

**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.*

**\$7,915,000\*****CITY OF WAMEGO, KANSAS  
GENERAL OBLIGATION RENEWAL TEMPORARY NOTES  
SERIES 2024****Dated: Date of Delivery****Due: March 1, 2027**

The General Obligation Renewal Temporary Notes, Series 2024 (the “Notes”) will be issued by the City of Wamego, 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 March 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 in part from special assessments levied upon the property benefited by the construction of certain public improvements or from the proceeds of the Issuer's general obligation bonds, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

**MATURITY SCHEDULE**

<b>Stated Maturity</b>	<b>Principal</b>	<b>Annual Rate</b>	<b>Initial</b>	
<b><u>March 1</u></b>	<b><u>Amount*</u></b>	<b><u>of Interest</u></b>	<b><u>Offering Price</u></b>	<b><u>CUSIP</u><sup>1</sup></b>
2027	\$7,915,000	___%	___%	

<sup>1</sup> 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 December 17, 2024.

**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 November \_\_, 2024.

\* Preliminary, Subject to change.

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**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.**

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**CITY OF WAMEGO, KANSAS**

430 Lincoln Avenue  
P.O. Box 86  
Wamego, Kansas 66547

**GOVERNING BODY**

Michele Jacobs, Mayor  
Thomas Beem, Commissioner  
Richard Weixelman, Commissioner  
Clifford Baughman, Commissioner  
William Ditto, Commissioner

**ADMINISTRATIVE OFFICERS**

Stacie Eichen, City Manager  
Leslie Dugan, Treasurer  
Shanda Janke, Clerk

**ISSUER'S COUNSEL**

Pugh & Pugh  
Wamego, Kansas

**BOND COUNSEL**

Gilmore & Bell, P.C.  
Wichita, Kansas

**UNDERWRITER**

Raymond James & Associates, Inc.  
Leawood, Kansas

**CERTIFIED PUBLIC ACCOUNTANTS**

Shipley CPA, LLC  
Topeka, 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

**\$7,915,000\***  
**CITY OF WAMEGO, KANSAS**  
**GENERAL OBLIGATION RENEWAL TEMPORARY NOTES**  
**SERIES 2024**

## INTRODUCTION

### General Matters

The purpose of this Official Statement is to furnish information relating to the City of Wamego, Kansas (the “Issuer” or the “City”), and the General Obligation Renewal Temporary Notes, Series 2024 (the “Notes”), of the Issuer, dated December 17, 2024 (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 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, 2024. 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 a Material Event Notice related to the incurrence of additional indebtedness within the time period prescribed by the Prior Undertakings. The Issuer has since filed the Material Event Notices for the incurrence of KDHE Revolving Fund Loans during 2021 and the related Failure to File Notices. The Issuer’s filings for such years are set forth in the table below:

<b>Fiscal Year</b>	<b>Filing Time</b>	<b>Financial Information</b>	<b>Operating Data</b>
<b><u>Ending December 31</u></b>	<b><u>Period (Days)<sup>(1)</sup></u></b>	<b><u>Filing Date</u></b>	<b><u>Filing Date</u></b>
2019	240	7/28/2020	7/28/2020
2020	240	7/21/2021	7/21/2021
2021	240	7/29/2022	7/29/2022
2022	240	7/27/2024	7/27/2024
2024	240	7/26/2024	7/26/2024

During the past five years, the Issuer may not have separately 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 Disclosure Undertaking, see "**APPENDIX D** – FORM OF CONTINUING 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 including K.S.A. 10-123, K.S.A. 10-620 *et seq.*, K.S.A. 12-6a01 *et seq.*, K.S.A. 12-6a26 *et seq.*, and Charter Ordinance No. 25, 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 in part from special assessments levied upon the property benefitted by the construction of certain public improvements or from the proceeds of the Issuer's general obligation bonds, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Notes as the same become due.

### **Description of the Notes**

The Notes shall consist of fully registered book-entry-only notes in an Authorized Denomination and shall be numbered in such manner as the Note Registrar shall determine. All of the Notes shall be dated as of the Dated Date, shall become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the 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](http://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 refinance and renew the General Obligation Temporary Notes, Series 2023 (the “Refunded Notes”), which were originally issued to pay the cost of improvements or reimprovements to Walnut Street, Chestnut Street, Spruce Street, Vine Street, and Plum Street located within the City between 8<sup>th</sup> Street and 4<sup>th</sup> Street, or Old U.S. Highway 24 in the City (the “Street Improvements”), and to pay the costs of construction and installation of stormwater drainage and management systems, sanitary sewer systems, water mains and lines, and all apparatus, appurtenances and miscellaneous improvements related or ancillary to the foregoing, and public streets, curbs and sidewalks in the Scenic Ridge Addition in the City (the “Benefit District Improvements”). The balance of the proceeds of the Notes will be used to pay the costs of issuance for the Notes and a portion of Note interest.

## SOURCES AND USES OF FUNDS

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

<b>Sources of Funds:</b>	
Principal Amount of the Notes	\$7,915,000.00*
[Underwriter’s Discount]	-
[Original Issue Premium]	
<b>Total</b>	<b>\$</b>
<b>Uses of Funds:</b>	
Redeem the Refunded Notes	\$
Capitalized Interest	
Costs of Issuance	
<b>Total</b>	<b>\$</b>

\* 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 WAMEGO, KANSAS

By: \_\_\_\_\_  
Mayor



## ***APPENDIX A***

### **INFORMATION CONCERNING THE ISSUER**

#### **GENERAL**

##### **Size and Location**

The City of Wamego, Kansas (the "City") is located in Pottawatomie County, Kansas, and is located approximately 15 miles east of the City of Manhattan, Kansas and 37 miles west of the City of Topeka, Kansas. The City encompasses approximately 2.1 square miles and has a current estimated population of 5,786 persons.

##### **Government and Organization of the City**

The City was incorporated in 1868 and became a city of the second class on March 5, 1957.

The City operates under the Commission-Manager form of government. The five members of the City Commission are elected to four-year terms, with not more than two elected in any one year. The City Manager is appointed by the Commission and is charged with the efficient and effective administration of the City.

##### **Municipal Services and Utilities**

The City owns and operates its own electric, water and sewer utility systems. Kansas Gas Service supplies natural gas to the City. Telephone service and a cable television system is provided by Wamego Telecommunications.

The City has eight full-time and nine part-time sworn police officers and 18 volunteer firefighters which provide continuous full-time protection to the City. Pottawatomie County contracts with Mercy Regional Medical Center to operate an emergency ambulance service for the City and surrounding area.

##### **Transportation and Communication Facilities**

The City is served by two major highways: K-99 and U.S. Highway 24. Rail service is provided by Union Pacific Railroad. A municipal airport is located within two miles of the City and provides a runway capable of handling private and corporate aircraft. Regularly scheduled air service is available at Manhattan Airport, located 22 miles from the City.

##### **Educational Institutions and Facilities**

Unified School District No. 320 operates two elementary schools, one middle school and one senior high school in the City and surrounding area. The district had a total enrollment of approximately 1,551 students for 2018/19. Manhattan Area Vo Tech is located near the City and provides a two-year curriculum and vocational and technical courses of study. Additionally, Kansas State University's main campus, in Manhattan, is located within 15 miles of the City. Highland Community College has a campus in Wamego, Kansas.

##### **Medical and Health Facilities**

The 25 bed Wamego City Hospital was built in 1968 with major additions being completed in 1987 and 2008. The Hospital is operated by Mercy Health Center/Via Christi and the City. There is one nursing home and two assisted living facilities located within the City. On average there are six medical doctors and two nurse practitioners that currently practice in the City.

##### **Recreational, Cultural and Religious Facilities**

There is recreation available in the area including community recreation programs, parks, swimming pools, country clubs, golf courses and tennis courts. Additionally, cultural opportunities such as community theater, symphony and museums are located in or near the City. Ten (10) churches serve the community. The Wamego Tulip Festival, Fourth of July parade and carnival, Trick or Treat Downtown, OZtoberfest, and Annual Christmas parade, plus proximity to several area fishing lakes and Tuttle Creek Reservoir Park System also contribute to the quality of life in the area.

## ECONOMIC INFORMATION

The City has a strong economy, experiencing growth in both the commercial and industrial sectors. Although there have been no new major industries or commercial entities in the last five years, local businesses have experienced significant growth with planned continued expansion.

### Major Employers

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

#### MAJOR EMPLOYERS – CITY OF WAMEGO, KANSAS

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full &amp; Part-time Employees</u>
Unified School District No. 320	Education K-12	500
Caterpillar Inc. <sup>(1)</sup>	Equipment manufacturing	440
Highland Community College	Education	64
Wamego City Hospital	Healthcare	64
City of Wamego	Government	60
Gene's Heartland	Grocery Store	55
New Dymax	Machinery manufacturing	50
Kaw Valley Bank	Financial/Banking	35
R-Tech Tool & Machine	Machining	33
First National Bank	Bank	30

<sup>(1)</sup> Caterpillar, Inc. recently announced plans to close its facility located in the City in mid-2025.

In addition, residents of the City have employment opportunities throughout Pottawatomie County. The following is a list of major employers in Pottawatomie County:

#### MAJOR EMPLOYERS – POTTAWATOMIE COUNTY, KANSAS

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full &amp; Part-time Employees</u>
Kansas State University (Employed)	Education	6,000
Kansas State University (Contract)	Education	6,000
Champion Teamwear	Apparel Mfg.	500
The Onyx Collection, Inc.	Mfg. of Bath	450
Caterpillar Work Tools, Inc.	Equipment Mfg	450
Wal-Mart Stores, Inc.	Retail Trade	360
Unified School District No. 320	Education	289
Civic Plus	IT Software	250
Community Health Care System, Inc.	Medical Facility	250
Custom Wood Products	Cabinets & Fixtures	225
Evergy	Utility	150

**Source:** Pottawatomie County Economic Development Corporation, May 2023

## Labor Force

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

### POTTAWATOMIE COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2014	12,048	11,582	466	3.9%
2015	11,987	11,550	437	3.6%
2016	12,207	11,782	425	3.5%
2017	12,250	11,875	375	3.1%
2018	12,571	12,224	347	2.8%
2019	12,512	12,157	355	2.8%
2020	12,192	11,688	504	4.1%
2021	12,276	11,955	321	2.6%
2022	12,484	12,186	298	2.4%
2023	12,676	12,382	294	2.3%

### STATE OF KANSAS

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed 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:* Kansas Department 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 Pottawatomie County, Kansas:

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Per Capita Sales Tax</u>
2014	\$28,370,108	\$1,228.11
2015	29,386,660	1,243.20
2016	31,955,935	1,310.64
2017	31,069,257	1,333.61
2018	36,970,432	1,336.16
2019	37,592,594	1,518.44
2020	41,373,749	1,581.04
2021	46,760,667	1,726.86
2022	51,463,034	1,859.42
2023	49,641,772	1,939.66

*Source:* Kansas Statistical Abstract

## Local Option Sales Tax

The City voters have approved a 1.75% total sales tax on retail sales within the City limits. The City uses the sales tax receipts to support the general fund and for the provision of health care services. The following table provides the amount of City local sales tax collected and received by the City during the years indicated.

<u>Year</u>	<u>Sales Tax Receipts</u>	<u>Use Tax Receipts</u>	<u>Total</u>
2014	\$1,036,537	\$176,695	\$1,213,232
2015	1,068,826	158,777	1,227,603
2016	1,069,764	167,769	1,237,533
2017	1,069,518	175,736	1,245,254
2018	1,090,571	247,619	1,338,190
2019	1,090,624	285,312	1,375,936
2020	1,126,265	274,720	1,400,985
2021	1,556,956	342,066	1,899,022
2022	1,373,658	379,774	1,753,432
2023	1,410,671	430,029	1,840,699

**Source:** City of Wamego Clerk

Pottawatomie County implemented a 1% sales tax on retail sales within the County on January 1, 2005. The City receives a distribution of a portion of the receipts of such sales tax and has used and expects to continue to use such amounts as a funding source for payments on financings of recreation facilities in the City. The following table provides the amount of County local sales tax received by the City since inception of the tax.

<u>Year</u>	<u>Sales Tax Receipts</u>	<u>Use Tax Receipts</u>	<u>Total</u>
2014	\$684,104	\$65,885	\$749,989
2015	692,063	69,507	761,570
2016	718,316	83,860	802,176
2017	694,777	78,353	773,130
2018	725,096	93,132	818,228
2019	738,613	100,073	838,686
2020	737,283	113,446	850,729
2021	874,065	144,992	1,019,057
2022	905,368	172,830	1,078,198
2023	919,288	190,459	1,109,747

**Source:** Kansas Department of Revenue

## Oil Production

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

<u>Year</u>	<u>Oil Production</u>
2013	1,947
2014	1,265
2015	472
2016	-0-
2017	-0-
2018	-0-
2019	-0-
2020	-0-
2021	-0-
2022	313
2023	n/a

**Source:** Kansas Geological Survey

## Financial and Banking Institutions

There are currently 10 banks located in Pottawatomie County with 15 banking locations. For the years listed, bank deposits of the County's banks are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2014	\$502,663,000
2015	508,784,000
2016	528,137,000
2017	567,228,000
2018	588,687,000
2019	596,782,000
2020	679,325,000
2021	746,684,000
2022	767,849,000
2023	772,508,000

*Source:* Federal Deposit Insurance Corporation

## Building Permits

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

<u>Year</u>	<u>Number of Permits Issued</u>		<u>Total Valuation</u>	
	<u>Residential</u>	<u>Non-Residential</u>	<u>Residential</u>	<u>Non-Residential</u>
2014	57	20	\$3,379,915	\$2,484,290
2015	85	8	5,320,375	151,700
2016	87	21	4,584,862	2,153,900
2017	71	16	4,733,168	16,384,960
2018	76	22	3,981,683	17,561,661
2019	83	13	2,892,155	3,967,158
2020	89	11	4,129,000	2,888,749
2021	61	7	3,080,647	1,064,000
2022	58	12	3,235,893	13,447,027
2023	49	8	2,973,512	5,756,750

*Source:* City of Wamego Clerk

## Population

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

<u>Year</u>	<u>City of Wamego Population</u>	<u>Pottawatomie County Population</u>
1960	2,363	11,957
1970	2,507	11,755
1980	3,159	14,782
1990	3,674	16,128
2000	4,246	18,209
2010	4,650	21,604
2020	5,699	25,392
2023	5,786	26,470

The median age of persons in Pottawatomie County and the State of Kansas is 34.8 and 36.0, respectively, per the 2010 Census.

*Sources:* U.S. Census Data; Kansas Statistical Abstract

## Personal Income

Pottawatomie County personal and per capita income and the State of Kansas per capita income are listed for the years indicated, in the following table.

	Pottawatomie County	Pottawatomie County	State of Kansas
<u>Year</u>	<u>Total Personal</u> <u>Income</u>	<u>Per Capita</u> <u>Income</u>	<u>Per Capita</u> <u>Income</u>
2013	\$1,072,392,000	\$47,076	\$45,670
2014	1,096,961,000	47,669	46,290
2015	1,152,182,000	49,098	46,597
2016	1,224,458,000	50,934	46,718
2017	1,224,797,000	50,195	48,272
2018	1,281,083,000	51,700	50,283
2019	1,328,538,000	52,978	52,127
2020	1,445,352,000	56,879	55,041
2021	1,561,494,000	60,383	58,569
2022	1,622,038,000	61,738	60,424

*Source:* Bureau of Economic Analysis (BEA)

## FINANCIAL INFORMATION

### Accounting, Budgeting and Auditing Procedures

The City follows a statutory basis of accounting which demonstrates compliance with the cash-basis law of the State of Kansas for all funds of the City, including the General Fund. For a further discussion of the City's basis of accounting, see **APPENDIX B** herein.

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 Notes, or the general rating of the City. A change in the rating on the Notes or a change in the general rating of the City may adversely impact the market price of the Notes in the secondary market.

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

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by Shipley CPA, LLC, Topeka, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 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 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 Section 501 of the Internal Revenue Code, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects

not used for the production of income, shall be exempted from property taxation.

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

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

### **Assessed Valuation**

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

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2015	\$35,844,552	\$1,007,524	\$1,528,786	\$5,296,068	\$43,676,930
2016	37,628,145	969,961	1,113,278	5,439,196	45,150,580
2017	39,090,608	928,755	1,556,901	5,307,268	46,886,532
2018	40,858,644	820,695	1,541,388	5,434,411	48,655,138
2019	41,909,528	721,995	2,359,104	5,757,791	50,748,418
2020	43,232,736	687,843	2,306,133	6,099,375	52,326,087
2021	44,191,013	667,575	2,240,581	6,554,834	53,654,003
2022	46,907,794	674,208	2,447,399	6,116,132	56,145,533
2023	53,442,458	799,637	2,222,155	6,305,317	62,769,567
2024	55,482,232	716,244	2,247,036	6,305,317	64,750,829

**Source:** County Clerk

### **Estimated Actual Valuation**

The following table shows the estimated actual valuation for the taxable property within the City assuming an average assessment ratio of 16%:

<u>Year</u>	<u>Estimated Actual Valuation</u>	<u>Year</u>	<u>Estimated Actual Valuation</u>
2015	\$272,980,813	2020	\$327,038,044
2016	282,191,125	2021	335,337,519
2017	293,022,075	2022	350,909,581
2018	304,094,612	2023	392,309,793
2019	317,177,613	2024	404,692,681

### **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 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:

<b><u>Year</u></b>	<b><u>General Fund</u></b>	<b><u>Bond &amp; Interest Fund</u></b>	<b><u>Library Fund</u></b>	<b><u>Library Employee Benefit</u></b>	<b><u>Total Levy</u></b>
2014/15	27.508	3.792	4.999	0.683	36.985
2015/16	30.737	1.577	5.000	0.695	38.009
2016/17	30.391	3.681	5.000	0.709	39.781
2017/18	30.937	3.381	4.994	0.704	40.016
2018/19	22.887	13.321	5.010	0.702	41.920
2019/20	14.683	23.031	5.000	0.702	43.416
2020/21	18.371	19.766	4.974	0.718	43.829
2021/22	16.290	21.461	4.807	0.740	43.928
2022/23	19.772	18.591	5.015	0.677	44.055
2023/24	21.930	16.376	4.999	0.612	43.917

**Source:** County Clerk

***Aggregate Tax Levies:***

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

<b><u>Year</u></b>	<b><u>City</u></b>	<b><u>Pottawatomie County</u></b>	<b><u>School District</u></b>	<b><u>State</u></b>	<b><u>Total Levy</u></b>
2014/15	36.985	25.729	53.444	1.500	117.655
2015/16	38.009	26.409	55.445	1.500	121.363
2016/17	39.781	28.518	54.963	1.500	124.762
2017/18	40.016	29.250	55.600	1.500	126.366
2018/19	41.920	29.953	52.850	1.500	126.223
2019/20	43.416	28.983	53.440	1.500	127.339
2020/21	43.829	27.636	53.205	1.500	126.170
2021/22	43.923	28.647	54.562	1.500	128.632
2022/23	44.055	29.888	55.634	1.500	131.077
2023/24	43.917	29.091	55.099	1.500	129.607

**Source:** County Clerk

**Tax Collection Record:**

The following table sets forth tax collection information for the City for the years indicated:

<u>Year</u>	<u>Total Levy</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected</u>		<u>Current and Delinquent Taxes Collected</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2013/14	36.241	\$1,335,684	\$1,319,877	98.82%	\$1,363,192	102.06%
2014/15	36.982	1,392,236	1,344,044	96.53%	1,345,318	96.63%
2015/16	38.009	1,459,603	1,435,511	98.35%	1,436,150	98.40%
2016/17	39.781	1,582,291	1,570,607	99.26%	1,572,783	99.38%
2017/18	40.016	1,666,660	1,646,368	98.78%	1,652,558	99.15%
2018/19	41.920	1,816,908	1,802,832	99.23%	1,803,379	99.26%
2019/20	43.416	1,956,437	1,939,946	99.16%	1,943,939	99.36%
2020/21	43.829	2,029,615	2,020,285	99.54%	2,020,540	99.55%
2021/22	43.923	2,072,245	2,062,226	99.42%	2,068,050	99.80%
2022/23	44.055	2,207,680	2,189,339	99.17%	2,199,953	99.65%
2023/24	43.917	2,483,947	2,445,204	98.44%	2,465,317	99.28%

**Source:** County Treasurer

**Major Taxpayers:**

The following table sets forth the ten largest taxpayers in the City for taxes levied in 2023:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Paid</u>
Balderson, Inc.	\$1,925,442	\$249,551
Caterpillar Inc. <sup>(1)</sup>	1,102,268	142,862
Bluestem Electric Coop, Inc.	833,603	108,041
Wamego Telecommunications	569,875	73,860
Kansas Gas Service	551,980	71,540
Individual	547,450	70,953
Kaw Valley State Bank	440,009	57,028
Individual	418,955	54,299
Roadrunner Properties	350,820	50,170
PLP/CTI Real Estate LLC	386,617	50,108

<sup>(1)</sup> Caterpillar, Inc. recently announced plans to close its facility located in the City in mid-2025.

**Source:** County Clerk

**Risk Management**

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

**History of Employment**

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

<u>Year</u>	<u>Total Full- Time Employees</u>	<u>Total Part- Time Employees</u>	<u>Total</u>
2014	39	25	64
2015	43	26	69
2016	46	25	71
2017	46	22	68
2018	50	23	73
2019	49	24	73
2020	61	19	80
2021	63	15	78
2022	56	10	66
2023	56	8	64

**Source:** City Clerk

## Pension and Employee Retirement Plans

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

As of June 30, 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](https://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.

## DEBT STRUCTURE

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

Assessed Valuation .....	\$64,750,829
Appraised Valuation <sup>(1)</sup> .....	\$404,692,681
Outstanding General Obligation Debt .....	\$22,675,000
Overlapping Debt .....	\$13,326,616
Population .....	5,786
Direct Debt Per Capita .....	\$3,918.94
Direct and Overlapping Debt Per Capita .....	\$6,222.19
Direct Debt as a Percentage of Assessed Valuation .....	35.02%
Direct and Overlapping Debt as a Percentage of Assessed Valuation .....	55.60%
Direct Debt as a Percentage of Appraised Valuation .....	5.60%
Direct and Overlapping Debt as a Percentage of Appraised Valuation .....	8.90%

<sup>(1)</sup> Estimated Appraised Valuation based upon an assumed average assessment ratio of 16%.

### Current Indebtedness of the City

The following tables set forth as of the date of issuance of the Notes all of the outstanding obligations of the City, including the Notes:

#### GENERAL OBLIGATION BONDS

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Refunding Bonds	2014	10/28/2014	\$1,790,000	\$455,000
General Obligation Bonds	2015	10/22/2015	510,000	50,000
General Obligation Refunding & Improvement Bonds	2018-A	06/05/2018	5,660,000	1,570,000
General Obligation Bonds	2020	02/11/2020	2,605,000	1,920,000
General Obligation Bonds	2021-A	05/05/2021	8,290,000	7,465,000
Taxable General Obligation Refunding Bonds	2021-B	08/31/2021	2,785,000	2,620,000
General Obligation Bonds	2022	04/05/2022	725,000	680,000
		Total		<u>\$14,760,000</u>

#### GENERAL OBLIGATION TEMPORARY NOTES

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Temporary Notes <sup>(2)</sup>	2023	4/3/2023	\$7,745,000	\$-0-
General Obligation Renewal Temporary Notes <sup>(1)</sup>	2024	12/17/2024	7,915,000	7,915,000
		Total		<u>\$7,915,000</u>

<sup>(1)</sup> This Issue. Preliminary, subject to change

<sup>(2)</sup> To be refunded by This Issue

## LEASE OBLIGATIONS

In addition to the foregoing debt obligations, the City has entered into the following lease obligations. Lease obligations of the City constitute valid and binding obligations of the City in accordance with their terms subject to funds budgeted and appropriated for that purpose during the City's current budget year or funds made available from any lawfully operated revenue producing source as per K.S.A. 10-1116b.

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Payment Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Fire Truck	09/27/2016	11/01/2026	\$300,000	<u>\$70,000</u>
			Total	<u>\$70,000</u>

## STATE LOANS

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
KDHE Loan 3036	2021	2/1/2021	\$590,160	528,728
KDHE Loan C20 3013	2021	4/1/2021	1,453,194	<u>503,347</u>
			Total	<u>\$1,032,075</u>

## History of General Obligation Indebtedness

The following table sets forth the general obligation bond debt, excluding temporary notes, pertaining to the City as of the years indicated:

<u>Year</u>	<u>Total Debt</u>	<u>Debt As Percentage of Assessed Value</u>	<u>Debt Per Capita</u>
2014	\$3,885,000	9.09%	\$839.63
2015	4,090,000	9.36%	883.94
2016	3,780,000	8.37%	816.94
2017	3,450,000	7.36%	745.62
2018	8,145,000	16.74%	1,429.19
2019	8,965,000	17.66%	1,573.08
2020	7,840,000	14.95%	1,375.67
2021	17,185,000	33.94%	3,116.34
2022	16,925,000	30.14%	2,925.16
2023	15,845,000	35.6%	3,781.62

*Source:* City Clerk

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

## Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of December 31, 2023, and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Gross Amount Applicable to Issuer</u>	<u>Net Amount Applicable to Issuer<sup>(1)</sup></u>
Pottawatomie County	\$26,163,729	8.09%	\$2,115,970	\$2,115,970
U.S.D. No. 320	24,710,000	55.62%	13,743,589	<u>11,210,646</u>
			Total	<u>\$13,326,616</u>

<sup>(1)</sup> Net Overlapping Debt for the Unified School District No. 320 (Wamego) excludes the portion to be paid by the State of Kansas pursuant to the School Finance Formula. For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 53% of debt service for the School District's bond, for bonds approved by voters after July 1, 2015, the State of Kansas will pay 13% of debt service for the School District's bond.

**Future Indebtedness**

The City plans to issue general obligation bonds to permanently finance the benefit district improvements funded by the Notes and Refunded Notes during the next two years. The City does plan to make improvements to the Electric System, which may be financed with revenue bonds.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

***APPENDIX B***

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

# **City of Wamego, Kansas**

**Financial Statement  
As of December 31, 2023  
and For the Year Then Ended**

**With Report by Independent Auditor**





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## INDEPENDENT AUDITOR'S REPORT

To the City Manager and City Commission of the  
City of Wamego, Kansas

### ***Adverse and Unmodified Opinions***

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Wamego, Kansas (the City), 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 my opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of my 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 my 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***

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

***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***

My 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 my 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, I:

- 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 my 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.

I am 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 I identified during the audit.

### ***Supplementary Information***

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, budget and summary of receipts and disbursements – agency funds and schedules of receipts and expenditures – related municipal entities (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 my 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.

Shipley CPA, LLC

Shipley CPA, LLC  
Topeka, Kansas  
June 4, 2024

## Statement 1

**City of Wamego, Kansas**  
**Summary Statement of Receipts, Expenditures and Unencumbered Cash**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
<b>General Fund:</b>						
General Fund	\$ 531,478	\$ 5,017,406	\$ 4,954,269	\$ 594,615	\$ 84,522	\$ 679,137
<b>Special Purpose Funds:</b>						
Library Fund	10,770	275,781	278,800	7,751	-	7,751
Library Employee Benefits Fund	1,418	37,648	38,000	1,066	-	1,066
Special Liability Fund	1,867	38	-	1,905	-	1,905
Special Parks and Recreation Fund	196,529	48,562	113,854	131,237	-	131,237
Special Highway Fund	76,006	143,389	147,143	72,252	8,802	81,054
Convention/Visitors Bureau Fund	-	62,307	62,307	-	-	-
Capital Improvement Reserve Fund	1,522,669	926,681	828,092	1,621,258	-	1,621,258
Equipment Reserve Fund	702,425	60,250	331,037	431,638	-	431,638
Law Enforcement Trust Fund	204	4	-	208	-	208
Fire Reserve Fund	216,954	71,747	513	288,188	-	288,188
Cemetery Lot Reserve Fund	55,002	2,421	-	57,423	-	57,423
Special Highway Reserve Fund	520,533	55,869	-	576,402	-	576,402
Restricted Reserve Fund	685,161	11,229	250,257	446,133	-	446,133
Police Rewards Fund	429	9	-	438	-	438
Permanent Maintenance Fund	88,131	5,257	-	93,388	-	93,388
COVID Fund	727,338	14,926	-	742,264	-	742,264
Opioid Fund	-	14,570	785	13,785	-	13,785
<b>Bond and Interest Fund:</b>						
Bond and Interest Fund	170,362	1,501,081	1,359,576	311,867	-	311,867
<b>Capital Project Funds:</b>						
Prairie Ridge #2 Fund	9,451	117	9,568	-	-	-
Industrial Commerce Route Fund	(591,410)	820,224	372,451	(143,637)	-	(143,637)
Valley Sewer Project Fund	16,976	2,447	19,423	-	-	-
ADIS Fund	4,305	88	-	4,393	-	4,393
Blower Replacement Fund	(500,316)	502,759	2,443	-	-	-
Street Improvements Fund	6,505,474	4,194,208	3,001,060	7,698,622	-	7,698,622
Library Project Fund	1,584,643	917,681	1,761,533	740,791	2,254	743,045
Water Line Project Fund	(470,813)	475,941	649,301	(644,173)	-	(644,173)
Highway 24 Turn Lane Fund	(454,255)	480,486	26,231	-	-	-
Shop Expansion Fund	22,121	633,671	655,792	-	-	-
Scenic Ridge Project Fund	(38,535)	3,551,907	3,158,049	355,323	64,762	420,085
N. Poplar Sewer Project Fund	(16,127)	53,854	37,727	-	-	-
Pickleball Project Fund	(323,997)	328,205	4,208	-	-	-
Municipal Road Waterline Fund	(114,958)	114,958	-	-	-	-

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

## Statement 1

**City of Wamego, Kansas**  
**Summary Statement of Receipts, Expenditures and Unencumbered Cash**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
<b>Capital Project Funds (continued):</b>						
Electric Upgrade Project Fund	\$ -	\$ 21,523	\$ 23,016	\$ (1,493)	1,493	\$ -
AMI Upgrade Project Fund	-	350,902	350,902	-	-	-
MIH 512 Spruce Project Fund	-	335,066	335,066	-	-	-
Cemetery Roads Project Fund	-	69,487	69,487	-	-	-
City Shop Demo Project Fund	-	22,714	22,714	-	-	-
<b>Business Funds:</b>						
Water Utility Fund	150,428	884,290	884,902	149,816	12,118	161,934
Wastewater Utility Fund	84,023	872,244	852,618	103,649	6,544	110,193
Electric Utility Fund	235,103	6,369,431	5,891,873	712,661	39,487	752,148
Storm Water Utility Fund	20,249	83,404	89,000	14,653	-	14,653
Water Reserve Fund	663,804	82,420	125,859	620,365	-	620,365
Wastewater Reserve Fund	588,994	61,737	56,689	594,042	-	594,042
Electric Reserve Fund	1,608,570	131,045	701,420	1,038,195	1,836	1,040,031
Storm Water Reserve Fund	180,462	92,454	-	272,916	-	272,916
<b>Related Municipal Entities:</b>						
Wamego Public Library Fund	1,054,398	460,779	1,183,637	331,540	8,618	340,158
Wamego City Hospital Fund	3,544,647	996,772	1,324,881	3,216,538	-	3,216,538
<b>Total Financial Reporting Entity (Excluding Agency Funds)</b>	<u>\$ 19,270,513</u>	<u>\$ 31,159,989</u>	<u>\$ 29,974,483</u>	<u>\$ 20,456,019</u>	<u>\$ 230,436</u>	<u>\$ 20,686,455</u>

**Composition of Cash:**

Checking accounts	\$ 3,756,555
Certificates of deposit	1,025,000
Money market	15,176,885
Investments	728,821
Petty cash	70
<b>Total Primary Government</b>	<u>20,687,331</u>
<b>Less: Agency Funds per Schedule 3</b>	<u>(876)</u>
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<u>\$ 20,686,455</u>

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

## City of Wamego, Kansas

### Notes to the Financial Statement December 31, 2023

#### **Note 1 – Summary of Significant Accounting Policies**

##### **Municipal Financial Reporting Entity**

The City of Wamego, Kansas (the City), is a municipal corporation governed by an elected five-member commission-manager form of government. This financial statement presents the City and its related municipal entities. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents.

##### **Wamego Public Library**

The Wamego Public Library (the WPL), is organized under K.S.A. 12-1218. The City levies a property tax for the WPL under K.S.A 79-1952, which is deposited in the City's Library Fund and transferred to the WPL for its operations.

##### **Wamego City Hospital**

The Wamego City Hospital (the WCH), is organized under K.S.A 12-1615. In 2002, the WCH entered into an agreement with the Wamego Hospital Association to operate its 26-bed acute care facility. In 1993, the City levied a sales tax to provide funds for the WCH.

Separate financial statements of the individual related municipal entities may be obtained from their respective administrative offices.

##### **Regulatory Basis Fund Types**

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

The following types of funds were utilized in recording the financial activities of the City for the year 2023:

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

**Special Purpose funds** – Used to account for the proceeds of specific tax levies and other specific regulatory receipt sources that are intended for specified purposes.

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

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

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

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

## City of Wamego, Kansas

### Notes to the Financial Statement December 31, 2023

#### **Note 1 – Summary of Significant Accounting Policies (continued)**

##### **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.

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 regulatory basis of accounting.

##### **Reimbursed Expenses**

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

#### **Note 2 – Budgetary Information**

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There was one such amendment to the 2023 budget in the Special Parks and Recreation Fund.



## City of Wamego, Kansas

### Notes to the Financial Statement December 31, 2023

#### **Note 2 – Budgetary Information (continued)**

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues 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 and the following special purpose funds and business funds:

Special Purpose Funds: Capital Improvement Reserve Fund, Equipment Reserve Fund, Law Enforcement Trust Fund, Fire Reserve Fund, Cemetery Lot Reserve Fund, Special Highway Reserve Fund, Cemetery Lot Reserve Fund, Permanent Maintenance Fund, Police Rewards Fund, COVID Fund, Opioid Fund and Restricted Reserve Fund.

Business Funds: Water Reserve Fund, Wastewater Reserve Fund, Storm Water Reserve Fund and Electric Reserve Fund.

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

#### **Note 3 – Deposits and Investments**

At December 31, 2023, the City had had the following investments:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities in Years</u>	<u>Rating</u>	<u>Percentage of Investment</u>
Cash and cash equivalents	\$ 622,394	\$ 622,394	N/A	N/A	85%
Investment pool	106,427	106,427	N/A	N/A	15%
	<u>\$ 728,821</u>	<u>\$ 728,821</u>			

The WCH also has various investments. These investments are included in the City's financial statement and composition of cash as presented in Statement 1, at cost.

## City of Wamego, Kansas

### Notes to the Financial Statement December 31, 2023

#### **Note 3 – Deposits and Investments (continued)**

The WPL has set up a designated fund through which third party donors can contribute to for the benefit of the WPL. The designated fund had a cost and fair market value of \$4,261 and \$5,284, respectively, at December 31, 2023. All contributions by outside donors into this designated fund will not be recognized until requested and subsequently received by the WPL.

The City has set up a designated fund through which third party donors can contribute to for the benefit of the City. The designated fund had a cost and fair market value of \$124,067 and \$131,098, respectively, at December 31, 2023. All contributions by outside donors into this designated fund will not be recognized until requested and subsequently received by the City.

K.S.A. 12-1225 governs the investing of private gift money given to the WPL. K.S.A. 12-1675 authorizes the WPL to invest public funds in U.S. Treasury bills and notes, repurchase agreements, the State Municipal Investment Pool, and others. K.S.A. 12-1 225 authorizes the Library Board to invest private gift monies in the manner to best serve the interests of the WPL. Investments relating to private gift money consist of U.S. Treasury obligations, federal agency obligations, common stocks, various other bond instruments, and others. Investments are reported at cost on the books of the WPL. The fair value of these investments are reflected above.

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 and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

*Concentration of credit risk – investments.* 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. As described above the WPL, under K.S.A. 12-1225, is authorized to invest private gift monies as approved by the Library Board.

*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, except during designated "peak periods" when required coverage is 50%. The City did not have a peak period pledge agreement during 2023, and therefore the City did not designate peak periods.

**City of Wamego, Kansas**

**Notes to the Financial Statement  
December 31, 2023**

**Note 3 – Deposits and Investments (continued)**

At December 31, 2023, the carrying amount of the City's deposits, including certificates of deposit, was \$17,130,635 and the bank balance was \$16,618,868. The bank balance was held at three banks. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, \$750,000 was covered by FDIC insurance and the remaining was collateralized by pledged securities and or letters of credit held under joint custody receipts issued by a third-party bank in the City's name.

**Related Municipal Entity**

At December 31, 2023, the carrying amount of the WPL deposits, including certificates of deposit, was \$233,661 and the bank balance was \$198,689. The bank balance was held at one bank. The difference between the carrying amount and the bank balance is outstanding checks and deposits. The bank balance was covered by FDIC insurance.

At December 31, 2023, the carrying amount of the WCH deposits, including certificates of deposit, was \$2,594,144 and the bank balance was \$3,260,661. The bank balance was held at five banks. The difference between the carrying amount and the bank balance is outstanding checks and deposits. Of the bank balance, \$640,562 was covered by FDIC, and the remainder was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the WCH'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.

**Note 4 – Compliance, Stewardship and Accountability**

K.S.A. 10-1113 requires that expenditures be made in compliance with the cash basis law which requires that no indebtedness be created for a fund in excess of available monies in that fund. At December 31, 2023, the Industrial Commerce Route Fund and the Water Line Project Fund had negative ending unencumbered cash balances of \$143,637 and \$644,173, respectively. These funds appear to be in violation of this statute. All of these funds are project funds where the City was waiting on reimbursements at year end.

**City of Wamego, Kansas**

**Notes to the Financial Statement  
December 31, 2023**

**Note 5 – Long-Term Debt**

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest and Service Fee Paid
<b>General Obligation Bonds:</b>									
Series 2014	2.00%-3.625%	10/28/2014	\$ 1,790,000	8/1/2029	\$ 740,000	\$ -	\$ 140,000	\$ 600,000	\$ 32,206
Series 2015	1.375%-4.0%	10/22/2015	510,000	8/1/2036	100,000	-	25,000	75,000	14,325
Series 2018-A	2.0%-3.75%	6/5/2018	5,660,000	8/1/2033	2,360,000	-	390,000	1,970,000	145,325
Series 2020	3.00%	2/11/2020	2,605,000	8/1/2035	2,205,000	-	140,000	2,065,000	66,150
Series 2021-A	3.00%	4/20/2021	8,290,000	8/1/2041	8,060,000	-	295,000	7,765,000	241,800
Series 2021-B Refunding	.45%-2.33%	7/29/2021	2,785,000	8/1/2036	2,735,000	-	70,000	2,665,000	44,732
Series 2022	3.00%-4.00%	4/5/2022	725,000	8/1/2042	725,000	-	20,000	705,000	35,369
<b>Temporary Note:</b>									
Series 2023	4.00%	3/21/2023	7,745,000	3/1/2027	-	7,745,000	-	7,745,000	-
<b>KDHE Revolving Lonas:</b>									
Loan 3036	1.36%	4/1/2021	1,453,194	8/1/2042	27,406	475,941	-	503,347	2,603
Loan C20 3013	1.30%	2/1/2021	590,160	9/1/2042	58,528	499,923	29,723	528,728	2,814
<b>Capital Leases:</b>									
Fire Truck Lease	2.9%	9/27/2016	300,000	11/1/2026	130,000	-	30,000	100,000	3,770
<b>Total Contractual Indebtedness</b>					<u>\$ 17,140,934</u>	<u>\$ 8,720,864</u>	<u>\$ 1,139,723</u>	<u>\$ 24,722,075</u>	<u>\$ 589,094</u>

During 2023, the City issued Series 2023 General Obligation Temporary Notes in the amount of \$7,745,000 for the to pay the costs of several street project improvements and benefit district improvements.

The City continues to draw down on the KDHE revolving loans for projects related to the City’s public water supply system and replacement of the aeration blowers. Repayments started in 2023 for the Loan C20 3013 and will start in 2024 for Loan 3036 and this loan is not included in the future maturities schedule.

City of Wamego, Kansas

Notes to the Financial Statement  
December 31, 2023

**Note 5 – Long-Term Debt (continued)**

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

	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	Total
<b>Principal</b>									
Series 2014	\$ 145,000	\$ 145,000	\$ 155,000	\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Series 2015	25,000	25,000	25,000	-	-	-	-	-	75,000
Series 2018-A	400,000	415,000	425,000	330,000	-	-	400,000	-	1,970,000
Series 2020	145,000	150,000	155,000	160,000	165,000	895,000	395,000	-	2,065,000
Series 2021-A	300,000	340,000	355,000	365,000	380,000	2,050,000	2,375,000	1,600,000	7,765,000
Series 2021-B Refunding	45,000	45,000	45,000	70,000	560,000	1,825,000	75,000	-	2,665,000
Series 2022	25,000	30,000	30,000	30,000	30,000	165,000	205,000	190,000	705,000
Fire Truck Lease	30,000	35,000	35,000	-	-	-	-	-	100,000
Loan C20 3013	26,357	26,701	27,049	27,401	27,759	144,321	153,982	95,158	528,728
Series 2023 Temporary Note	-	3,720,000	-	4,025,000	-	-	-	-	7,745,000
	<u>1,141,357</u>	<u>4,931,701</u>	<u>1,252,049</u>	<u>5,162,401</u>	<u>1,162,759</u>	<u>5,079,321</u>	<u>3,603,982</u>	<u>1,885,158</u>	<u>24,218,728</u>
<b>Interest</b>									
Series 2014	29,056	29,056	21,082	16,432	-	-	-	-	95,626
Series 2015	13,763	13,200	12,200	-	-	-	-	-	39,163
Series 2018-A	133,625	121,625	109,175	96,425	-	-	14,500	-	475,350
Series 2020	61,950	57,600	53,100	48,450	43,650	141,450	17,850	-	424,050
Series 2021-A	232,950	223,950	213,750	203,100	192,150	784,200	457,800	97,050	2,404,950
Series 2021-B Refunding	44,368	44,040	43,602	43,100	42,168	89,906	3,496	-	310,680
Series 2022	26,150	25,400	24,500	23,600	22,700	98,500	63,000	19,400	303,250
Fire Truck Lease	2,900	2,030	1,015	-	-	-	-	-	5,945
Loan C20 3013	7,249	6,905	6,557	6,205	5,847	23,709	14,048	39,258	109,778
Series 2023 Temporary Note	227,189	235,400	161,000	80,500	-	-	-	-	704,089
	<u>779,200</u>	<u>759,206</u>	<u>645,981</u>	<u>517,812</u>	<u>306,515</u>	<u>1,137,765</u>	<u>570,694</u>	<u>155,708</u>	<u>4,872,881</u>
	<u>\$ 1,920,557</u>	<u>\$ 5,690,907</u>	<u>\$ 1,898,030</u>	<u>\$ 5,680,213</u>	<u>\$ 1,469,274</u>	<u>\$ 6,217,086</u>	<u>\$ 4,174,676</u>	<u>\$ 2,040,866</u>	<u>\$ 29,091,609</u>

**City of Wamego, Kansas**

**Notes to the Financial Statement  
December 31, 2023**

**Note 6 – Property Taxes**

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amounts of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

**Note 7 – Interfund Transactions**

Operating transfers were as follows:

<b>From</b>	<b>To</b>	<b>Amount</b>	<b>Authority</b>
General Fund	Equipment Reserve Fund	\$ 50,000	K.S.A 12-1,118
General Fund	Capital Improvement Reserve Fund	900,000	K.S.A 12-1,117
General Fund	Fire Reserve Fund	50,000	K.S.A 12-1,117
General Fund	Cemetery Roads Project Fund	34,743	n/a
Water Utility Fund	Water Reserve Fund	70,000	K.S.A 12-1,825d
Water Utility Fund	General Fund	100,000	K.S.A 12-1,825d
Wastewater Utility Fund	Wastewater Reserve Fund	50,000	K.S.A 12-1,825d
Electric Utility Fund	Electric Reserve Fund	100,000	K.S.A 12-1,825d
Electric Utility Fund	General Fund	600,000	K.S.A 12-1,825d
Electric Utility Fund	Electric Upgrade Project Fund	21,523	n/a
Restricted Reserve Fund	Pickleball Project Fund	100,000	n/a
Industrial Commerce Route Fund	Highway 24 Turn Lane Fund	372,362	n/a
Water Reserve Fund	Water Line Project Fund	114,958	n/a
Prairie Ridge #2 Fund	Street Improvements Fund	9,568	n/a
Capital Improvement Reserve Fund	Industrial Commerce Route Fund	327,950	n/a
Capital Improvement Reserve Fund	Shop Expansion Fund	316,826	n/a
Capital Improvement Reserve Fund	City Shop Demo Project Fund	22,714	n/a
Capital Improvement Reserve Fund	Highway 24 Turn Lane Fund	108,124	n/a
Capital Improvement Reserve Fund	Cemetery Roads Project Fund	34,744	n/a
Capital Improvement Reserve Fund	Valley Sewer Project Fund	2,236	n/a
Water Reserve Fund	AMI Upgrade Project Fund	4,085	n/a
Wastewater Reserve Fund	Blower Replacement Fund	2,835	n/a
Wastewater Reserve Fund	N. Poplar Sewer Project Fund	53,854	n/a
Electric Reserve Fund	Shop Expansion Fund	316,825	n/a
Electric Reserve Fund	Pickleball Project Fund	44,595	n/a
Electric Reserve Fund	AMI Upgrade Project Fund	340,000	n/a
Storm Water Utility Fund	Storm Water Reserve Fund	89,000	K.S.A 12-1,825d
Special Parks and Recreation Fund	Pickleball Project Fund	113,854	n/a
Special Highway Fund	Special Highway Reserve Fund	45,249	K.S.A 68-590

**City of Wamego, Kansas**

**Notes to the Financial Statement  
December 31, 2023**

**Note 8 – Capital Projects**

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

<b><u>Project Name</u></b>	<b><u>Project Authorization</u></b>	<b><u>Expended To Date</u></b>
Street Improvements	\$ 14,011,005	\$ 4,115,632
Library	3,076,246	2,354,467
Scenic Ridge	3,429,853	3,196,584
N Poplar Sewer	58,600	53,854
Electric Upgrade	72,500	23,016
AMI Upgrade	852,199	350,902
City Shop Demo	27,740	22,714

**Note 9 – Other Long-Term Obligations from Operations**

**Compensated Absences**

The City's policy regarding personal time off (PTO) pay permits employees to carry over no more than 40 hours of vacation time as of the employee's anniversary date. Policy prohibits payment for vacation time in lieu of time off. For employees terminating in good standing, unused PTO will be paid out on a prorated basis determined by the number of months worked. The City's policy regarding sick pay permits employees to accumulate a maximum of ninety working days of sick pay. Policy does not provide for payment of accumulated sick pay on the date of employment termination.

**Note 10 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

The City pays an annual premium to Kansas Municipal Insurance Trust for its worker's compensation and employer's liability insurance coverage. The agreement to participate provides that the Municipalities will be self-sustaining through member premiums. Additional premiums may be due if total claims for the pool are different than what has been anticipated by pool administrator.

The City continues to carry commercial insurance for all other risks of loss, including general liability, crime, inland marine, errors and omissions, business auto, and property. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## City of Wamego, Kansas

### Notes to the Financial Statement December 31, 2023

#### **Note 11 – 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](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 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% for the Death and Disability Program) and the statutory contribution rate was 8.43% for KPERS and 22.86% for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were \$175,283 for KPERS and \$57,698 for KP&F 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 \$1,955,457 and \$603,347 for KP&F. 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 nonemployer 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](http://www.kpers.org) or can be obtained as described above.



## City of Wamego, Kansas

### Notes to the Financial Statement December 31, 2023

#### **Note 12 – 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 municipality 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 government 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.

#### **Death and Disability Other Post-Employment Benefits**

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

#### **Note 13 – Conduit Debt**

The City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are generally payable from and secured by the project financed and if needed, additional assets or revenues of the private-sector entities serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. As of December 31, 2023, the City is not tracking the amounts outstanding from conduit debt.

#### **Note 14 – Donor Restricted Fund Balance**

Donor restricted fund balance at December 31, 2023 is for the following purposes:

City Park Improvements	\$ 53,799
Cemetery Maintenance and Improvements	301,053
KDHE improvements	209,937

#### **Note 15 – Evaluation of Subsequent Events**

The City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, which is the date the financial statement was available for issue.

## **Regulatory-Required Supplementary Information**

**City of Wamego, Kansas**  
**Summary of Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
<b>General Fund:</b>					
General Fund	\$ 5,710,880	\$ -	\$ 5,710,880	\$ 4,954,269	\$ (756,611)
<b>Special Purpose Funds:</b>					
Library Fund	278,800	-	278,800	278,800	-
Library Employee Benefits Fund	38,000	-	38,000	38,000	-
Special Liability Fund	-	-	-	-	-
Special Parks and Recreation Fund	207,611	-	207,611	113,854	(93,757)
Special Highway Fund	177,749	-	177,749	147,143	(30,606)
Convention/Visitors Bureau Fund	66,000	-	66,000	62,307	(3,693)
<b>Bond and Interest Fund:</b>					
Bond and Interest Fund	1,359,602	-	1,359,602	1,359,576	(26)
<b>Business Funds:</b>					
Water Utility Fund	1,039,747	-	1,039,747	884,902	(154,845)
Wastewater Utility Fund	1,046,409	-	1,046,409	852,618	(193,791)
Electric Utility Fund	7,465,546	-	7,465,546	5,891,873	(1,573,673)
Storm Water Utility Fund	96,137	-	96,137	89,000	(7,137)

City of Wamego, Kansas  
General Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Ad valorem tax	\$ 980,011	\$ 989,202	\$ (9,191)
Delinquent tax	10,140	5,000	5,140
Motor vehicle tax	76,074	67,074	9,000
Recreational vehicle tax	1,862	1,347	515
16/20M vehicle tax	-	30	(30)
Commercial vehicle tax	8,872	-	8,872
Licenses, permits and fees	42,307	50,000	(7,693)
Liquor tax	44,234	16,500	27,734
Franchise fees	333,213	350,000	(16,787)
Dog licenses	380	600	(220)
Fines and fees	28,230	30,000	(1,770)
Cemetery lots and sales	1,135	4,000	(2,865)
Rentals	5,525	7,000	(1,475)
Local sales tax	1,051,828	935,000	116,828
County sales tax	1,109,748	1,100,000	9,748
Cemetery lot open and close	9,600	12,000	(2,400)
Special park/cemetery donations	29,554	20,000	9,554
Reimbursements	178,600	175,000	3,600
Utility loan fund	-	2,000	(2,000)
Airport revenue	28,158	8,000	20,158
Recreation revenue	179,271	200,000	(20,729)
Aquatic center	133,323	280,000	(146,677)
Excise tax	-	85	(85)
In lieu of taxes	2,425	2,000	425
Interest on idle funds	22,642	10,000	12,642
Miscellaneous	40,274	15,000	25,274
Transfers in	700,000	800,000	(100,000)
<b>Total Receipts</b>	<u>5,017,406</u>	<u>\$ 5,079,838</u>	<u>\$ (62,432)</u>

City of Wamego, Kansas  
General Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
<b>Expenditures</b>			
Administration	\$ 315,024	\$ 286,993	\$ 28,031
Police	799,086	912,500	(113,414)
Municipal court	86,170	87,930	(1,760)
Fire	153,937	181,500	(27,563)
Streets	268,367	474,190	(205,823)
Parks	341,902	359,200	(17,298)
Cemetery	98,213	134,900	(36,687)
Noxious weeds	-	2,000	(2,000)
Legal	31,147	45,400	(14,253)
Planning and zoning	93,134	96,855	(3,721)
Recreation	231,581	369,600	(138,019)
Aquatic center	449,650	488,750	(39,100)
Aquatic tech	104,751	85,000	19,751
Airport	57,989	46,400	11,589
Public safety	168,410	245,000	(76,590)
Utility extension loan fund	11,695	5,000	6,695
Special parks/cemetery projects	-	5,000	(5,000)
Special police	-	5,000	(5,000)
Capital outlay	10,000	600,000	(590,000)
Transfers out	1,034,743	350,000	684,743
Employee benefits	698,470	929,662	(231,192)
<b>Total Expenditures</b>	<u>4,954,269</u>	<u>\$ 5,710,880</u>	<u>\$ (756,611)</u>
<b>Receipts Over (Under) Expenditures</b>	63,137		
<b>Unencumbered Cash, Beginning</b>	<u>531,478</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 594,615</u>		

**City of Wamego, Kansas**  
**Library Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Ad valorem tax	\$ 250,617	\$ 250,876	\$ (259)
Delinquent tax	12,926	-	12,926
Motor vehicle tax	9,324	19,056	(9,732)
Recreational vehicle tax	395	383	12
16/20M vehicle tax	-	8	(8)
CMV tax	2,519	-	2,519
Excise tax	-	25	(25)
<b>Total Receipts</b>	<u>275,781</u>	<u><u>\$ 270,348</u></u>	<u><u>\$ 5,433</u></u>
<b>Expenditures</b>			
Appropriations	<u>278,800</u>	<u>\$ 278,800</u>	<u>\$ -</u>
<b>Total Expenditures</b>	<u>278,800</u>	<u><u>\$ 278,800</u></u>	<u><u>\$ -</u></u>
<b>Receipts Over (Under) Expenditures</b>	(3,019)		
<b>Unencumbered Cash, Beginning</b>	<u>10,770</u>		
<b>Unencumbered Cash, Ending</b>	<u><u>\$ 7,751</u></u>		

**City of Wamego, Kansas**  
**Library Employee Benefit Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Ad valorem tax	\$ 33,560	\$ 33,892	\$ (332)
Delinquent tax	401	-	401
Motor vehicle tax	3,243	2,912	331
Recreational vehicle tax	59	59	-
16/20M vehicle tax	-	1	(1)
CMV tax	385	-	385
Excise tax	-	4	(4)
<b>Total Receipts</b>	<u>37,648</u>	<u>\$ 36,868</u>	<u>\$ 780</u>
<b>Expenditures</b>			
Appropriations	<u>38,000</u>	<u>\$ 38,000</u>	<u>\$ -</u>
<b>Total Expenditures</b>	<u>38,000</u>	<u>\$ 38,000</u>	<u>\$ -</u>
<b>Receipts Over (Under) Expenditures</b>	(352)		
<b>Unencumbered Cash, Beginning</b>	<u>1,418</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 1,066</u>		

**City of Wamego, Kansas**  
**Special Liability Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Interest on idle funds	\$ 38	\$ 50	\$ (12)
<b>Total Receipts</b>	<u>38</u>	<u>\$ 50</u>	<u>\$ (12)</u>
<b>Expenditures</b>			
Contractual services	-	\$ -	\$ -
<b>Total Expenditures</b>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Receipts Over (Under) Expenditures</b>	38		
<b>Unencumbered Cash, Beginning</b>	<u>1,867</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 1,905</u>		



**City of Wamego, Kansas**  
**Special Parks and Recreation Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Liquor tax	\$ 44,234	\$ 16,500	\$ 27,734
Miscellaneous	100	-	100
Interest on idle funds	<u>4,228</u>	<u>500</u>	<u>3,728</u>
<b>Total Receipts</b>	<u>48,562</u>	<u>\$ 17,000</u>	<u>\$ 31,562</u>
<b>Expenditures</b>			
Capital outlay	-	\$ 207,611	\$ (207,611)
Transfers out	<u>113,854</u>	<u>-</u>	<u>113,854</u>
<b>Total Expenditures</b>	<u>113,854</u>	<u>\$ 207,611</u>	<u>\$ (93,757)</u>
<b>Receipts Over (Under) Expenditures</b>	(65,292)		
<b>Unencumbered Cash, Beginning</b>	<u>196,529</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 131,237</u>		

**City of Wamego, Kansas**  
**Special Highway Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
State of Kansas gas tax	\$ 131,711	\$ 131,570	\$ 141
Connecting link	8,940	8,950	(10)
Interest on idle funds	<u>2,738</u>	<u>1,000</u>	<u>1,738</u>
<b>Total Receipts</b>	<u>143,389</u>	<u>\$ 141,520</u>	<u>\$ 1,869</u>
<b>Expenditures</b>			
Contractual services	6,238	\$ 35,000	\$ (28,762)
Commodities	75,546	63,000	12,546
Capital outlay	20,110	34,500	(14,390)
Transfers out	<u>45,249</u>	<u>45,249</u>	<u>-</u>
<b>Total Expenditures</b>	<u>147,143</u>	<u>\$ 177,749</u>	<u>\$ (30,606)</u>
<b>Receipts Over (Under) Expenditures</b>	(3,754)		
<b>Unencumbered Cash, Beginning</b>	<u>76,006</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 72,252</u>		

**City of Wamego, Kansas**  
**Convention/Visitors Bureau Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Transient guest tax	\$ 62,307	\$ 66,000	\$ (3,693)
<b>Total Receipts</b>	<u>62,307</u>	<u>\$ 66,000</u>	<u>\$ (3,693)</u>
<b>Expenditures</b>			
Appropriation	<u>62,307</u>	\$ 66,000	\$ (3,693)
<b>Total Expenditures</b>	<u>62,307</u>	<u>\$ 66,000</u>	<u>\$ (3,693)</u>
<b>Receipts Over (Under) Expenditures</b>	-		
<b>Unencumbered Cash, Beginning</b>	<u>-</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ -</u>		

City of Wamego, Kansas  
**Summary of Non-Budgeted Special Purpose Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<b>Capital Improvement Reserve Fund</b>	<b>Equipment Reserve Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Fire Reserve Fund</b>
<b>Receipts</b>				
Interest on idle funds	\$ 26,681	\$ 10,250	\$ 4	\$ 4,766
Reimbursements	-	-	-	16,981
Transfers in	900,000	50,000	-	50,000
<b>Total Receipts</b>	<b>926,681</b>	<b>60,250</b>	<b>4</b>	<b>71,747</b>
<b>Expenditures</b>				
Capital outlay	15,498	331,037	-	513
Transfers out	812,594	-	-	-
<b>Total Expenditures</b>	<b>828,092</b>	<b>331,037</b>	<b>-</b>	<b>513</b>
<b>Receipts Over (Under) Expenditures</b>	<b>98,589</b>	<b>(270,787)</b>	<b>4</b>	<b>71,234</b>
<b>Unencumbered Cash, Beginning</b>	<b>1,522,669</b>	<b>702,425</b>	<b>204</b>	<b>216,954</b>
<b>Unencumbered Cash, Ending</b>	<b>\$ 1,621,258</b>	<b>\$ 431,638</b>	<b>\$ 208</b>	<b>\$ 288,188</b>

City of Wamego, Kansas  
**Summary of Non-Budgeted Special Purpose Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<b>Cemetery Lot Reserve Fund</b>	<b>Special Highway Reserve Fund</b>	<b>Restricted Reserve Fund</b>
<b>Receipts</b>			
Cemetery lot sales	\$ 1,135	\$ -	\$ -
Interest on idle funds	1,286	10,620	11,229
Transfers in	-	45,249	-
	<u>2,421</u>	<u>55,869</u>	<u>11,229</u>
<b>Total Receipts</b>	<u>2,421</u>	<u>55,869</u>	<u>11,229</u>
<b>Expenditures</b>			
Contractual services		-	150,257
Transfers out	-	-	100,000
	<u>-</u>	<u>-</u>	<u>250,257</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>250,257</u>
<b>Receipts Over (Under) Expenditures</b>	2,421	55,869	(239,028)
<b>Unencumbered Cash, Beginning</b>	<u>55,002</u>	<u>520,533</u>	<u>685,161</u>
<b>Unencumbered Cash, Ending</b>	<u><u>\$ 57,423</u></u>	<u><u>\$ 576,402</u></u>	<u><u>\$ 446,133</u></u>

City of Wamego, Kansas  
**Summary of Non-Budgeted Special Purpose Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Police Rewards Fund</u>	<u>Permanent Maintenance Fund</u>	<u>COVID Fund</u>	<u>Opioid Fund</u>
<b>Receipts</b>				
Miscellaneous receipts	\$ -	\$ 3,405	\$ -	\$ 14,328
Interest on idle funds	9	1,852	14,926	242
Grants	-	-	-	-
<b>Total Receipts</b>	<u>9</u>	<u>5,257</u>	<u>14,926</u>	<u>14,570</u>
<b>Expenditures</b>				
Contractual services	-	-	-	785
Transfers out	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>785</u>
<b>Receipts Over (Under) Expenditures</b>	9	5,257	14,926	13,785
<b>Unencumbered Cash, Beginning</b>	<u>429</u>	<u>88,131</u>	<u>727,338</u>	<u>-</u>
<b>Unencumbered Cash, Ending</b>	<u><u>\$ 438</u></u>	<u><u>\$ 93,388</u></u>	<u><u>\$ 742,264</u></u>	<u><u>\$ 13,785</u></u>

City of Wamego, Kansas  
Bond and Interest Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Ad valorem tax	\$ 921,605	\$ 930,086	\$ (8,481)
Delinquent tax	11,563	-	11,563
Motor vehicle tax	92,856	85,074	7,782
Recreational vehicle tax	2,290	1,709	581
16/20M vehicle tax	-	37	(37)
CMV tax	11,237	-	11,237
Special assessments	243,056	245,184	(2,128)
Excise tax	-	95	(95)
Interest on idle funds	8,501	1,000	7,501
Loan proceeds	209,973	-	209,973
Transfers in	-	-	-
<b>Total Revenues</b>	<u>1,501,081</u>	<u>\$ 1,263,185</u>	<u>\$ 237,896</u>
<b>Expenditures</b>			
Principal	940,000	\$ 940,000	\$ -
Interest	419,576	419,602	(26)
Transfers out	-	-	-
<b>Total Expenditures</b>	<u>1,359,576</u>	<u>\$ 1,359,602</u>	<u>\$ (26)</u>
<b>Receipts Over (Under) Expenditures</b>	141,505		
<b>Unencumbered Cash, Beginning</b>	<u>170,362</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 311,867</u>		

## Schedule 2

City of Wamego, Kansas  
**Summary of Non-Budgeted Capital Project Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Prairie Ridge #2 Fund</u>	<u>Industrial Commerce Route Fund</u>	<u>Valley Sewer Project Fund</u>	<u>ADIS Fund</u>	<u>Blower Replacement Fund</u>
<b>Receipts</b>					
Reimbursements	\$ -	\$ 492,274	\$ -	\$ -	\$ 499,924
Transfers in	-	327,950	2,236	-	2,835
Interest on idle funds	117	-	211	88	-
	<u>117</u>	<u>-</u>	<u>211</u>	<u>88</u>	<u>-</u>
<b>Total Receipts</b>	<u>117</u>	<u>820,224</u>	<u>2,447</u>	<u>88</u>	<u>502,759</u>
<b>Expenditures</b>					
Capital outlay	-	89	19,423	-	2,443
Transfers out	9,568	372,362	-	-	-
	<u>9,568</u>	<u>372,362</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>9,568</u>	<u>372,451</u>	<u>19,423</u>	<u>-</u>	<u>2,443</u>
<b>Receipts Over (Under) Expenditures</b>	(9,451)	447,773	(16,976)	88	500,316
<b>Unencumbered Cash, Beginning</b>	<u>9,451</u>	<u>(591,410)</u>	<u>16,976</u>	<u>4,305</u>	<u>(500,316)</u>
<b>Unencumbered Cash, Ending</b>	<u>\$ -</u>	<u>\$ (143,637)</u>	<u>\$ -</u>	<u>\$ 4,393</u>	<u>\$ -</u>



## Schedule 2

City of Wamego, Kansas  
**Summary of Non-Budgeted Capital Project Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<b><u>Street Improvements Fund</u></b>	<b><u>Library Project Fund</u></b>	<b><u>Water Line Project Fund</u></b>	<b><u>Highway 24 Turn Lane Fund</u></b>	<b><u>Shop Expansion Fund</u></b>
<b>Receipts</b>					
Reimbursements	\$ -	\$ 900,668	\$ 475,941	\$ -	\$ -
Transfers in	9,568	-	-	480,486	633,651
Loan proceeds	4,018,359	-	-	-	-
Interest on idle funds	166,281	17,013	-	-	20
<b>Total Receipts</b>	<b><u>4,194,208</u></b>	<b><u>917,681</u></b>	<b><u>475,941</u></b>	<b><u>480,486</u></b>	<b><u>633,671</u></b>
<b>Expenditures</b>					
Capital outlay	<u>3,001,060</u>	<u>1,761,533</u>	<u>649,301</u>	<u>26,231</u>	<u>655,792</u>
<b>Total Expenditures</b>	<b><u>3,001,060</u></b>	<b><u>1,761,533</u></b>	<b><u>649,301</u></b>	<b><u>26,231</u></b>	<b><u>655,792</u></b>
<b>Receipts Over (Under) Expenditures</b>	1,193,148	(843,852)	(173,360)	454,255	(22,121)
<b>Unencumbered Cash, Beginning</b>	<u>6,505,474</u>	<u>1,584,643</u>	<u>(470,813)</u>	<u>(454,255)</u>	<u>22,121</u>
<b>Unencumbered Cash, Ending</b>	<b><u>\$ 7,698,622</u></b>	<b><u>\$ 740,791</u></b>	<b><u>\$ (644,173)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

City of Wamego, Kansas  
**Summary of Non-Budgeted Capital Project Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<b>Scenic Ridge Project Fund</b>	<b>N. Poplar Sewer Project Fund</b>	<b>Pickleball Project Fund</b>	<b>Municipal Road Waterline Fund</b>
<b>Receipts</b>				
Reimbursements	\$ -	\$ -	\$ 69,756	\$ -
Loan proceeds	3,516,668	-	-	-
Transfers in	-	53,854	258,449	114,958
Interest on idle funds	35,239	-	-	-
<b>Total Receipts</b>	<b>3,551,907</b>	<b>53,854</b>	<b>328,205</b>	<b>114,958</b>
<b>Expenditures</b>				
Capital outlay	3,147,241	37,727	4,208	-
Bond premium/discount	10,808	-	-	-
<b>Total Expenditures</b>	<b>3,158,049</b>	<b>37,727</b>	<b>4,208</b>	<b>-</b>
<b>Receipts Over (Under) Expenditures</b>	<b>393,858</b>	<b>16,127</b>	<b>323,997</b>	<b>114,958</b>
<b>Unencumbered Cash, Beginning</b>	<b>(38,535)</b>	<b>(16,127)</b>	<b>(323,997)</b>	<b>(114,958)</b>
<b>Unencumbered Cash, Ending</b>	<b>\$ 355,323</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Schedule 2

City of Wamego, Kansas  
**Summary of Non-Budgeted Capital Project Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<b>Electric Upgrade Project Fund</b>	<b>AMI Upgrade Project Fund</b>	<b>MIH 512 Spruce Project Fund</b>	<b>Cemetery Roads Project Fund</b>	<b>City Shop Demo Project Fund</b>
<b>Receipts</b>					
Reimbursements	\$ -	\$ 6,817	\$ -	\$ -	\$ -
Transfers in	21,523	344,085	-	69,487	22,714
Grants	-	-	335,066	-	-
Interest on idle funds	-	-	-	-	-
<b>Total Receipts</b>	<b>21,523</b>	<b>350,902</b>	<b>335,066</b>	<b>69,487</b>	<b>22,714</b>
<b>Expenditures</b>					
Capital outlay	23,016	350,902	335,066	69,487	22,714
<b>Total Expenditures</b>	<b>23,016</b>	<b>350,902</b>	<b>335,066</b>	<b>69,487</b>	<b>22,714</b>
<b>Receipts Over (Under) Expenditures</b>	<b>(1,493)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unencumbered Cash, Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unencumbered Cash, Ending</b>	<b>\$ (1,493)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Wamego, Kansas**  
**Water Utility Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Water sales	\$ 848,805	\$ 865,000	\$ (16,195)
Penalties	6,754	10,884	(4,130)
Sales tax	11,495	9,000	2,495
Tapping fees	5,200	19,100	(13,900)
Interest on idle funds	5,515	1,500	4,015
Miscellaneous	310	1,000	(690)
Reimbursements	<u>6,211</u>	<u>12,000</u>	<u>(5,789)</u>
<b>Total Receipts</b>	<u>884,290</u>	<u>\$ 918,484</u>	<u>\$ (34,194)</u>
<b>Expenditures</b>			
Commercial and general	159,586	\$ 164,839	\$ (5,253)
Production	299,230	301,384	(2,154)
Distribution	206,599	298,990	(92,391)
Debt service	49,487	104,534	(55,047)
Transfers out	<u>170,000</u>	<u>170,000</u>	<u>-</u>
<b>Total Expenditures</b>	<u>884,902</u>	<u>\$ 1,039,747</u>	<u>\$ (154,845)</u>
<b>Receipts Over (Under) Expenditures</b>	(612)		
<b>Unencumbered Cash, Beginning</b>	<u>150,428</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 149,816</u>		

**City of Wamego, Kansas**  
**Wastewater Utility Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Sewer service charges	\$ 861,073	\$ 895,000	\$ (33,927)
Penalties	8,468	15,982	(7,514)
Interest on idle funds	2,703	2,000	703
Reimbursements	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
<b>Total Receipts</b>	<u>872,244</u>	<u><u>\$ 937,982</u></u>	<u><u>\$ (65,738)</u></u>
<b>Expenditures</b>			
Commercial and general	115,994	\$ 118,000	\$ (2,006)
Production	317,331	310,013	7,318
Distribution	177,795	214,790	(36,995)
Debt service	191,498	208,606	(17,108)
Transfers out	<u>50,000</u>	<u>195,000</u>	<u>(145,000)</u>
<b>Total Expenditures</b>	<u>852,618</u>	<u><u>\$ 1,046,409</u></u>	<u><u>\$ (193,791)</u></u>
<b>Receipts Over (Under) Expenditures</b>	19,626		
<b>Unencumbered Cash, Beginning</b>	<u>84,023</u>		
<b>Unencumbered Cash, Ending</b>	<u><u>\$ 103,649</u></u>		

**City of Wamego, Kansas**  
**Electric Utility Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Electric service charges	\$ 6,012,408	\$ 6,750,000	\$ (737,592)
Penalties	62,231	67,000	(4,769)
Sales tax	233,572	245,000	(11,428)
Interest on idle funds	20,852	4,000	16,852
Miscellaneous	3,991	8,000	(4,009)
Reimbursements	36,377	90,000	(53,623)
	<u>6,369,431</u>	<u>\$ 7,164,000</u>	<u>\$ (794,569)</u>
<b>Expenditures</b>			
Commercial and general	885,364	\$ 850,866	\$ 34,498
Production	3,623,145	4,949,980	(1,326,835)
Distribution	661,841	949,700	(287,859)
Stock materials	-	15,000	(15,000)
Transfers out	721,523	700,000	21,523
	<u>5,891,873</u>	<u>\$ 7,465,546</u>	<u>\$ (1,573,673)</u>
<b>Receipts Over (Under) Expenditures</b>	477,558		
<b>Unencumbered Cash, Beginning</b>	<u>235,103</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 712,661</u>		

**City of Wamego, Kansas**  
**Storm Water Utility Fund**  
**Schedule of Receipts and Expenditures – Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Customer charges	\$ 80,950	\$ 88,000	\$ (7,050)
Penalties	791	1,000	(209)
Interest on idle funds	1,663	1,500	163
<b>Total Receipts</b>	<u>83,404</u>	<u>\$ 90,500</u>	<u>\$ (7,096)</u>
<b>Expenditures</b>			
Capital Outlay	-	\$ -	\$ -
Contractual services	-	46,137	(46,137)
Transfers out	89,000	50,000	39,000
<b>Total Expenditures</b>	<u>89,000</u>	<u>\$ 96,137</u>	<u>\$ (7,137)</u>
<b>Receipts Over (Under) Expenditures</b>	(5,596)		
<b>Unencumbered Cash, Beginning</b>	<u>20,249</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 14,653</u>		

**City of Wamego, Kansas**  
**Summary of Non-Budgeted Business Funds**  
**Schedule of Receipts and Expenditures – Actual**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Water Reserve Fund</u>	<u>Wastewater Reserve Fund</u>	<u>Electric Reserve Fund</u>	<u>Storm Water Reserve Fund</u>
<b>Receipts</b>				
Interest on idle funds	\$ 12,420	\$ 11,737	\$ 31,045	\$ 3,454
Transfers in	<u>70,000</u>	<u>50,000</u>	<u>100,000</u>	<u>89,000</u>
<b>Total Receipts</b>	<u>82,420</u>	<u>61,737</u>	<u>131,045</u>	<u>92,454</u>
<b>Expenditures</b>				
Capital outlay	6,816	-	-	-
Transfers out	<u>119,043</u>	<u>56,689</u>	<u>701,420</u>	<u>-</u>
<b>Total Expenditures</b>	<u>125,859</u>	<u>56,689</u>	<u>701,420</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	(43,439)	5,048	(570,375)	92,454
<b>Unencumbered Cash, Beginning</b>	<u>663,804</u>	<u>588,994</u>	<u>1,608,570</u>	<u>180,462</u>
<b>Unencumbered Cash, Ending</b>	<u><u>\$ 620,365</u></u>	<u><u>\$ 594,042</u></u>	<u><u>\$ 1,038,195</u></u>	<u><u>\$ 272,916</u></u>



**City of Wamego, Kansas**  
**Summary of Receipts and Disbursements – Agency Funds**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

<b>Fund</b>	<b>Beginning Cash Balance</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Ending Cash Balance</b>
Wamego Housing Authority	\$ -	\$ 7,574	\$ 7,574	\$ -
Fireworks	(395,726)	313,083	(82,643)	-
Wamego City Hospital	2	1,806,539	1,806,541	-
Municipal Court Bonds	4,515	6,081	9,720	876
<b>Total Agency Funds</b>	<b>\$ (391,209)</b>	<b>\$ 2,133,277</b>	<b>\$ 1,741,192</b>	<b>\$ 876</b>

**City of Wamego, Kansas**  
**Schedule of Receipts and Expenditures**  
**Wamego Public Library**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

<b>Receipts</b>	
Donations	\$ 92,372
Fines and fees	8,903
Investment income	36,273
Miscellaneous receipts	<u>323,231</u>
<b>Total Receipts</b>	<u>460,779</u>
<b>Expenditures</b>	
Personal services	199,320
Contractual services	929,143
Commodities	<u>55,174</u>
<b>Total Expenditures</b>	<u>1,183,637</u>
<b>Excess (Deficit) Receipts Over Expenditures</b>	(722,858)
<b>Unencumbered Cash, Beginning</b>	<u>1,054,398</u>
<b>Unencumbered Cash, Ending</b>	<u><u>\$ 331,540</u></u>

**City of Wamego, Kansas**  
**Schedule of Receipts and Expenditures**  
**Wamego City Hospital**  
**Regulatory Basis**  
**For the Year Ended December 31, 2023**

	<u>Actual</u>
<b>Receipts</b>	
Local sales tax	\$ 729,151
Rental income	51,356
Donations	66,152
Interest on idle funds	84,219
Miscellaneous receipts	<u>65,894</u>
<b>Total Receipts</b>	<u>996,772</u>
<b>Expenditures</b>	
Contractual	12,276
Commodities	17,158
Capital outlay	992,568
Debt service	300,000
Miscellaneous expenditures	<u>2,879</u>
<b>Total Expenditures</b>	<u>1,324,881</u>
<b>Excess (Deficit) Receipts Over Expenditures</b>	(328,109)
<b>Unencumbered Cash, Beginning</b>	<u>3,544,647</u>
<b>Unencumbered Cash, Ending</b>	<u><u>\$ 3,216,538</u></u>

***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. K.S.A. 12-6a01 *et seq.*, K.S.A. 12-6a26 *et seq.*, and Charter Ordinance No. 25 of the Issuer, 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 Wamego, 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 December 17, 2024.

**“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 March 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, Topeka, Kansas, 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 Renewal Temporary Notes, Series 2024, 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, Topeka, Kansas, 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.



**“Refunded Notes”** means the Series 2023 Notes maturing in the years 2025 and 2027, inclusive, in the aggregate principal amount of \$7,745,000.

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

**“Refunded Notes Redemption Date”** means December 20, 2024.

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

**“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.

**“Series 2023 Notes”** means the Issuer's General Obligation Temporary Notes, Series 2023, dated April 3, 2023.

**“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, along with all unspent Refunded Note proceeds remaining in the Improvement Fund created and held under the Refunded Notes Resolution, shall be deposited in the Improvement Fund.

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

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 and redemption of the Refunded Notes, 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**

## FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of December 17, 2024 (the “Continuing Disclosure Undertaking”), is executed and delivered by **THE CITY OF WAMEGO, 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 Renewal Temporary Notes, Series 2024 (the “Notes”), pursuant to a Resolution adopted by the governing body of the Issuer (collectively, 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 Bond 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.

“**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](http://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 month after 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, prepared which demonstrates compliance with the State’s “cash-basis” and “budget” laws. A more detailed explanation of the accounting basis 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 Bond 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 Bond 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 WAMEGO, KANSAS**

(SEAL)

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Mayor

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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:

- Assessed Valuation
- Property Tax Levies and Collections
  - Tax Rates
  - Aggregate Tax Levies
  - Tax Collection Record
  - Major Taxpayers
- Current Indebtedness of the City\*
- Overlapping Indebtedness

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