

LIGHT COST OF ISSUANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Bond proceeds	\$ 39,484	\$ -
Expenditures		
Contractual services	<u>31,948</u>	<u>13,928</u>
Receipts Over (Under) Expenditures	7,536	(13,928)
Unencumbered Cash, Beginning	<u>6,392</u>	<u>13,928</u>
Unencumbered Cash, Ending	<u>\$ 13,928</u>	<u>\$ -</u>

CITY OF KINGMAN, KANSAS

BUSINESS FUNDDISPOSAL SYSTEM FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022		2023		Variance - Over (Under)
	Actual	Actual	Actual	Budget	
Receipts					
Charges for services	\$ 702,577	\$ 706,391	\$ 690,000	\$ 16,391	
Sewer taps	540	1,215	500	715	
Interest income	1,232	4,597	4,790	(193)	
Miscellaneous	-	273	-	273	
Total Receipts	<u>704,349</u>	<u>712,476</u>	<u>\$ 695,290</u>	<u>\$ 17,186</u>	
Expenditures					
Treatment Plant -					
Personal services	79,330	98,551	\$ 87,531	\$ 11,020	
Contractual services	125,468	141,283	134,200	7,083	
Commodities	22,969	15,175	50,000	(34,825)	
Capital outlay	-	-	5,000	(5,000)	
Total Treatment Plant	<u>227,767</u>	<u>255,009</u>	<u>276,731</u>	<u>(21,722)</u>	
Collection System -					
Personal services	41,433	78,751	75,210	3,541	
Contractual services	92,824	87,154	85,320	1,834	
Commodities	26,204	15,070	24,030	(8,960)	
Capital outlay	135	41,399	-	41,399	
Total Collection System	<u>160,596</u>	<u>222,374</u>	<u>184,560</u>	<u>37,814</u>	
Administration -					
Personal services	19,038	22,003	21,344	659	
Contractual services	15,688	20,737	28,000	(7,263)	
Commodities	22,530	707	19,000	(18,293)	
Franchise fee	35,291	35,364	35,000	364	
Transfer to Municipal Equipment Reserve Fund	10,000	10,000	10,000	-	
Transfer to Disposal System Debt Service Fund	65,290	77,220	77,220	-	
Transfer to Disposal Replacement Fund	150,000	75,000	67,200	7,800	
Total Administration	<u>317,837</u>	<u>241,031</u>	<u>257,764</u>	<u>(16,733)</u>	
Total Expenditures	<u>706,200</u>	<u>718,414</u>	<u>\$ 719,055</u>	<u>\$ (641)</u>	
Receipts Over (Under) Expenditures	(1,851)	(5,938)			
Unencumbered Cash, Beginning	<u>353,997</u>	<u>352,146</u>			
Unencumbered Cash, Ending	<u>\$ 352,146</u>	<u>\$ 346,208</u>			

CITY OF KINGMAN, KANSAS

BUSINESS FUND

DISPOSAL SYSTEM DEBT SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 2,691	\$ 8,297
Transfer from Disposal System Fund	<u>65,290</u>	<u>77,220</u>
Total Receipts	<u>67,981</u>	<u>85,517</u>
Expenditures		
Principal	260,000	230,000
Interest	<u>7,532</u>	<u>2,090</u>
Total Expenditures	<u>267,532</u>	<u>232,090</u>
Receipts Over (Under) Expenditures	(199,551)	(146,573)
Unencumbered Cash, Beginning	<u>390,717</u>	<u>191,166</u>
Unencumbered Cash, Ending	<u>\$ 191,166</u>	<u>\$ 44,593</u>

CITY OF KINGMAN, KANSAS

BUSINESS FUND

DISPOSAL REPLACEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
Interest income	\$ 9,597	\$ 55,766
Transfer from Disposal System Fund	<u>150,000</u>	<u>75,000</u>
Total Receipts	<u>159,597</u>	<u>130,766</u>
Expenditures		
Contractual services	35,593	763
Capital outlay	112,421	1,121
Transfer to Capital Improvement Fund	<u>20,000</u>	<u>20,000</u>
Total Expenditures	<u>168,014</u>	<u>21,884</u>
Receipts Over (Under) Expenditures	(8,417)	108,882
Unencumbered Cash, Beginning	<u>1,172,558</u>	<u>1,164,141</u>
Unencumbered Cash, Ending	<u>\$ 1,164,141</u>	<u>\$ 1,273,023</u>

CITY OF KINGMAN, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year Ended December 31, 2023

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Meter Deposit	\$ 49,638	\$ 335,540	\$ 337,086	\$ 48,092
Sales Tax	39,903	209,658	207,897	41,664
Payroll Clearing	14,269	1,374,946	1,374,081	15,134
Cafeteria Plan Reimbursement	<u>3,531</u>	<u>4,783</u>	<u>7,607</u>	<u>707</u>
Total	<u>\$ 107,341</u>	<u>\$ 1,924,927</u>	<u>\$ 1,926,671</u>	<u>\$ 105,597</u>

CITY OF KINGMAN, KANSAS

RELATED MUNICIPAL ENTITYKINGMAN CARNEGIE LIBRARYSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Receipts		
City appropriations	\$ 145,600	\$ 146,058
Copies	2,144	2,269
Fines	334	-
Gifts & Miscellaneous	105	664
Donations and Memorials	226,281	5,153
Reimbursements/Replacements	138	40
Refunds	74	73
Investment Income (includes Royalties)	67,465	4,070
Grants	1,044	5,037
SCKLS	23,080	14,906
Interest (checking & savings)	72	115
Miscellaneous	-	125
Transfer from Gifts & Grants	20,500	18,578
Transfer from General Fund	12,286	2,206
	<u>499,123</u>	<u>199,294</u>
Total Receipts		
Expenditures		
Accounting/Tax Prep (incl Acctg Wage)	6,731	6,335
Books (Adult, Juv, Memorial)	22,858	22,509
E-Books	5,609	2,113
Audio Visual	2,015	1,780
Periodicals	1,293	3,204
Custodial Service	3,090	3,035
Director Pro Temp Services	-	5,520
Employee Benefits	19,798	18,900
Equipment & Furniture	7,745	6,071
Genealogy	319	319
Insurance	9,654	10,862
Maintenance	5,763	14,931
Memberships	1,500	858
Miscellaneous	552	578
Payroll	72,828	72,725
Postage	1,200	1,000

CITY OF KINGMAN, KANSAS

RELATED MUNICIPAL ENTITY

KINGMAN CARNEGIE LIBRARY

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Expenditures (cont.)		
Summer Reading	\$ 3,763	\$ 2,513
Supplies & Materials	6,747	5,457
Taxes	13	43
Technology	10,499	3,632
Utilities	12,778	13,577
Transfer to Capital Improvement Fund	12,286	2,206
Transfer to General Fund	<u>20,500</u>	<u>18,578</u>
Total Expenditures	<u>227,541</u>	<u>216,746</u>
Receipts Over (Under) Expenditures	271,582	(17,452)
Unencumbered Cash, Beginning	<u>946,524</u>	<u>1,218,106</u>
Unencumbered Cash, Ending	<u>\$ 1,218,106</u>	<u>\$ 1,200,654</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Honorable Mayor and City Commission
City of Kingman, Kansas 67068

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statement of City of Kingman, Kansas, (City) as of and for the year ended December 31, 2023, and the related notes to the financial statement which collectively comprise the City's basic financial statement, and have issued our report thereon dated May 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

D. Scot Loyd, CPA, CGFM, CFE, CGMA, CNC

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Loyd Group, LLC
Galva, KS
May 22, 2024



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and City Commission
City of Kingman, Kansas 67068

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Kingman's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the *Kansas Municipal Audit and Accounting Guide*; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

D. Scot Loyd, CPA, CGFM, CFE, CGMA, CNC

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noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Loyd Group, LLC
Galva, KS
May 22, 2024

CITY OF KINGMAN, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

<u>Pass-Through Grantor/ Federal Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u> Passed through Kansas Department of Commerce - Community Development Block Grant	14.228	21-HR-2	\$ 73,809
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>73,809</u>
<u>U.S. Department of Transportation</u> Passed through Kansas Department of Transportation Formula Grants for Rural Areas	20.509		59,578
Direct award Airport Improvement Program	20.106		<u>33,350</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>92,928</u>
<u>U.S. Department of Homeland Security</u> Passed through Kansas Department of Adj Gen Disaster Grants - FEMA	97.036	DR 4449, 137376	<u>631,248</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>631,248</u>
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			<u>\$ 797,985</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Kingman, Kansas (the City), under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The City has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Funds Expended

Funds where Federal expenditures were receipted and expended:

General Fund	\$ 59,578
CDBG Grant Project Fund	73,809
Airport Improvement Fund	33,350
Flood Control Fund	<u>631,248</u>
	<u>\$ 797,985</u>

CITY OF KINGMAN, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

Section 1 – Summary of Auditor’s Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor’s opinion issued on whether the financial statements audited were prepared in accordance with GAAP: | Adverse |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|--|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 2. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 4. Identification of major programs: | |
| <u>Name of Federal Program or Cluster</u> | <u>Federal Assistance Listing Number</u> |
| Disaster Grants - FEMA | 97.036 |
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

Section 2 – Findings – Financial Statement Audit

There were no reportable findings.

Section 3 – Findings and Questioned Costs – Major Federal Award Programs

U.S. DEPARTMENT OF EDUCATION

Disaster Grants - FEMA – Federal Asst Listing Number 97.036

There were no reportable findings.

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

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

THE NOTE RESOLUTION

DEFINITIONS

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

“**Act**” means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.* and K.S.A. 12-631r *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 Kingman, Kansas.

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

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

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

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

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

“**Dated Date**” means March 18, 2025.

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

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

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

“Defeasance Obligations” means any of the following obligations:

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

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

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

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

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

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

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

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

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

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

“DTC” means The Depository Trust Company.

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

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

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

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

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

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

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

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

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

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

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

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

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Note which shall be March 1 and September 1 of each year, commencing September 1, 2025.

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

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

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

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

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

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

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

“Note Purchase Agreement” means the Note Purchase Agreement between the Issuer and the Purchaser.

“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 2025, authorized and issued by the Issuer pursuant to the Note Resolution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“State” means the state of Kansas.

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

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

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

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

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

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

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

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

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

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

- (a) All accrued interest 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, which includes an amount representing interest on the Notes during construction of the Improvements, shall be deposited in the Improvement Fund.

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

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

Substitution of Improvements; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Notes provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Notes to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section, (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 Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance.

DEPOSIT AND INVESTMENT OF MONEYS

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

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

All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds shall be credited to the Debt Service Account.

DEFAULT AND REMEDIES

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

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

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

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

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

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

DEFEASANCE

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

TAX COVENANTS

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

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

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

CONTINUING DISCLOSURE REQUIREMENTS

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

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

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of March 18, 2025 (the “Continuing Disclosure Undertaking”), is executed and delivered by **THE CITY OF KINGMAN, KANSAS** (the “Issuer”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation Temporary Notes, Series 2025 (the “Notes”), pursuant to a Resolution adopted by the governing body of the Issuer (the “Note Resolution”).

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

The Issuer covenants and agrees as follows:

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

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

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

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

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

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

“**Financial Obligation**” means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

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

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than the last day of the tenth the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2024, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

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

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

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

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

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

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material

- notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) modifications to rights of bondholders, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the Notes, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
 - (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF KINGMAN, KANSAS

(SEAL)

Mayor

Clerk

EXHIBIT A

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

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

FINANCIAL INFORMATION OF THE ISSUER

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

DEBT STRUCTURE OF THE ISSUER

- General Obligation Bonds*
 - Property Tax Supported
 - Utility System
 - TIF Project
- General Obligation Temporary Notes*
- Overlapping Indebtedness

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