

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 2, 2024

**NEW ISSUE
BANK QUALIFIED**

**S&P RATING: A
BOOK ENTRY ONLY**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, 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 Bonds [(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 Bonds is exempt from income taxation by the State of Kansas; and (3) the Bonds 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 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

CITY OF BALDWIN CITY, KANSAS
\$2,605,000⁽¹⁾ General Obligation Bonds, Series 2024-A (the "Bonds")
(General Obligation Bonds Payable From Unlimited Ad Valorem Taxes)

Dated Date	Date of Delivery (anticipated to be February 28, 2024)
Sale Date	Tuesday, February 13, 2024 until 10:30 A.M., Central Time
Consideration of Award	By designated Pricing Committee, subsequent to Bid Opening.
Security	The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.
Authorization	The Bonds are being issued pursuant to the statutes of the State of Kansas, including K.S.A. 12-101 <i>et seq.</i> and Charter Ordinance No. 19 of the City, as amended, and an ordinance and a resolution adopted by the Governing Body of the City. See "AUTHORITY AND SECURITY" herein.
Purpose	The proceeds of the Bonds will be used for the purpose of: (i) providing financing to pay a portion of the cost of certain community and recreation facility improvements, previously financed in part by certain outstanding temporary notes of the City; and (ii) paying the costs of issuance of the Bonds. See "PURPOSE OF THE BONDS AND USE OF FUNDS" herein.
Principal and Interest Payments	Principal will be paid annually on September 1, beginning September 1, 2025. Interest will be payable semiannually on March 1 and September 1, beginning September 1, 2024.
Redemption Provisions	<u>Optional Redemption.</u> At the option of the City, Bonds maturing in the years 2035, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2034, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption. <u>Mandatory Redemption.</u> The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.
Book Entry	The Bonds will be issued only as fully registered obligations, without coupons, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See "Appendix B - Book Entry".
Denominations	The Bonds are being issued in the denomination of \$5,000 or any integral multiples thereof (the "Authorized Denominations").
Registrar and Paying Agent	Treasurer of the State of Kansas, located in Topeka, Kansas ("Bond Registrar" and "Paying Agent").
Bidding Information	Interested bidders should review the Notice of Bond Sale for additional instructions. See Appendix H herein.

Further information may be obtained from Baker Tilly Municipal Advisors, LLC 30 East Seventh Street, Suite 3025, Saint Paul, MN 55101 (651) 223-3000 or bids@bakertilly.com.

(1) Preliminary, subject to change.

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE
(Base CUSIP(1) 057813)

<u>Maturity</u> (September 1)	<u>Principal</u> (2)	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> (1)
2025	\$100,000				
2026	\$110,000				
2027	\$110,000				
2028	\$115,000				
2029	\$115,000				
2030	\$120,000				
2031	\$125,000				
2032	\$125,000				
2033	\$130,000				
2034	\$135,000				
2035	\$140,000				
2036	\$140,000				
2037	\$150,000				
2038	\$150,000				
2039	\$155,000				
2040	\$165,000				
2041	\$165,000				
2042	\$175,000				
2043	\$180,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity of the Bonds is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Preliminary, subject to change. The City reserves the right to adjust the individual maturity amounts to achieve its financial objectives.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City. The Bonds are expected to be available for delivery through the facilities of DTC, in New York, New York on or about February 28, 2024.

In connection with this offering the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been registered or approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the City and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

CITY CONTACT INFORMATION

Additional information regarding the City may be obtained by contacting Mr. Glenn Rodden, City Administrator, 803 8th Street, Baldwin City, Kansas 66006, phone (785) 594-6427, email: grodden@baldwincity.gov.

CITY OF BALDWIN CITY, KANSAS

803 8th Street
Baldwin City, Kansas 66006
Phone No. (785) 594-6427

GOVERNING BODY

Casey Simoneau	Mayor
Scott Lauridsen	Council President
Corey Venable	Council Member
Susan Pitts	Council Member
Julie Constantinescu	Council Member
Jerry Smith	Council Member

CITY ADMINISTRATOR

Glenn Rodden

CITY CLERK

Amara Packard

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Overland Park, Kansas and Saint Paul, Minnesota

BOND COUNSEL

Gilmore & Bell, P.C.
Wichita, Kansas

UNDERWRITER

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OFFICIAL STATEMENT

**CITY OF BALDWIN CITY, KANSAS
\$2,605,000* GENERAL OBLIGATION BONDS, SERIES 2024-A**

(GENERAL OBLIGATION BONDS PAYABLE FROM UNLIMITED AD VALOREM TAXES)

PURPOSE OF THE BONDS AND USE OF FUNDS

PURPOSE OF THE BONDS

The proceeds of the Bonds will be used for the purpose of: (i) providing financing to pay a portion of the cost of certain community and recreation facility improvements (the "Improvements"), previously financed in part by the City's General Obligation Temporary Notes, Series 2022-A (the "Refunded Notes"); and (ii) paying the costs of issuance of the Bonds. The Refunded Notes will be paid in full at maturity on March 1, 2024.

The Improvements consist of the following:

<u>Project Description</u>	<u>Res. No.</u>	<u>Authority</u>
Community recreation facility acquisition and construction improvements	2021-21	Charter Ordinance No. 19 and K.S.A. 12-101 <i>et seq.</i>

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:

Principal Amount	\$ _____
[Net] Reoffering Premium/Discount	_____
Total Sources of Funds	\$ _____

Uses of Funds:

Deposit to Improvement Fund	\$ _____
Deposit for Refunded Notes	_____
Costs of Issuance(1)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(1) Includes fees for bond counsel, municipal advisor, registrar and paying agent, rating agency, and other miscellaneous expenses.

INVESTMENT OF FUNDS

The proceeds of the Bonds are to be invested in accordance with the laws of the State of Kansas (the "State") relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of Bond proceeds.

DESCRIPTION OF THE BONDS

INTEREST CALCULATION

Interest on the Bonds is payable on March 1 and September 1, commencing September 1, 2024. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Bond Registrar as of the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

* Preliminary; subject to change.

METHOD AND PLACE OF PAYMENT OF THE BONDS

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

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

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

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

PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS

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

BOOK-ENTRY OBLIGATIONS; SECURITIES DEPOSITORY

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

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

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

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

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 City may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of the Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Resolution (as defined herein).

REGISTRATION, TRANSFER AND EXCHANGE OF BONDS

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

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

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

MUTILATED, LOST, STOLEN OR DESTROYED BONDS

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

NONPRESENTMENT OF BONDS

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City 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 City, Bonds maturing on September 1, 2035, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2034, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

[Mandatory Redemption]

The Term Bonds maturing on September 1 in the years _____ (the "Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

<u>_____ Term Bond</u>		<u>_____ Term Bond</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
_____	\$ _____	_____	\$ _____
_____(1)	\$ _____	_____(1)	\$ _____

<u>_____ Term Bond</u>	
<u>Year</u>	<u>Amount</u>
_____	\$ _____
_____(1)	\$ _____

(1) Final Maturity.

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the County shall determine.]

SELECTION OF BONDS TO BE REDEEMED

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

NOTICE AND EFFECT OF CALL FOR REDEMPTION

Unless waived by any Owner of Bonds to be redeemed, if the City shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the City shall give written notice of its intention to call and pay said Bonds to the Bond Registrar. In addition, the City shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date. All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the

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

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

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

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

AUTHORITY AND SECURITY

AUTHORITY

The Bonds are being issued pursuant to the statutes of the State, including K.S.A. 12-101 *et seq.* and Charter Ordinance No. 19 of the City, as amended, and an ordinance and a resolution adopted by the Governing Body of the City (collectively, the "Resolution").

SECURITY AND SOURCES OF PAYMENT

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

RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York has assigned a rating of "A" to the Bonds. Such rating reflects only the opinion of S&P and any explanation of the significance of the rating may be obtained only from S&P.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The City has not applied to any other rating service for a rating on the Bonds.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain of such investment considerations are set forth below.

TAXATION OF INTEREST ON THE BONDS

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

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

MARKET FOR THE BONDS

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

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

NO ADDITIONAL INTEREST OR MANDATORY REDEMPTION UPON EVENT OF TAXABILITY

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

LEGAL MATTERS

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. 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 City or the taxing authority of the City. Changes in laws affecting the taxing authority of the City could limit the ability of the City to collect revenue sufficient to pay principal and interest on the Bonds.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

As described in "APPENDIX A - GOVERNMENTAL ORGANIZATION AND SERVICES – Employee Pensions," the City participates in the Kansas 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 City makes all employer contributions to the Plan; neither the employees nor the City are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERs' Valuation Reports, the Local Group had an UAAL of approximately \$1.952 billion in calendar year 2022 and KP&F had an UAAL of approximately \$1.337 billion.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF BONDS

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City in issuing the Bonds, 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 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 Bonds 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 Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the City's property tax collections. If a taxpayer valuation challenge is successful, the liability of the City to refund property taxes previously paid under protest may have a material impact on the City's financial situation. See "APPENDIX A – GENERAL INFORMATION OF THE CITY - City Tax Rates, Levies and Collections."

SUITABILITY OF INVESTMENT

The tax-exempt feature of the Bonds 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 Bonds are an appropriate investment.

PREMIUM ON BONDS

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

CYBERSECURITY RISKS

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the City’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.

The City relies on its computer network and data storage to conduct the operations of the City and has implemented security measures to protect against financial and operational damage resulting from network attacks. Even with these security measures in place such as, email spam filtering, web content filtering, firewall with intrusion detection, managed endpoint security, setting applied with group policies, computers run under standard user accounts, and end user education, the information technology and data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, to include malware, ransomware, computer virus, or employee error. Although the City acknowledges its systems could be affected by a cybersecurity attack, it does not believe its systems are at any significant greater risk than those of municipal entities equal to its size. The City does acknowledge that a loss, disruption or unauthorized access to data held by the City could have an impact on the City’s financial health and operations. As cybersecurity threats evolve, the City will implement, evaluate and correct any vulnerabilities in its system to mitigate these risks.

NATURAL DISASTERS OR TERRORIST ATTACKS

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

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The City’s finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. 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 of debt service on any of its outstanding debt obligations.

PURCHASER/UNDERWRITING

The Bonds are being purchased by _____ (the “Underwriter”) [and its syndicate] at a purchase price of \$_____, which is the par amount of the Bonds of \$_____, less the Underwriter’s discount of \$_____, plus the original [net] issue premium/discount of \$_____, plus accrued interest \$_____].

The Underwriter intends to offer the Bonds to the public at the offering price set forth in this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Bonds.

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 City will enter into a continuing disclosure undertaking (the “Disclosure Undertaking”) wherein the City 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 City has agreed to file its Annual Report with the national repository (“EMMA”) not later than the last day of the twelfth month after the end of the City’s Fiscal Year, commencing with the year ending December 31, 2023. In the Resolution, the City 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. For more information regarding the Disclosure Undertaking, see “APPENDIX D – PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule.

Breach of the Disclosure Undertaking will not constitute a default or an “Event of Default” under the Bonds or the Resolution. A broker or dealer is to consider a known breach of the Disclosure Undertaking, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Undertaking may adversely affect the transferability and liquidity of the Bonds and their market price.

FUTURE FINANCING

As of the date of the Official Statement, the City does not anticipate issuing any additional debt in calendar year 2024.

The City periodically evaluates market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

LITIGATION

The City, in the regular course of its business, is a party to litigation as plaintiff and defendant. It is the opinion of the City Attorney and City management that the result of any such litigation would not materially adversely affect the financial condition of the City. There is currently no controversy, suit or other proceedings of any kind pending or, to the knowledge of City staff or the City Attorney, threatened which would adversely affect the validity of the Bonds or the ability of the City to provide for the payment of the principal of and the interest on the Bonds in the manner described herein. Concurrently with the delivery of the Bonds, the City will deliver an executed non-litigation certificate in the form required by the statutes of the State.

LEGAL MATTERS

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas, bond counsel to the City (“Bond Counsel”). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the City and its certified public accountants, as referred to herein, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Preliminary Official Statement captioned “PURPOSE OF THE BONDS AND USE OF FUNDS – Purpose of the Bonds,” “DESCRIPTION OF THE BONDS” (except “DESCRIPTION OF THE BONDS – Book Entry Obligations; Securities Depository), “AUTHORITY AND SECURITY,” “TAX MATTERS,” “APPENDIX C – PROPOSED FORM OF BOND COUNSEL OPINION,” “APPENDIX D – SUMMARY OF FINANCING DOCUMENTS,” and “APPENDIX E – PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.” Payment of the legal fee of Bond Counsel is contingent upon delivery of the Bonds.

TAX MATTERS

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

OPINION OF BOND COUNSEL

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

Federal Tax Exemption. The interest on the Bonds [(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 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds are “qualified tax-exempt obligations” for purposes of Code §265(b)(3).

Kansas Tax Exemption. The interest on the Bonds 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 Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

OTHER TAX CONSEQUENCES

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

[*Original Issue Premium.* For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bond of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond 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.]

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, 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 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of the Bonds 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 Bonds, 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 Bonds 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.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond 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 actually or constructively received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is 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 Bond 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 the Bonds, and to the proceeds paid on the sale of the Bonds, 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.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the “Municipal Advisor” or “BTMA”). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP (“BTUS”), an accounting firm and has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

In addition to serving as Municipal Advisor to the City, BTMA provides accounting support services to the City, including but not limited to budget preparation and reporting, financial forecasting, year-end audit preparation, and general consulting. BTMA receives a fee from the City for these services, which is separate from the fee that BTMA will receive for its municipal advisory services related to this Bond issue.

MUNICIPAL ADVISOR REGISTRATION

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms.

Baker Tilly Wealth Management, LLC ("BTWM"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser under the Federal Investment Advisers Act of 1940. Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"). Baker Tilly Financial, LLC ("BTF"), is a wholly owned subsidiary of BTUS, registered with the SEC as an investment advisor.

BTUS, BTWM and subsidiaries of BTUS may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution, a copy of which is available upon request from the City in "APPENDIX D – SUMMARY OF FINANCING DOCUMENTS".

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading in light of the circumstances under which they were made.

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GENERAL INFORMATION OF THE CITY

CITY PROPERTY VALUES

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State is conducted by Kansas counties. The Douglas County Appraiser’s office determines annually the assessed valuation that is used as a basis for the mill levy on property located in the City. The County Appraiser’s determination is based on criteria established by Kansas Statutes.

The market valuation of every property must be updated every year, with physical inspection required once every six years. Valuations as of January 1 are made available in September of each year for taxes payable during the next calendar year. The State Constitution provides that, for ad valorem taxation purposes, real and personal property are divided into classes and assessed at percentages of market value.

Trend of Values

Year(1)	Douglas County Sales Ratio	Appraised Valuation	Taxable Assessed Valuation(2)	Motor Vehicles	Equalized Assessed Tangible Valuation
2023/24	N/A	\$513,372,061	\$49,242,214	\$5,518,058	\$54,760,272
2022/23	91.3%	429,742,100	44,969,176	5,090,070	50,059,246
2021/22	90.7	398,130,364	38,489,349	5,271,822	43,761,171
2020/21	94.2	377,014,977	36,336,067	4,955,305	41,291,372
2019/20	94.0	359,894,975	34,440,012	4,873,157	39,313,169

(1) As valued in the first year for the purpose of computing the rates of taxes collectible in the following year.

(2) The value of motor and recreational vehicles is not included in total property valuation for determining the property tax levy. It is, however, included in total property valuation for determining the City’s debt limit.

Sources: The Douglas County Clerk’s Office; the Kansas Department of Revenue, <http://www.ksrevenue.org>. For an explanation of Kansas property taxes, see Appendix F.

2023/24 Equalized Assessed Tangible Valuation: \$54,760,272

Real Property	\$48,225,100	97.9%
Personal Property	297,884	0.6
State Assessed Utilities	<u>719,230</u>	<u>1.5</u>
2023/24 Taxable Assessed Valuation	\$49,242,214	100.0%
Motor Vehicles	<u>5,518,058</u>	
2023/24 Equalized Assessed Tangible Valuation	\$54,760,272	

Source: Douglas County Clerk’s Office, January 2024.

Ten of the Largest Taxpayers in the City

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2023/24 Taxable Assessed Value</u>
Kansas Gas Service	Utility	\$ 594,877
Muth Properties	Real Estate	412,426
Casey's Retail Company	Retail	401,050
Individual	Real Estate	287,735
Medicine Lodge LLC	Real Estate	285,601
CPF Landlord LLC	Real Estate	273,951
Baldwin City SNF Realty LLC	Real Estate	268,135
Individual	Real Estate	265,076
JD Homes LLC	Real Estate	262,557
Individual	Real Estate	<u>255,854</u>
Total		\$3,307,262(1)

(1) Represents 6.0% of the City's 2023/24 equalized assessed tangible valuation of \$54,760,272.

CITY INDEBTEDNESS

2023/24 Total Equalized Assessed Tangible Valuation	\$54,760,272
Debt Limit Ratio	<u>30%</u>
Debt Limit	\$16,428,082
Outstanding Debt Subject to Debt Limit	<u>(10,564,900)</u>
Debt Authority Remaining as of February 28, 2024	\$ 5,863,182

NOTE: General obligation bonds and temporary notes issued to finance utility improvements, revenue bonds, and refunding bonds are not subject to the debt limit.

General Obligation Bonds Payable from Property Taxes

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-28-24</u>	<u>% Subject to the Debt Limit(1)</u>	<u>Amount Subject to the Debt Limit</u>
6-15-12	\$1,125,000	Refunding	8-1-2024	\$ 105,000(2)	0.00%	\$ 0
3-19-13	7,165,000	Refunding and Improvements	9-1-2033	2,375,000(3)	73.81	1,752,988
6-18-15	2,100,000	Refunding and Improvements	9-1-2035	725,000(4)	47.85	346,913
12-10-15	3,155,000	Improvements	9-1-2035	2,085,000(5)	0.00	0
12-4-18	3,915,000	Improvements	9-1-2038	2,885,000	100.00	2,885,000
2-25-21	3,075,000	Refunding and Improvements	9-1-2040	2,975,000	100.00	2,975,000
6-1-23	4,020,000	Improvements	9-1-2042	4,020,000	0.00	0
2-28-24	2,605,000	Improvements (the Bonds)	9-1-2043	<u>2,605,000</u>	100.00	<u>2,605,000</u>
Total				\$17,775,000		\$10,564,900

(1) Rounded percentages.

(2) It is anticipated that available net revenues of the City's water and sewer system will be used to pay a portion of the debt service on this issue.

(3) It is anticipated that available special assessments and net revenues of the City's sewer system will be used to pay a portion of the debt service on this issue.

(4) This issue is expected to be paid from net revenues of the City's electric system; however, this issue is legally secured by only the City's ability to levy unlimited ad valorem property tax.

(5) This issue is expected to be paid from net revenues of the City's sewer system; however, this issue is legally secured by only the City's ability to levy unlimited ad valorem property tax.

Temporary Notes

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-28-24</u>	<u>% Subject to the Debt Limit</u>	<u>Amount Subject to the Debt Limit</u>
7-7-22	\$1,580,000	Community Center	3-1-2024	\$1,580,000		
Less: Issue(s) that Mature on March 1, 2024				<u>(1,580,000)(1)</u>		
Total				\$ 0	100.00%	\$0

(1) A portion of the proceeds of the Bonds will be used to pay the Refunded Notes in full on March 1, 2024.

General Obligation Bonds Payable from Electric Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-28-24</u>	<u>% Subject to the Debt Limit</u>	<u>Amount Subject to the Debt Limit</u>
8-5-14	\$5,890,000	Electric Utility Refunding	11-1-2026	\$1,080,000	0.00%	\$0

**Estimated Calendar Year Debt Service Payments
Excluding All Temporary Notes**

<u>Year</u>	<u>General Obligation Bonds Payable from Property Taxes</u>		<u>General Obligation Bonds Payable from Electric Revenues</u>	
	<u>Principal</u>	<u>Principal & Interest(1)</u>	<u>Principal</u>	<u>Principal & Interest</u>
2024 (at 2-28)	\$ 950,000	\$ 1,492,411	\$ 350,000	\$ 378,825
2025	960,000	1,478,515	360,000	380,075
2026	985,000	1,476,485	370,000	380,175
2027	1,015,000	1,479,890		
2028	1,055,000	1,492,613		
2029	945,000	1,348,102		
2030	950,000	1,322,089		
2031	955,000	1,295,639		
2032	980,000	1,290,227		
2033	1,015,000	1,293,214		
2034	955,000	1,199,600		
2035	990,000	1,207,552		
2036	835,000	1,023,338		
2037	865,000	1,029,915		
2038	1,010,000	1,149,824		
2039	940,000	1,050,404		
2040	970,000	1,053,549		
2041	595,000	650,367		
2042	625,000	656,864		
2043	<u>180,000</u>	<u>187,074</u>		
Total	\$17,775,000(2)	\$23,177,672	\$1,080,000	\$1,139,075

(1) Includes estimated debt service on the Bonds.

(2) 55.2% of this debt will be retired within ten years.

Other Debt Obligations

Please reference “Note 10 – Long-Term Debt” in the City’s Financial Statements for the fiscal year ended December 31 2022 for a discussion of the City’s outstanding leases and loans. (The City’s Financial Statements for the fiscal year ended December 31, 2023 are not yet available.)

Debt Payment Record

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

Overlapping Debt

<u>Taxing Unit(1)</u>	<u>G.O. Est. Debt As of 2-28-24</u>	<u>Debt Applicable to Value in City</u>	
		<u>Percent</u>	<u>Amount</u>
Douglas County	\$19,065,000	2.84%	\$ 541,446
USD No. 348 (Baldwin City)	8,705,000	40.39	<u>3,515,950</u>
Total			\$4,057,396

(1) Only those units with outstanding general obligation debt are shown here.

Debt Ratios(1)

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
2023/24 Appraised Valuation (\$513,372,061)	3.77%	4.56%
2023/24 Equalized Assessed Tangible Valuation (\$54,760,272)	35.34%	42.75%
Per Capita - (4,882 - City Estimate)	\$3,965	\$4,796

(1) Excludes general obligation bonds legally payable from electric revenues and other debt obligations.

CITY TAX RATES, LEVIES AND COLLECTIONS

Property taxes are certified by the City to the County Clerk by August 25 of each year for the following fiscal year. Taxes are levied by the County Clerk and payable to the County Treasurer. Property taxes may be paid in two installments, the first due December 20 in the year the taxes are levied and the second due May 10 of the following year. Taxes become delinquent after May 10 and interest accrues at a rate set by State statute until paid or until the property is sold for taxes. Special assessments are levied and collected in the same manner as property taxes.

Tax Rates (Expressed in Mills)

Tax Rates of the City

<u>Levy Year</u>	<u>Budget Year</u>	<u>General</u>	<u>Cemetery</u>	<u>Bond and Interest</u>	<u>Library</u>	<u>Total City</u>
2023	2024	31.925	1.966	6.748	4.198	44.837
2022	2023	31.925	1.966	6.784	4.198	44.873
2021	2022	32.058	1.967	6.789	4.085	44.899
2020	2021	32.007	1.964	6.778	4.079	44.828
2019	2020	32.124	1.924	6.642	3.998	44.688

Tax Rates for Jurisdictions Overlapping with the City

<u>Levy Year</u>	<u>Budget Year</u>	<u>City of Baldwin City</u>	<u>Douglas County</u>	<u>USD No. 348 (Baldwin City)</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
2023	2024	44.837	44.209	57.590	1.500	0.973	149.109
2022	2023	44.873	46.219	54.498	1.500	1.096	148.186
2021	2022	44.899	47.419	59.909	1.500	1.295	155.022
2020	2021	44.828	46.430	62.257	1.500	1.294	156.309
2019	2020	44.688	46.430	62.401	1.500	1.294	156.313

Source: Douglas County Clerk’s Office.

Tax Levies and Collections

The City may levy taxes in accordance with the requirements of its adopted budget and within the restrictions of Kansas statute. The County Clerk determines property tax levies based on the assessed valuation provided by the appraiser and spreads the levies on the tax rolls.

<u>Levy Year/ Budget Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% Current Tax Collected</u>	<u>Prior Years Tax Collected</u>	<u>Total Tax Collections</u>	<u>Ratio Collection Versus Levy</u>
2023/24(1)	\$2,090,662	\$1,158,644	55.4%	\$ 5,457	\$1,164,101	55.7%
2022/23	1,903,909	1,886,058	99.1	19,899	1,905,957	100.1
2021/22	1,660,688	1,641,401	98.8	13,118	1,654,519	99.6
2020/21	1,629,738	1,610,497	98.8	22,460	1,632,957	100.2
2019/20	1,539,630	1,518,738	98.6	23,009	1,541,747	100.1

(1) Collections as of December 31, 2023.

Source: Douglas County Treasurer’s Office.

Special Assessment Collections

Special assessments are spread on benefited real estate with the property tax levy in August of each year. Interest on special assessments is computed at a rate equal to the rate of the bonds which financed the public improvements.

<u>Levy Year/ Budget Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% Current Tax Collected</u>	<u>Prior Years Tax Collected</u>	<u>Total Tax Collections</u>	<u>Ratio Collection Versus Levy</u>
2023/24(1)	\$ 7,371	\$ 3,686	50.0%	\$ 0	\$ 3,686	50.0%
2022/23	7,371	7,371	100.0	0	7,371	100.0
2021/22	16,145	16,145	100.0	1,625	17,770	110.1
2020/21	14,736	13,111	89.0	0	13,111	89.0
2019/20	11,222	11,022	98.2	0	11,022	98.2

(1) Collections as of December 31, 2023.

Source: Douglas County Treasurer’s Office.

Sales Tax Collections

The current total sales tax rate of the City is 9.00%, of which the State’s portion is 6.50% (effective July 1, 2015), the County’s portion is 1.0%, and the City’s portion 1.50% (which was increased by 0.25% as of April 1, 2023).

The City’s portion of the sales tax is divided into three pieces: (i) 0.5% for general operations and used as revenue for the City’s general fund and to support the operation of streets, police, and fire; (ii) 0.5% for general infrastructure and capital improvements used for streets, bridges, storm drainage, equipment purchases, and public facility improvements; and (iii) 0.25% for quality of life capital improvements used for library, parks, and recreation facility improvements.

<u>Year</u>	<u>General Operations</u>	<u>General Infrastructure</u>	<u>Quality of Life</u>
2023	\$343,823	\$442,667	\$171,911
2022	329,625	329,625	164,813
2021	303,030	303,030	151,515
2020	264,252	264,252	132,126
2019	240,946	240,946	120,473
2018	230,908	230,908	115,454
2017	217,636	217,636	108,818
2016	202,984	202,984	101,492
2015	203,287	203,287	101,645
2014	192,896	192,896	96,448
2013	187,866	187,866	93,993

In addition to the 1.50% sales tax, the City also levies a 5.7% Transient Guest Tax on the sale of hotel rooms or similar sleeping accommodations. The proceeds are used for promotion efforts to attract guests to the City

Source: City of Baldwin City.

**FUNDS ON HAND
As of December 31, 2023**

<u>Fund</u>	<u>Cash and Investments</u>
General Fund	\$ 465,840
Special Revenue Funds	750,194
Debt Service Fund	0
Capital Projects Fund	1,123,282
Enterprise Funds:	
Electric	7,024,287
Water	71,796
Sewer	198,454
Refuse Utility	<u>15,056</u>
Total	\$9,648,909

INVESTMENTS

The City has a formal investment policy. The City is also required to invest its funds pursuant to K.S.A. 12-1675, a state law which governs the investment of public funds by governmental subdivisions, units, and entities. K.S.A. 12-1675 authorizes the City to invest in the following:

- 1) its own temporary notes or no-fund warrants;
- 2) savings deposits, demand deposit, time deposit, open accounts, certificates of deposit or time certificates of deposit with maturities of not more than two years in banks, savings and loan associations and savings banks;
- 3) repurchase agreements with banks, savings and loan associations and savings banks;
- 4) United States treasury bills or notes with maturities not exceeding two years;
- 5) in the municipal investment pool fund established in K.S.A. 1997 Supp. 12-1677a;
- 6) in the investments authorized and in accordance with the conditions prescribed in K.S.A. 1997 Supp. 12-1677b;
- 7) in multiple municipal client investment pools managed by trust departments of commercial banks which have offices located in the City or with trust companies incorporated under the laws of this state which have contracted to provide trust services under the provisions of K.S.A. 9-2107; or
- 8) general obligation bonds of any Kansas municipality.

The local banks have a right of first refusal under the statute for the investments described in (2) or (3) above, and the City is authorized to make the other investments described above only if the local banks have refused. The municipal investment pool described in paragraph (5) above is statutorily limited to those investments permitted for state monies under Kansas law. Permissible investments include:

- 1) direct obligations of, or obligations that are insured as to principal and interest by the United States of America or any agency thereof and obligations and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds, provided that, after July 1, 1996 no investment may be made in mortgage-backed securities of such enterprises and of the Government National Mortgage Association (any investments existing before July 1, 1996 will be permitted to mature);
- 2) state agency bonds and projects; or commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized rating firm; or
- 3) repurchase agreements with a Kansas bank or a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by the United States government or any agency thereof and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds. The municipal investment pool and all of state monies for investment, on a competitive basis, to qualified banks. Any such investments in qualified banks are required to be secured by a pledge of securities as required by K.S.A. 1995 Supp. 75-4218.

The City has the responsibility for making and monitoring the investments made under these statutes and the City Investment Management Policy. For additional information regarding the City's financial position, see Appendix G of this Official Statement.

GENERAL INFORMATION CONCERNING THE CITY

The City is located within Douglas County, in the northeastern portion of the State, and is approximately 12 miles south of the City of Lawrence, Kansas and 15 miles west of the City of Gardner, Kansas. The City encompasses an area of approximately 2.2 square miles (1,408 acres).

Population

The City's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2023 City Estimate	4,882	4.1%
2020 U.S. Census	4,689	3.9
2010 U.S. Census	4,515	32.8
2000 U.S. Census	3,400	12.4
1990 U.S. Census	3,024	6.9
1980 U.S. Census	2,829	--

Sources: United States Census Bureau, <http://www.census.gov/>.

The City's population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2022/23	895	1,548	1,454	904
2021/22	936	1,694	1,553	955
2020/21	948	1,656	1,550	908
2019/20	986	1,628	1,547	848
2018/19	1,002	1,571	1,601	826

Source: Claritas, LLC.

Transportation

Interstate Highways I-35 and I-70 and U.S. Highways 56 and 59 provide easy access to and from the City. The Kansas City International Airport, located approximately 60 miles north of the City, provides direct service to most major cities in the United States.

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
U.S.D. No. 348 (Baldwin City)	Education	209
Baker University	Higher Education	173(1)
Mid America Bank	Banking	90
McFarlane Aviation	Aircraft Manufacturer	62
Heritage Tractor, Inc.	Farm Implement Dealer	61
City of Baldwin City	Government	42
Baldwin State Bank	Banking	33
A&H Air Conditioning and Heating	Air Condition and Heating	22
Baldwin Healthcare and Rehabilitation	Health Care	22
Vintage Park Assisted Living	Health Care	20
Baldwin City Market	Grocery	13

(1) Includes just full-time university employees.

Note: Previously reported information was obtained through a telephone survey of individual employers. Any differences may be attributable to the change in the source of this information, as provided below.

Source: Information obtained from D&B Hoovers, <https://app.dnbhoovers.com/>. This does not purport to be a comprehensive list.

Labor Force Data

	<u>Annual Average</u>				<u>November</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Labor Force:					
Douglas County	65,570	63,957	64,581	66,297	72,039
State of Kansas	1,497,517	1,493,706	1,495,665	1,504,932	1,510,925
Unemployment Rate:					
Douglas County	2.9%	5.8%	3.1%	2.6%	1.8%
State of Kansas	3.1	5.7	3.2	2.7	2.1

Source: Kansas Labor Information Center, <http://www.klic.dol.ks.gov>. 2023 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

City of Baldwin City

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$68,559	\$127,726	\$80,067
2021/22	57,858	158,876	75,629
2020/21	48,968	129,114	63,476
2019/20	58,597	135,573	67,235
2018/19	56,251	119,925	58,514

Douglas County

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$2,393,871	\$4,062,580	\$60,256
2021/22	2,044,904	4,118,715	60,373
2020/21	1,984,670	3,283,071	51,757
2019/20	2,129,341	3,313,928	51,940
2018/19	2,072,813	3,094,471	48,904

The 2022/23 Median Household EBI for the State of Kansas was \$61,887. The 2022/23 Median Household EBI for the United States was \$64,600.

Source: Claritas, LLC.

Permits Issued by the City

<u>Year</u>	<u>New Single Family Residential</u>		<u>New Commercial/Industrial</u>		<u>Total Value(1) (All Permits)</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2023	92	\$ 46,774	92	\$ 58,668	\$ 105,442
2022	96	37,275	26	28,851	66,126
2021	14	3,315,800	2	750,000	6,733,637
2020	21	4,565,000	2	2,589,390	10,049,732
2019	4	1,165,000	4	250,000	1,700,217
2018	10	2,728,480	1	25,000	2,778,915
2017	15	2,843,829	3	7,420,000	12,019,810
2016	10	1,319,973	0	0	2,378,051
2015	10	1,766,336	3	160,450	1,926,786
2014	4	527,066	4	1,403,949	4,824,184
2013	2	301,546	1	653,245	4,834,105

(1) In addition to building permits, the total value includes all other permits issued by the City (i.e. heating, lighting, plumbing, roof replacement, decks, fencing, major additions to existing facilities, etc.).

Source: City of Baldwin City.

Development

The City is attracting new housing developments due to the affordability of home prices compared to surrounding areas. There are currently three new subdivisions planned, one of which is currently built out and includes 28 lots. Two additional subdivisions are expected to be developed within the next year, with a total of 60-70 lots.

Education

Unified School District No. 348 (Baldwin City) serves the City and has a 2023/24 enrollment of approximately 1,421 students in grades kindergarten through 12. The physical plant of the District includes two elementary schools, a middle school, and a senior high school.

Source: Kansas K-12 Reports, <http://apps.ksde.org/k12/k12.aspx>.

Post-Secondary Education

The Baker University and its School of Professional and Graduate Studies is located in the City. There are several universities, colleges, and specialty schools within commuting distance from the City, including the University of Kansas, MidAmerica Nazarene University, Brown Mackie College, Ottawa University, and Johnson County Community College.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The City was incorporated in 1870 and is governed by a Mayor-Council form of government. Five Council Members are elected at-large to serve a four-year term. The Mayor, also elected at large, serves a four-year term and presides over Council meetings and appoints certain City officials, subject to Council approval.

The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Casey Simoneau	Mayor	December 2025
Scott Lauridsen	Council President	December 2027
Cory Venable	Council Member	December 2027
Julie Constantinescu	Council Member	December 2027
Susan Pitts	Council Member	December 2025
Jerry Smith	Council Member	December 2025

Key Officials

		<u>Employed Since</u>
Glenn Rodden	City Administrator	February 2016
Amara Packard	City Clerk/Human Resources Director	March 2020
Rob Culley	Public Works Director	April 2018

The City has 42 regular full-time and 7 seasonal full- and part-time employees.

Services

The City provides water, sewer, electric generation, electric distribution, and solid waste collection to its residents. The City maintains over 1,900 residential and commercial connections to its water and electric system. The City owns two power plants with the ability to generate nine MW on diesel and/or natural gas. The City distributes approximately 180,000,000 gallons of treated water to over 1,650 residential customers as well as to two other smaller municipalities as a wholesale water provider. The City owns two water towers with 1,500,000 gallons in storage capacity.

Natural gas service is provided by Kansas Gas Service Co. Telephone service is provided by Century Link and Mediacom operates a cable television system under franchise within the City. Gigabit internet service is provided by RG Fiber. They also provide VOIP telephone service and cable television service under a franchise with the City.

Recreational and Cultural Activities

The City maintains four public parks for residents to enjoy. The 20-acre Martin Creek Park provides access to baseball/softball fields, soccer fields, tennis courts, walking trails, and horseshoe pits. Spring Creek Lake allows fishing and non-motor craft for local residents.

In 1867, the Leavenworth, Lawrence, and Fort Gibson railroad laid tracks and became the first Kansas railroad south of the Kansas River. In 1906, the Santa Fe Depot was built and today the Midland Railway offers excursion rides to Ottawa via "Nowhere" and Norwood. Midland's Scout program is one of the few in the country to offer a railroading merit badge and Midland has hosted a Polar Express attraction the last few years.

Every year since 1958, the City has hosted the Maple Leaf Festival during the third full weekend in October. The festival began as a way to celebrate a successful harvest and to view the fall foliage. Today, it is the largest fall family event in the area and features a parade, arts and crafts, quilt show, theatrical performances, history tours, train rides and live music. Annually the festival draws crowds in excess 30,000.

Labor Contracts

The City does not have any labor contracts or bargaining units.

Employee Pensions

The City participates in the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Fire Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, *et seq.* KPERs and KP&F provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERs and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERs (611 S. Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

For more information regarding the liability of the City with respect to its employees, please reference “Note 3 – Defined Benefit Pension Plan” of the City’s Financial Statements for the fiscal year ended December 31, 2022, an excerpt of which is included as Appendix G of this Official Statement. (The City’s Financial Statements for fiscal year ended December 31, 2023 are not yet available.)

Sources: City’s Annual Financial Statements.

Other Postemployment Benefits

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 75), which addresses how state and local governments must account for and report their obligations related to postemployment healthcare and other non-pension benefits (referred to as Other Postemployment Benefits or “OPEB”).

The City does not provide any postemployment benefits.

Accounting, Budgeting and Auditing Procedure

The City follows a cash receipts and disbursement basis of accounting which is adjusted for the issuing of statements, to the accrual or modified accrual basis, as appropriate. 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 Mize Houser & Company, P.A., Lawrence, Kansas. Copies of the audit reports for the past five years are on file in the Clerk’s office and are available for review.

Applicable Kansas Statutes require that budgets be legally adopted for all funds (including debt service and enterprise funds) unless exempted by a specific statute. All budgets are prepared utilizing the modified accrual basis of accounting. The statutes provide that the budget for the succeeding calendar year must be prepared on or before August 1 and published on or before August 5 of each year. A required public hearing is to be held on or before August 15, with the final budget being adopted on or before August 25 of each year. Supplemental appropriations and transfers among budget categories may modify original appropriations. The City Council must approve all significant budget changes. If there is cash in a fund in excess of budget requirements, it cannot be spent during the year but must be carried forward as income for the ensuing year, unless the budget is amended. Kansas statute prohibits municipalities from creating indebtedness unless there is money on hand in the proper fund and unencumbered by previous commitments with which to pay the indebtedness.

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

The 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.

General Fund Budget Summary

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2023 Budget</u>
Unencumbered Cash Balance at (1-1)	\$ 355,822	\$ 121,644	\$ 260,577
Receipts:			
Taxes	\$2,218,897	\$2,329,138	\$2,414,247
Intergovernmental	18,705	395,363	0
Franchise Fees	469,811	60,892	60,000
Licenses, Permits, and Fees	53,480	47,503	54,500
Fines, Forfeitures, and Penalties	28,063	16,085	44,030
Use of Money and Property	0	60,593	0
Transfer In	397,747	681,314	872,159
Miscellaneous	<u>14,572</u>	<u>59,435</u>	<u>107,000</u>
Total Receipts	\$3,201,275	\$3,650,323	\$3,551,936
Resources Available	\$3,557,097	\$3,771,967	\$3,812,513
Expenditures:			
General Government	\$ 674,950	\$ 372,980	\$ 386,458
Planning	138,911	163,883	129,985
Public Works	488,684	601,905	602,539
Culture and Recreation	188,358	225,593	250,213
Fire Department	139,637	165,672	217,313
Police Department	1,375,289	1,627,135	1,560,486
Municipal Court	74,524	56,537	72,607
Economic Development	132,974	101,050	132,974
Pool	100,500	119,476	163,500
Information Technology	99,314	58,326	99,314
Transfer Out	<u>358,632</u>	<u>18,833</u>	<u>30,000</u>
Total Expenditures	\$3,771,773	\$3,511,390	\$3,645,389
Unencumbered Cash Balance at (12-31)	\$ (214,676)	\$ 260,577	\$ 167,124

Sources: The City's annual financial statements and the City.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Taxes	\$1,140,408	\$1,217,130	\$1,218,589	\$2,098,718	\$2,329,138
Transfers In	580,088	375,445	1,070,044	688,334	681,314
Franchise Fees	58,700	48,441	44,081	39,219	60,892
Miscellaneous	144,984	911,128	528,729	527,456	59,435
Licenses, Permits, and Fees	43,231	32,702	39,602	45,687	47,503
Intergovernmental	774,042	793,775	812,725	33,662	36,731
Fines, Forfeitures, and Penalties	27,559	20,604	15,991	19,555	16,085

Sources: City's Annual Financial Statements.

BOOK ENTRY

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds 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 maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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”). 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.

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

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 City or its agent on the payable 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 or the City, 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 City or its 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.

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

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

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

PROPOSED FORM OF BOND COUNSEL OPINION

[February 28, 2024]

Governing Body
City of Baldwin City, Kansas

Re: \$2,605,000 General Obligation Bonds, Series 2024-A, of the City of Baldwin City, Kansas, Dated February 28, 2024

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

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

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

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

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

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

SUMMARY OF FINANCING DOCUMENTS

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

THE BOND RESOLUTION

DEFINITIONS

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

“Act” means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 12-101 *et seq.* and Charter Ordinance No. 19 of the Issuer, all as amended and supplemented.

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

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

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

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

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

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

“Bond Registrar” means the State Treasurer, Topeka, Kansas, and its successors and assigns.

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

“Bonds” means the General Obligation Bonds, Series 2024-A, authorized and issued by the Issuer pursuant to the Bond Resolution.

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

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

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

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

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

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

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

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

“Dated Date” means February 28, 2024.

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

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

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

“Defeasance Obligations” means any of the following obligations:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“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 Bond Resolution.

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

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

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

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

“Issue Date” means the date when the Issuer delivers the Bonds 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 Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

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

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

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

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

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

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

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

“Paying Agent” means the State Treasurer, 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 Bonds.

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

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

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

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

“Refunded Notes” means the Series 2022-A Notes.

“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 March 1, 2024.

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

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

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

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

“Series 2022-A Notes” means the Issuer's General Obligation Temporary Notes, Series 2022-A, dated July 7, 2022.

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

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

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

["Term Bonds” means the Bonds scheduled to mature in the year ____.]

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

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

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

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

- (a) Improvement Fund.
- (b) Debt Service Account (within the Bond and Interest Fund).
- (c) Costs of Issuance Account.

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

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

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

Application of Moneys in the Improvement Fund; Redemption of Refunded Notes. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; and (b) retiring the Refunded 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 Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Bond Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Bond Resolution. Upon completion of the Improvements 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 Bonds provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section, (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Bonds to include the Substitute Improvements; and (d) the use of the proceeds of the Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax status of the Bonds under State or federal law.

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

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

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

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than 30 days prior to the first Interest Payment Date on the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Debt Service Account.

DEPOSIT AND INVESTMENT OF MONEYS

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

Investments. Moneys held in any Fund or Account may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; 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 Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

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

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

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

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

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

DEFEASANCE

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or

Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption.

TAX COVENANTS

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

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

CONTINUING DISCLOSURE REQUIREMENTS

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

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

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 Bonds. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

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

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

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

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

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

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. 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 Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

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

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

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PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of February 28, 2024 (the “Continuing Disclosure Undertaking”), is executed and delivered by **THE CITY OF BALDWIN CITY, KANSAS** (the “Issuer”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2024-A (the “Bonds”), pursuant to an Ordinance and Resolution adopted by the governing body of the Issuer (collectively the “Bond Resolution”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds 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, which may include the Issuer's Annual Comprehensive Financial Report, if any, so long as the Annual Comprehensive Financial Report contains the financial information and operating data described in *Section 2(a)(1)* and *(2)*.

“**Beneficial Owner**” means any registered owner of any Bonds 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 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

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

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

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

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

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

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

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

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

Section 2. Provision of Annual Reports.

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

(1) The audited financial statements of the Issuer for the prior Fiscal Year, 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 Bonds. 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 Bonds, 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 Bonds, as described in *Exhibit A*, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

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

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

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

Section 3. Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“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 Bonds, or other material events affecting the tax status of the Bonds;
- (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 Bonds, 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 Bonds. 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 Bonds, 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 Bonds 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 Bonds, 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 Bonds, 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 Bonds 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 BALDWIN CITY, KANSAS

(SEAL)

Mayor

Clerk

EXHIBIT A

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

The annual budget for the Issuer and updates as of the end of the Fiscal Year of substantially all of the tabular information and data contained in those sections of the Official Statement entitled “City Property Values,” “City Indebtedness” and “City Tax Rates, Levies and Collections.”

**SUMMARY OF PROPERTY VALUATION, TAX LEVIES,
PAYMENT PROVISIONS AND THE CASH-BASIS LAW**

Following is a summary of certain statutory and constitutional provisions relative to the mechanisms of real property valuation, tax levy procedures, tax payment and distribution procedures, and the cash-basis laws of the state. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes and articles of the State Constitution. This summary reflects changes to Kansas property tax laws following amendment of the State Constitution in 1986 and 1992 relating to reappraisal and classification of real property for the purpose of property taxation.

Property Valuations (Chapter 79, Article 14, Kansas Statutes Annotated, and Article 11, Kansas Constitution)

Assessor's Estimated Fair Market Value

The valuation of each parcel of real property subject to taxation must, by law, be updated each year, as of each January 1, and must be physically inspected by the appraiser at least once every six years. With the exception of agricultural land, all property is valued at its market value in money which is the value the appraiser determines to be the price the appraiser believes the property to be fairly worth, and which is referred to as the "Fair Market Value." Land devoted to agricultural use is appraised on the basis of the income-generating capabilities of such land for agricultural purposes at median levels of production.

Assessed Value and Property Classification

For taxable years commencing January 1, 1993, and thereafter, property is classified and assessed at the percentages of value as follows:

Class 1

This class consists of real property. Real property is further classified into seven subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

- (1) Real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located 11½%
- (2) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to Section 12 of Article 11 of the Constitution ... 30%
- (3) Vacant lots 12%
- (4) Real property which is owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to Section 501 of the federal Internal Revenue Code, and which is included in this subclass by law 12%
- (5) Public utility real property, except railroad real property which shall be assessed at the average rate that all other commercial and industrial property is assessed 33%
- (6) Real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use 25%
- (7) All other urban and rural real property not otherwise specifically subclassified 30%

Class 2

This class consists of tangible personal property. Such tangible personal property is further classified into six subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

- (1) Mobile homes used for residential purposes 11½%
- (2) Mineral leasehold interests, except oil leasehold interests, the average daily production from which is five 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% 30%
- (3) 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 33%
- (4) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985 30%
- (5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost less seven-year straight-line depreciation, or which, if its economic life is less than seven 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 25%
- (6) All other tangible personal property not otherwise specifically classified 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 is exempted from property taxation.

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

Property Tax Payments and Delinquencies (Chapter 79, Articles 18, 20, 23, 24, 28 and 29, Kansas Statutes Annotated)

The amount of ad valorem taxes to be levied against property within a taxing jurisdiction is determined by the governing body of the jurisdiction as part of the annual budget approval process and certified, along with special assessments, to the county clerk not later than August 25 of each year. The county clerk assembles the tax levies and assessments from the various jurisdictions located within the county, together with any State property tax levies, into a tax roll specifying the tax on each taxable parcel of land in the county. The county treasurer receives the certified tax roll not later than September 1 each year and mails tax statements to taxpayers not later than December 15. Taxpayers have the option of paying the entire amount of taxes owed not later than December 20, or paying half at that time and the other half by the following May 10.

Property taxes not paid when and in the amounts due are considered delinquent and are subject to an interest penalty at a rate set by law. If delinquent taxes, plus accrued interest, have not been paid by July 10, the county treasurer will convey ownership of the property to the county, pursuant to statute. Delinquent taxpayers then have three years (or two years if both property taxes and special assessments are owed) to redeem their property by paying all unpaid taxes, fees, accrued interest and costs thereon. If not redeemed, the real estate will be disposed of by sheriff's sale at public auction to the highest bidder

following judicial foreclosure proceedings. The net proceeds of the sheriff's sale are apportioned on a pro rata basis to the various taxing units having jurisdiction over the property.

Property Tax Distributions (Section 12-1678a, Kansas Statutes Annotated)

Property taxes and special assessments collected by the county treasurer on December 20 and May 10 are distributed to the various taxing units on January 20 and June 5, respectively, in the actual amount collected as of not more than 20 days prior to the distribution date. In addition, distributions of interim collections are made on March 20 and September 20, in an amount equal to 95% of the estimated amount collected but not less than the actual amount collected as of not more than 20 days prior to such distribution dates. A final distribution is made on October 31, just prior to the receipt by the treasurer of the following year's tax roll.

The Kansas Cash-Basis Law (Chapter 10, Article 11, Kansas Statutes Annotated)

All municipalities and taxing subdivisions of the State are required by law to administer their financial operations on a cash basis, except in specific instances. Simply stated, a municipality may not incur a financial obligation in an amount which exceeds the amount of funds actually on hand at the time the obligation is incurred. The most notable exceptions to the cash-basis law are bonds, notes and warrants issued in accordance with State law, contracts approved by referendum and teacher contracts.

In order to operate efficiently on a cash basis, municipalities must adhere to certain statutory budgeting and accounting requirements which segregate financial resources into various operating funds, such as the general fund and the debt service fund, and limit the expenditure of such resources to the amounts identified in the duly adopted budget for each fund. Budgeted expenditures must be balanced with budgeted revenue for each fund, and moneys cannot be transferred between funds to cover excessive spending. Likewise, surplus revenue must be carried forward and used to reduce tax levies in the following year, with allowance for reasonable reserves.

According to the Kansas Supreme Court, the purpose of the cash-basis and budget laws is to provide for "the systematical, intelligent and economical administration of the financial affairs of municipalities and other taxing subdivisions of the state, so as to avoid waste and extravagance and yet permit such units of government to function so as to supply the governmental wants and needs of the people." (State, ex rel., v. Republic County Commissioners, 148 Kan. 376, 383.) It has the collateral effect of ensuring that financial obligations legally entered into will be paid.

2022 ANNUAL FINANCIAL STATEMENTS

The following includes the City's Annual Financial Statements for fiscal year ended December 31, 2022.
(The City's Annual Financial Statements for the fiscal year ended December 31, 2023 are not yet available.)

CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2022

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CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS
Year ending December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Baldwin City, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Baldwin City, Kansas and its related municipal entity, the Baldwin City Library, (collectively, the City), as of and for the year ended December 31, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Matters

The 2021 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) for the year ended December 31, 2021, is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Baldwin City, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated October 18, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipalservices>. The 2021 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

October 17, 2023

CITY OF BALDWIN CITY, KANSAS

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

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Period Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General	\$ 121,644	\$ -	\$ 3,650,323	\$ 3,509,390	\$ 262,577	\$ 133,368	\$ 395,945
Special Purpose Funds:							
Library	-	-	167,793	167,793	-	-	-
Special Parks and Recreation	71,899	-	18,276	-	90,175	-	90,175
Special Highway	82,721	-	137,344	216,240	3,825	-	3,825
Swimming Pool Sales Tax Revenue	49,899	-	-	-	49,899	-	49,899
General Reserve	[116,939]	-	762,295	614,671	30,685	-	30,685
Cemetery Reserve	132,394	-	-	-	132,394	-	132,394
Cemetery	104,064	-	89,113	61,721	131,456	5,452	136,908
Neighborhood Revitalization Program	-	-	198,221	198,221	-	-	-
Bond and Interest Funds:							
Bond and Interest	-	-	792,948	792,948	-	-	-
Capital Project Funds:							
Capital Project	187,600	-	1,594,354	346,973	1,434,981	2,500	1,437,481
Quality of Life Sales Tax	[35,278]	-	164,812	100,000	29,534	-	29,534
Capital Improvement Sales Tax	458,143	-	329,625	462,083	325,685	2,545	328,230
Police Building Project	[367,244]	-	-	-	[367,244]	-	[367,244]
Rail/Trail Project	85,549	-	7,500	25,398	67,651	8,968	76,619
Business Funds:							
Electric System	1,786,328	-	4,882,012	5,920,895	747,445	147,910	895,355
Electric Project	808,950	-	-	-	808,950	-	808,950
Water System	18,245	-	2,157,910	2,250,909	[74,754]	100,515	25,761
Water Project	43,754	-	3,351	65,450	[18,345]	-	[18,345]
Wastewater Utility	71,371	-	1,345,267	1,362,179	54,459	15,853	70,312
Wastewater Project	353,443	-	21,828	243,269	132,002	-	132,002
Refuse Utility	[35,859]	-	301,974	258,439	7,676	20,856	28,532
Total Primary Government	3,820,684	-	16,624,946	16,596,579	3,849,051	437,967	4,287,018
Related Municipal Entity:							
Baldwin City Library	462,839	-	179,732	215,619	426,952	-	426,952
Total Related Municipal Entity	462,839	-	179,732	215,619	426,952	-	426,952
Total Reporting Entity	\$ 4,283,523	\$ -	\$ 16,804,678	\$ 16,812,198	\$ 4,276,003	\$ 437,967	\$ 4,713,970

Composition of Cash:

Baldwin State Bank	
Checking	\$ 2,283,217
Checking - Baldwin City Library	130,862
Mid America Bank	
Certificates of Deposit	2,000,000
Kansas State Bank	
Checking	3,101
Douglas County Community Foundation - Baldwin City Library	296,090
Petty Cash	700
Total	\$ 4,713,970

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Baldwin City, Kansas, (the City) is a municipal corporation governed by a mayor and a five-member council. These financial statements present the City and its related municipal entity for which the City is considered to be financially accountable.

Related Municipal Entity. The Baldwin City Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Acquisition or disposition of real property by the Library must be approved by the City. Bond issuances must also be approved by the City. Complete financial statements are not available for the Library for the year ended December 31, 2022.

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 the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2022:

The General Fund is the chief operating fund is used to account for all resources except those required to be accounted for in another fund.

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

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

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

The Business Funds are 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.)

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. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. 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 regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The original budget was not amended during the year ended December 31, 2022.

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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital improvement funds, capital project funds, or trust funds.

NOTE 2 – Deposits and Investments

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

Investments. 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.

K.S.A. 12-1225(h) authorizes Library boards to invest or reinvest gifts and donations and any dividends, interest, rent or income derived from the gifts in the manner the board deems will best serve the interest of the library. As of December 31, 2022, the Baldwin City Library had the following unsecured investments:

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 – Deposits and Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>
Douglas County Community Foundation Mutual funds	<u>\$ 296,090</u>

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods."

As of December 31, 2022, the City's carrying amount of deposits was \$4,287,018 and the bank balance was \$4,318,936. The bank balance was held by two bank resulting in a concentration of credit risk. Of the bank balance, \$1,253,101 was covered by federal depository insurance and \$3,065,835 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

As of December 31, 2022, the Library's carrying amount of deposits was \$130,862 and the bank balance was \$134,112. The bank balance was held by one bank resulting in a concentration of credit risk. The entirety of the bank balance was covered by federal depository insurance.

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 3 – Defined Benefit Pension Plan

Plan Description. The City participate 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 by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for KPERS and 22.99% for KP&F for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$184,670 for KPERS and \$156,751 for KP&F for the year ended December 31, 2022.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 – Defined Benefit Pension Plan (Continued)

Net Pension Liability. As of December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,850,531 and \$1,562,831 for KP&F. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE 4 – Deferred Compensation Retirement Plan

The City administers a 401(a) pension plan. Employees are eligible to participate in the plan after six months of continuous service. Plan compensation is determined by W-2 wages. The City matches employee contributions up to 4% of wages. All employee contributions are fully vested.

Employer matching contributions are subject to the following vesting schedule:

Years of employment	1	2	3	4	5
Vested percentage	20%	40%	60%	80%	100%

Forfeitures may first be used to reduce fees. Remaining forfeitures will be used to reduce City contributions. For the year ended December 31, 2022, the City recognized pension expense of \$67,221. There were no plan forfeitures for the year ended December 31, 2022. The City closed the plan to new hires effective July 1, 2020.

NOTE 5 – Other Long-Term Obligations from Operations

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

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

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, 2022.

NOTE 6 – Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation earned but unused at termination is paid to the employees at their current rate of pay up to a maximum of 30 days. Employees who resign in good standing are entitled to ten percent of their unused sick leave and employees who retire in good standing are entitled to twenty percent of their sick leave. The sick leave is calculated at the maximum entitlement even though not all employees are eligible for retirement in the coming year. The liability for compensated absences as of December 31, 2022 is \$263,373.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 7 – Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City as of December 31, 2022.

NOTE 8 – Interfund Transfers

A reconciliation of transfers by fund type for 2022 follows:

	<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Cemetery		General	\$ 4,335	Council Resolution
Refuse Utility		General	13,131	K.S.A. 12-825d
General		General Reserve	18,833	K.S.A. 12-1117
Water Project		Water System	40,000	K.S.A. 12-1, 118
Special Highway		Bond and Interest	50,000	K.S.A 74-8905
Water System		General	96,854	K.S.A. 12-825d
Electric System		Water System	100,000	K.S.A. 12-825d
Quality of Life Sales Tax		Bond and Interest	100,000	K.S.A 74-8905
Wastewater Utility		General	126,413	K.S.A. 12-825d
Wastewater Project		Wastewater Utility	194,619	K.S.A. 12-1, 118
Capital Improvement Sales Tax		Bond and Interest	364,092	K.S.A 74-8905
Electric System		General	440,581	K.S.A. 12-825d
			<u>\$ 1,548,858</u>	

NOTE 9 – Risk Management

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

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. In the opinion of management and legal counsel, no such claims, legal actions or complaints would not have a material effect on any of the financial statements of the City as of December 31, 2022.

NOTE 10 – Long-Term Debt

The following table summarizes changes in long-term debt for the year ended December 31, 2022:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
General Obligation Bonds	\$ 15,190,000	\$ -	\$ 1,610,000	\$ 13,580,000	\$ 398,693
General Obligation Temporary Notes	-	1,580,000	-	1,580,000	-
Revolving Loans	1,584,160	-	80,296	1,503,864	28,468
Finance Leases	<u>1,211,645</u>	<u>743,462</u>	<u>154,369</u>	<u>1,800,739</u>	<u>54,300</u>
Total	<u>\$ 17,985,805</u>	<u>\$ 2,323,462</u>	<u>\$ 1,844,664</u>	<u>\$ 18,464,603</u>	<u>\$ 481,461</u>

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 10 – Long-Term Debt (Continued)

General Obligation Bonds. The following table details the City's outstanding general obligation bonds as of December 31, 2022:

<u>General Obligation Bonds</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
Refunding, Series 2012	06/15/12	08/01/24	1.90 - 2.20%	\$1,125,000	\$ 205,000
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	7,165,000	2,690,000
Refunding, Series 2014	08/01/14	11/01/26	2.50 - 2.75%	5,890,000	1,505,000
Refunding and Improvement, Series 2015-A	06/18/15	09/01/35	2.00 - 3.50%	2,100,000	825,000
Improvement, Series 2015-B	12/10/15	09/01/35	2.25 - 3.50%	3,155,000	2,230,000
Improvement, Series 2018-A	12/04/18	09/01/38	3.00 - 4.00%	3,915,000	3,100,000
Refunding, Series 2021	02/25/21	09/01/40	1.00 - 2.00%	3,075,000	3,025,000
					<u>\$ 13,580,000</u>

The annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,350,000	\$ 358,843	\$ 1,708,843
2024	1,300,000	323,918	1,623,918
2025	1,220,000	206,970	1,426,970
2026	1,245,000	255,970	1,500,970
2027	905,000	222,445	1,127,445
2028 - 2032	3,420,000	781,438	4,201,438
2033 - 2037	2,790,000	318,003	3,108,003
	<u>1,350,000</u>	<u>39,515</u>	<u>1,389,515</u>
	<u>\$ 13,580,000</u>	<u>\$ 2,507,100</u>	<u>\$ 16,087,100</u>

Revolving Loan. The following table details the City's outstanding revolving loans as of December 31, 2022:

<u>Revolving Loans</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
KDHE Public Water Supply - 2896	08/25/16	8/1/2034	1.82%	<u>\$ 1,816,457</u>	<u>\$ 1,503,864</u>

The annual debt service requirements to maturity for the revolving loans are as follows:

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 10 – Long-Term Debt (Continued)

Year Ending December 31,	Principal	Interest	Total
2023	\$ 81,764	\$ 27,000	\$ 108,764
2024	83,259	25,505	108,764
2025	84,781	23,983	108,764
2026	86,331	22,433	108,764
2027	455,916	87,904	543,820
2027 - 2031	499,145	44,674	543,820
2032 - 2036	212,668	4,860	217,528
	<u>\$ 1,503,864</u>	<u>\$ 236,359</u>	<u>\$ 1,740,223</u>

Finance Leases. The following table details the City's outstanding finance leases as of December 31, 2022:

<u>Finance Leases</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
2017 Crack Sealer	08/30/17	08/30/27	1.89%	\$ 42,000	\$ 21,981
2018 Elgin Street Sweeper	01/30/18	01/30/28	1.89%	75,000	46,673
2018 Digger Truck	03/30/18	03/30/28	1.89%	236,643	147,266
2019 Rosenbauer Ladder Truck	04/01/19	04/01/34	3.89%	883,408	745,510
2019 Ford F-550	04/09/19	04/09/29	3.78%	57,961	42,748
2020 Caterpillar Generators	02/06/20	01/15/25	3.75%	147,690	91,661
2021 Ford Police Interceptor	02/01/22	03/01/27	2.50%	142,608	129,397
2022 Rosenbauer Pumper Fire Truck	02/16/22	03/01/32	2.95%	600,854	575,502
					<u>\$ 1,800,739</u>

The annual debt service requirements to maturity for the finance leases are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 200,457	\$ 58,457	\$ 258,913
2024	206,683	52,231	258,913
2025	213,114	45,799	258,913
2026	186,884	39,156	226,040
2027	738,887	117,489	856,376
2027 - 2031	254,715	18,271	272,985
	<u>\$ 1,800,739</u>	<u>\$ 331,403</u>	<u>\$ 2,132,141</u>

Temporary Notes. The following table details the City's outstanding general obligation temporary notes as of December 31, 2022:

<u>General Obligation Temporary Notes</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
Renewal and Improvement, Series 2022-A	7/7/2022	3/1/2024	2.45%	\$ 1,580,000	<u>\$ 1,580,000</u>

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – Long-Term Debt (Continued)

The annual debt service requirements to maturity for the temporary notes are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 44,517	\$ 44,517
2024	<u>1,580,000</u>	<u>19,355</u>	<u>1,599,355</u>
2032 - 2034	<u>\$ 1,580,000</u>	<u>\$ 63,872</u>	<u>\$ 1,643,872</u>

Special Assessments. As provided by Kansas Statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as regulatory receipts in the bond and interest fund. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

NOTE 11 – Statutory Violations

Actual exceeded budgeted expenditures in the Bond and Interest Fund, which is a violation of K.S.A. 79-2935.

NOTE 12 – Subsequent Events

On June 1, 2023, the City issued General Obligation Bonds, Series 2023-A, in the amount of \$4,020,000. The notes bear an interest rate ranging from 3.25% to 5.00% with interest payments due bi-annually on March 1 and September 1. Final maturity is scheduled for September 1, 2042. Proceeds of the bonds will be used to finance the acquisition and construction of certain electrical utility substation improvements.

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CITY OF BALDWIN CITY, KANSAS

Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over [Under]</u>
General Funds:					
General	\$ 3,413,141	\$ 358,632	\$ 3,771,773	\$ 3,509,390	\$ [262,383]
Special Purpose Funds:					
Library	174,036	-	174,036	167,793	[6,243]
Special Parks and Recreation	12,134	-	12,134	-	[12,134]
Special Highway	250,000	-	250,000	216,240	[33,760]
Swimming Pool Sales Tax Revenue	37,639	-	37,639	-	[37,639]
General Reserve	48,000	743,462	791,462	614,671	[176,791]
Cemetery Reserve	15,592	-	15,592	-	[15,592]
Cemetery	125,331	-	125,331	61,721	[63,610]
Neighborhood Revitalization Program	500,000	-	500,000	198,221	[301,779]
Bond and Interest Funds:					
Bond and Interest	789,512	-	789,512	792,948	3,436
Capital Project Funds:					
Quality of Life Sales Tax	100,000	-	100,000	100,000	-
Capital Improvement Sales Tax	503,748	-	503,748	462,083	[41,665]
Business Funds:					
Electric System	6,085,394	-	6,085,394	5,920,895	[164,499]
Water System	2,527,021	-	2,527,021	2,250,909	[276,112]
Wastewater Utility	2,033,825	-	2,033,825	1,362,179	[671,646]
Refuse Utility	280,757	-	280,757	258,439	[22,318]

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

CITY OF BALDWIN CITY, KANSAS

General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Taxes	\$ 2,098,718	\$ 2,329,138	\$ 2,218,897	\$ 110,241
Intergovernmental	33,662	36,731	18,705	18,026
Franchise fees	39,219	60,892	469,811	[408,919]
Licenses, permits and fees	45,687	47,503	53,480	[5,977]
Fines, forfeitures and penalties	19,555	16,085	28,063	[11,978]
Federal grants	-	358,632	-	358,632
Use of money and property	33,782	60,593	-	60,593
Transfer in	688,334	681,314	397,747	283,567
Miscellaneous	527,456	59,435	14,572	44,863
Total Receipts	<u>3,486,413</u>	<u>3,650,323</u>	<u>\$ 3,201,275</u>	<u>\$ 449,048</u>
Expenditures				
General administration				
Personal services	125,322	129,589	\$ 124,413	\$ 5,176
Contractual services	258,882	216,900	263,468	[46,568]
Commodities	25,017	17,285	25,072	[7,787]
Capital outlay	12,148	9,206	261,997	[252,791]
	<u>421,369</u>	<u>372,980</u>	<u>674,950</u>	<u>[301,970]</u>
Planning				
Personal services	136,425	146,779	110,361	36,418
Contractual services	12,498	10,895	25,256	[14,361]
Commodities	2,042	4,034	3,294	740
Capital outlay	-	175	-	175
	<u>150,965</u>	<u>161,883</u>	<u>138,911</u>	<u>22,972</u>
Public works				
Personal services	306,960	362,891	284,284	78,607
Contractual services	47,768	65,382	70,300	[4,918]
Commodities	87,216	74,916	124,100	[49,184]
Capital outlay	11,936	98,716	10,000	88,716
	<u>453,880</u>	<u>601,905</u>	<u>488,684</u>	<u>113,221</u>
Culture and recreation				
Personal services	177,361	185,258	121,393	63,865
Contractual services	37,102	30,759	42,165	[11,406]
Commodities	10,694	8,962	24,800	[15,838]
Capital outlay	8,041	614	-	614
	<u>233,198</u>	<u>225,593</u>	<u>188,358</u>	<u>37,235</u>

CITY OF BALDWIN CITY, KANSAS

General Fund (continued)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

Expenditures (Continued)	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Fire Department				
Personal services	\$ 91,494	\$ 74,811	\$ 66,675	\$ 8,136
Contractual services	52,022	55,912	60,978	[5,066]
Commodities	5,402	12,739	10,984	1,755
Capital outlay	113,765	22,210	1,000	21,210
	<u>262,683</u>	<u>165,672</u>	<u>139,637</u>	<u>26,035</u>
Police Department				
Personal services	1,174,295	1,374,326	1,148,318	226,008
Contractual services	123,314	167,037	119,696	47,341
Commodities	40,434	64,866	59,275	5,591
Capital outlay	56,241	20,906	48,000	[27,094]
	<u>1,394,284</u>	<u>1,627,135</u>	<u>1,375,289</u>	<u>251,846</u>
Municipal Court				
Personal services	47,030	35,462	42,152	[6,690]
Contractual services	19,050	20,040	30,456	[10,416]
Commodities	632	1,035	1,916	[881]
	<u>66,712</u>	<u>56,537</u>	<u>74,524</u>	<u>[17,987]</u>
Economic Development				
Personal services	43	-	74	[74]
Contractual services	92,260	36,000	32,900	3,100
Capital outlay	64,433	65,050	100,000	[34,950]
	<u>156,736</u>	<u>101,050</u>	<u>132,974</u>	<u>[31,924]</u>
Pool				
Contractual services	103,644	98,814	87,000	11,814
Commodities	8,701	20,662	13,500	7,162
	<u>112,345</u>	<u>119,476</u>	<u>100,500</u>	<u>18,976</u>
Information Technology				
Personal services	-	901	-	901
Contractual services	1,304	1,164	74,064	[72,900]
Commodities	-	16	25,250	[25,234]
Capital outlay	52,867	56,245	-	56,245
	<u>54,171</u>	<u>58,326</u>	<u>99,314</u>	<u>[40,988]</u>
Transfer out	110,871	18,833	-	18,833
Adjustment for qualifying budget credits	-	-	358,632	[358,632]
Total Expenditures	<u>3,417,214</u>	<u>3,509,390</u>	<u>\$ 3,771,773</u>	<u>\$ [262,383]</u>
Receipts Over [Under] Expenditures	69,199	140,933		
Unencumbered Cash, Beginning	<u>52,445</u>	<u>121,644</u>		
Unencumbered Cash, Ending	<u>\$ 121,644</u>	<u>\$ 262,577</u>		

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

CITY OF BALDWIN CITY, KANSAS

Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 149,956	\$ 167,793	\$ 175,367	\$ [7,574]
Use of money and property	-	-	120	[120]
Total Receipts	<u>149,956</u>	<u>167,793</u>	<u>\$ 175,487</u>	<u>\$ [7,694]</u>
Expenditures				
Culture and Recreation:				
Personal services	-	-	\$ 1,049	\$ [1,049]
Contractual services	5,135	5,021	5,742	[721]
Appropriation to library board	<u>144,821</u>	<u>162,772</u>	<u>167,245</u>	<u>[4,473]</u>
Total Expenditures	<u>149,956</u>	<u>167,793</u>	<u>\$ 174,036</u>	<u>\$ [6,243]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

CITY OF BALDWIN CITY, KANSAS

Special Parks and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 9,972	\$ 17,401	\$ 7,078	\$ 10,323
Use of money and property	3	-	4,628	[4,628]
Park fees	<u>3,150</u>	<u>875</u>	<u>427</u>	<u>448</u>
Total Receipts	<u>13,125</u>	<u>18,276</u>	<u>\$ 12,133</u>	<u>\$ 6,143</u>
Expenditures				
Culture and Recreation:				
Capital outlay	<u>45</u>	<u>-</u>	<u>\$ 12,134</u>	<u>\$ [12,134]</u>
Total Expenditures	<u>45</u>	<u>-</u>	<u>\$ 12,134</u>	<u>\$ [12,134]</u>
Receipts Over [Under] Expenditures	13,080	18,276		
Unencumbered Cash, Beginning	<u>58,819</u>	<u>71,899</u>		
Unencumbered Cash, Ending	<u>\$ 71,899</u>	<u>\$ 90,175</u>		

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

CITY OF BALDWIN CITY, KANSAS

Special Highway Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 136,703	\$ 137,344	\$ 130,600	\$ 6,744
Use of money and property	14	-	6,550	[6,550]
Total Receipts	<u>136,717</u>	<u>137,344</u>	<u>\$ 137,150</u>	<u>\$ 194</u>
Expenditures				
Public works				
Capital outlay	111,564	166,240	\$ 200,000	\$ [33,760]
Commodities	6,449	-	-	-
Transfer out	<u>152,552</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>270,565</u>	<u>216,240</u>	<u>\$ 250,000</u>	<u>\$ [33,760]</u>
Receipts Over [Under] Expenditures	[133,848]	[78,896]		
Unencumbered Cash, Beginning	<u>216,569</u>	<u>82,721</u>		
Unencumbered Cash, Ending	<u>\$ 82,721</u>	<u>\$ 3,825</u>		

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

CITY OF BALDWIN CITY, KANSAS

Swimming Pool Sales Tax Revenue Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Use of money and property	\$ 3	\$ -	\$ 1,659	\$ [1,659]
Total Receipts	<u>3</u>	<u>-</u>	<u>1,659</u>	<u>[1,659]</u>
Expenditures				
Culture and Recreation:				
Contractual services	48	-	\$ 35,000	\$ [35,000]
Capital outlay	-	-	2,639	[2,639]
Total Expenditures	<u>48</u>	<u>-</u>	<u>37,639</u>	<u>[37,639]</u>
Receipts Over [Under] Expenditures	[45]	-		
Unencumbered Cash, Beginning	<u>49,944</u>	<u>49,899</u>		
Unencumbered Cash, Ending	<u>\$ 49,899</u>	<u>\$ 49,899</u>		

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

CITY OF BALDWIN CITY, KANSAS

General Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 40,000	\$ -	\$ -	\$ -
Use of money and property	2	-	-	-
Lease proceeds	-	743,462	-	743,462
Transfer in	-	18,833	48,000	[29,167]
Miscellaneous	685	-	-	-
Total Receipts	<u>40,687</u>	<u>762,295</u>	<u>\$ 48,000</u>	<u>\$ 714,295</u>
Expenditures				
Capital outlay	196,688	614,671	\$ 48,000	\$ 566,671
Adjustment for qualifying budget credits	-	-	743,462	[743,462]
Total Expenditures	<u>196,688</u>	<u>614,671</u>	<u>\$ 791,462</u>	<u>\$ [176,791]</u>
Receipts Over [Under] Expenditures	[156,001]	147,624		
Unencumbered Cash, Beginning	<u>39,062</u>	<u>[116,939]</u>		
Unencumbered Cash, Ending	<u>\$ [116,939]</u>	<u>\$ 30,685</u>		

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

CITY OF BALDWIN CITY, KANSAS

Cemetery Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

		Current Year		
	Prior Year	Actual	Budget	Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u> <u>[Under]</u>
Receipts				
Use of money and property	\$ 7	\$ -	\$ 2,917	\$ [2,917]
Total Receipts	<u>7</u>	<u>-</u>	<u>\$ 2,917</u>	<u>\$ [2,917]</u>
Expenditures				
Contractual services	128	-	\$ 15,592	\$ [15,592]
Total Expenditures	<u>128</u>	<u>-</u>	<u>\$ 15,592</u>	<u>\$ [15,592]</u>
Receipts Over [Under] Expenditures	[121]	-		
Unencumbered Cash, Beginning	<u>132,515</u>	<u>132,394</u>		
Unencumbered Cash, Ending	<u>\$ 132,394</u>	<u>\$ 132,394</u>		

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

CITY OF BALDWIN CITY, KANSAS

Cemetery Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 72,036	\$ 80,651	\$ 84,437	\$ [3,786]
Use of money and property	5	-	645	[645]
Miscellaneous	<u>26,487</u>	<u>8,462</u>	<u>13,000</u>	<u>[4,538]</u>
Total Receipts	<u>98,528</u>	<u>89,113</u>	<u>\$ 98,082</u>	<u>\$ [8,969]</u>
Expenditures				
Personal services	31,156	33,779	\$ 77,203	\$ [43,424]
Contractual services	13,925	12,618	9,750	2,868
Commodities	3,696	4,784	22,329	[17,545]
Capital outlay	6,141	6,205	11,727	[5,522]
Transfer out	<u>4,322</u>	<u>4,335</u>	<u>4,322</u>	<u>13</u>
Total Expenditures	<u>59,240</u>	<u>61,721</u>	<u>\$ 125,331</u>	<u>\$ [63,610]</u>
Receipts Over [Under] Expenditures	39,288	27,392		
Unencumbered Cash, Beginning	<u>64,776</u>	<u>104,064</u>		
Unencumbered Cash, Ending	<u>\$ 104,064</u>	<u>\$ 131,456</u>		

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

CITY OF BALDWIN CITY, KANSAS

Neighborhood Revitalization Program Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 113,117	\$ 198,221	\$ 500,000	\$ [301,779]
Interest	-	-	43	[43]
Total Receipts	<u>113,117</u>	<u>198,221</u>	<u>\$ 500,043</u>	<u>\$ [301,822]</u>
Expenditures				
Commodities	113,117	198,221	\$ 250,000	\$ [51,779]
Capital outlay	-	-	250,000	[250,000]
Total Expenditures	<u>113,117</u>	<u>198,221</u>	<u>\$ 500,000</u>	<u>\$ [301,779]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

CITY OF BALDWIN CITY, KANSAS

Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 248,989	\$ 278,856	\$ 291,445	\$ [12,589]
Use of money and property	2	-	1,410	[1,410]
Transfer in	<u>511,934</u>	<u>514,092</u>	<u>543,934</u>	<u>[29,842]</u>
Total Receipts	<u>760,925</u>	<u>792,948</u>	<u>\$ 836,789</u>	<u>\$ [43,841]</u>
Expenditures				
Debt service:				
Principal	571,343	577,834	\$ 577,834	\$ -
Interest	196,570	210,114	210,114	-
Miscellaneous	<u>122</u>	<u>5,000</u>	<u>1,564</u>	<u>3,436</u>
Total Expenditures	<u>768,035</u>	<u>792,948</u>	<u>\$ 789,512</u>	<u>\$ 3,436</u>
Receipts Over [Under] Expenditures	[7,110]	-		
Unencumbered Cash, Beginning	<u>7,110</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Taxes	\$ 12,286	\$ 7,372
Bond proceeds	980,746	-
Bond premium	17,037	-
Temporary note proceeds	-	1,580,000
Miscellaneous	1,749	6,982
Use of money and property	10	-
Total Receipts	<u>1,011,828</u>	<u>1,594,354</u>
Expenditures		
Public works		
Contractual services	94,113	341,094
Debt service:		
Principal	930,000	-
Interest	20,415	5,879
Total Expenditures	<u>1,044,528</u>	<u>346,973</u>
Receipts Over [Under] Expenditures	[32,700]	1,247,381
Unencumbered Cash, Beginning	<u>220,300</u>	<u>187,600</u>
Unencumbered Cash, Ending	<u>\$ 187,600</u>	<u>\$ 1,434,981</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Quality of Life Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 151,516	\$ 164,812	\$ 134,782	\$ 30,030
Use of money and property	-	-	5,202	[5,202]
Total Receipts	<u>151,516</u>	<u>164,812</u>	<u>\$ 139,984</u>	<u>\$ 24,828</u>
Expenditures				
Capital outlay	234	-	\$ -	\$ -
Transfers out	106,549	100,000	100,000	-
Total Expenditures	<u>106,783</u>	<u>100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	44,733	64,812		
Unencumbered Cash, Beginning	<u>[80,011]</u>	<u>[35,278]</u>		
Unencumbered Cash, Ending	<u>\$ [35,278]</u>	<u>\$ 29,534</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Improvement Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 303,030	\$ 329,625	\$ 269,564	\$ 60,061
Use of money and property	17	-	4,010	[4,010]
Total Receipts	<u>303,047</u>	<u>329,625</u>	<u>\$ 273,574</u>	<u>\$ 56,051</u>
Expenditures				
Capital outlay	209	97,991	\$ 150,000	\$ [52,009]
Transfers out	141,962	364,092	353,748	10,344
Total Expenditures	<u>142,171</u>	<u>462,083</u>	<u>\$ 503,748</u>	<u>\$ [41,665]</u>
Receipts Over [Under] Expenditures	160,876	[132,458]		
Unencumbered Cash, Beginning	<u>297,267</u>	<u>458,143</u>		
Unencumbered Cash, Ending	<u>\$ 458,143</u>	<u>\$ 325,685</u>		

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

CITY OF BALDWIN CITY, KANSAS

Police Building Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Bond proceeds	\$ 1,480,829	\$ -
Bond premium	25,724	-
Use of money and property	<u>101,270</u>	<u>-</u>
Total Receipts	<u>1,607,823</u>	<u>-</u>
Expenditures		
Contractual services	38,157	-
Debt service:		
Principal	1,350,000	-
Interest	<u>29,732</u>	<u>-</u>
Total Expenditures	<u>1,417,889</u>	<u>-</u>
Receipts Over [Under] Expenditures	189,934	-
Unencumbered Cash, Beginning	<u>[557,178]</u>	<u>[367,244]</u>
Unencumbered Cash, Ending	<u>\$ [367,244]</u>	<u>\$ [367,244]</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Rail/Trail Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 6	\$ -
Donations	<u> 7,500</u>	<u> 7,500</u>
Total Receipts	<u> 7,506</u>	<u> 7,500</u>
Expenditures		
Contractual services	<u> 36,417</u>	<u> 25,398</u>
Total Expenditures	<u> 36,417</u>	<u> 25,398</u>
Receipts Over [Under] Expenditures	[28,911]	[17,898]
Unencumbered Cash, Beginning	<u> 114,460</u>	<u> 85,549</u>
Unencumbered Cash, Ending	<u> 85,549</u>	<u> 67,651</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Electric System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Sales to consumers	\$ 4,547,545	\$ 4,640,465	\$ 4,438,742	\$ 201,723
Reimbursed expenses	756	3,640	-	3,640
Franchise fees	207,261	211,537	220,000	[8,463]
Miscellaneous	6,794	1,432	93,678	[92,246]
Use of money and property	32,136	24,938	52,879	[27,941]
Total Receipts	<u>4,794,492</u>	<u>4,882,012</u>	<u>\$ 4,805,299</u>	<u>\$ 76,713</u>
Expenditures				
Personal services	870,551	870,722	\$ 918,826	\$ [48,104]
Contractual services	2,496,655	2,637,125	2,185,979	451,146
Commodities	103,733	139,544	533,244	[393,700]
Capital outlay	276,699	1,037,329	1,157,312	[119,983]
Debt service:				
Principal	694,304	557,075	557,075	-
Interest	135,710	117,639	117,639	-
Miscellaneous	58,964	20,880	-	20,880
Transfers out	588,614	540,581	615,319	[74,738]
Total Expenditures	<u>5,225,230</u>	<u>5,920,895</u>	<u>\$ 6,085,394</u>	<u>\$ [164,499]</u>
Receipts Over [Under] Expenditures	<u>[430,738]</u>	<u>[1,038,883]</u>		
Unencumbered Cash, Beginning	2,168,861	1,786,328		
Prior Period Adjustment	<u>48,205</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>2,217,066</u>	<u>1,786,328</u>		
Unencumbered Cash, Ending	<u>\$ 1,786,328</u>	<u>\$ 747,445</u>		

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

CITY OF BALDWIN CITY, KANSAS

Electric Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 200,000	\$ -
Use of money and property	37	-
Miscellaneous	<u>4,992</u>	<u>-</u>
Total Receipts	<u>205,029</u>	<u>-</u>
Expenditures		
Capital outlay	<u>127,789</u>	<u>-</u>
Total Expenditures	<u>127,789</u>	<u>-</u>
Receipts Over [Under] Expenditures	77,240	-
Unencumbered Cash, Beginning	<u>731,710</u>	<u>808,950</u>
Unencumbered Cash, Ending	<u>\$ 808,950</u>	<u>\$ 808,950</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Water System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Sales to consumers	\$ 1,792,542	\$ 1,940,299	\$ 1,880,330	\$ 59,969
Franchise fees	70,661	76,596	56,092	20,504
Miscellaneous	925	264	-	264
Use of money and property	769	751	9,915	[9,164]
Transfers in	-	140,000	277,102	[137,102]
Total Receipts	<u>1,864,897</u>	<u>2,157,910</u>	<u>\$ 2,223,439</u>	<u>\$ [65,529]</u>
Expenditures				
Personal services	457,476	524,528	\$ 517,259	\$ 7,269
Contractual services	1,058,653	1,071,669	1,116,442	[44,773]
Commodities	46,203	41,120	158,500	[117,380]
Capital outlay	168,686	227,963	281,000	[53,037]
Debt service:				
Principal	200,824	218,256	218,256	-
Interest	54,755	51,603	51,603	-
Miscellaneous	4,508	18,916	-	18,916
Transfers out	133,503	96,854	183,961	[87,107]
Total Expenditures	<u>2,124,608</u>	<u>2,250,909</u>	<u>\$ 2,527,021</u>	<u>\$ [276,112]</u>
Receipts Over [Under] Expenditures	[259,711]	[92,999]		
Unencumbered Cash, Beginning	<u>277,956</u>	<u>18,245</u>		
Unencumbered Cash, Ending	<u>\$ 18,245</u>	<u>\$ [74,754]</u>		

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

CITY OF BALDWIN CITY, KANSAS

Water Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 17,325	\$ 3,351
Use of money and property	<u>2</u>	<u>-</u>
Total Receipts	<u>17,327</u>	<u>3,351</u>
Expenditures		
Capital projects	7	25,450
Transfer out	<u>-</u>	<u>40,000</u>
Total Expenditures	<u>7</u>	<u>65,450</u>
Receipts Over [Under] Expenditures	17,320	[62,099]
Unencumbered Cash, Beginning	<u>26,434</u>	<u>43,754</u>
Unencumbered Cash, Ending	<u>\$ 43,754</u>	<u>\$ [18,345]</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Wastewater Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Sales to consumers	\$ 1,040,854	\$ 1,082,407	\$ 1,434,984	\$ [352,577]
Franchise fees	51,632	53,587	54,500	[913]
Miscellaneous	12,041	14,654	2,888	11,766
Transfer in	189,750	194,619	673,687	[479,068]
Use of money and property	12	-	5,408	[5,408]
Total Receipts	<u>1,294,289</u>	<u>1,345,267</u>	<u>\$ 2,171,467</u>	<u>\$ [826,200]</u>
Expenditures				
Personal services	331,025	362,256	\$ 310,673	\$ 51,583
Contractual services	235,075	199,034	269,550	[70,516]
Commodities	55,136	58,320	94,000	[35,680]
Capital outlay	25,504	25,572	11,500	14,072
Debt service:				
Principal	471,000	491,500	491,500	-
Interest	110,074	99,084	99,084	-
Transfers out	103,018	126,413	757,518	[631,105]
Total Expenditures	<u>1,330,832</u>	<u>1,362,179</u>	<u>\$ 2,033,825</u>	<u>\$ [671,646]</u>
Receipts Over [Under] Expenditures	[36,543]	[16,912]		
Unencumbered Cash, Beginning	<u>107,914</u>	<u>71,371</u>		
Unencumbered Cash, Ending	<u>\$ 71,371</u>	<u>\$ 54,459</u>		

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

CITY OF BALDWIN CITY, KANSAS

Wastewater Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 25,500	\$ 4,400
Bond proceeds	613,425	-
Bond premium	10,656	-
Use of money and property	<u>23,689</u>	<u>17,428</u>
Total Receipts	<u>673,270</u>	<u>21,828</u>
Expenditures		
Contractual services	242,998	23,650
Capital outlay	125,019	25,000
Debt service:		
Principal	580,000	-
Interest	12,774	-
Transfers out	<u>189,750</u>	<u>194,619</u>
Total Expenditures	<u>1,150,541</u>	<u>243,269</u>
Receipts Over [Under] Expenditures	[477,271]	[221,441]
Unencumbered Cash, Beginning	<u>830,714</u>	<u>353,443</u>
Unencumbered Cash, Ending	<u>\$ 353,443</u>	<u>\$ 132,002</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Refuse Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Sales to consumers	\$ 273,166	\$ 288,725	\$ 269,716	\$ 19,009
Franchise fees	12,515	13,249	12,894	355
Total Receipts	<u>285,681</u>	<u>301,974</u>	<u>\$ 282,610</u>	<u>\$ 19,364</u>
Expenditures				
Personal services	6,473	11,481	\$ 9,939	\$ 1,542
Contractual services	232,755	226,421	217,187	9,234
Commodities	-	-	500	[500]
Capital outlay	6,473	7,406	-	7,406
Transfers out	58,877	13,131	53,131	[40,000]
Total Expenditures	<u>304,578</u>	<u>258,439</u>	<u>\$ 280,757</u>	<u>\$ [22,318]</u>
Receipts Over [Under] Expenditures	[18,897]	43,535		
Unencumbered Cash, Beginning	<u>[16,962]</u>	<u>[35,859]</u>		
Unencumbered Cash, Ending	<u>\$ [35,859]</u>	<u>\$ 7,676</u>		

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

CITY OF BALDWIN CITY, KANSAS

Schedule of Receipts and Expenditures - Actual
Regulatory Basis
Related Municipal Entity - Baldwin City Library
For the Year Ended December 31, 2022

Receipts	
City appropriations	\$ 167,793
Charges for services	7,119
Grants and donations	40,106
Interest and investment earnings	7,860
Gain/[Loss] on value of investments	<u>[43,146]</u>
Total Receipts	<u>179,732</u>
Expenditures	
Culture and recreation	82,127
Wages	<u>133,492</u>
Total Expenditures	<u>215,619</u>
Receipts Over [Under] Expenditures	[35,887]
Unencumbered Cash, Beginning	<u>462,839</u>
Unencumbered Cash, Ending	<u>\$ 426,952</u>

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

BIDDING INFORMATION: NOTICE OF BOND SALE AND OFFICIAL BID FORM

NOTICE OF BOND SALE

\$2,605,000*

CITY OF BALDWIN CITY, KANSAS

**GENERAL OBLIGATION BONDS
SERIES 2024-A**

(GENERAL OBLIGATION BONDS PAYABLE
FROM UNLIMITED AD VALOREM TAXES)

Bids. Email and electronic (as explained below) bids for the purchase of the above-referenced bonds (the “Bonds”) of the City of Baldwin City, Kansas (the “Issuer”) herein described will be received on behalf of the undersigned Clerk of the Issuer at the address hereinafter set forth in the case of email and facsimile bids, and via PARITY® in the case of electronic bids, until 10:30 A.M. applicable Central Time (the “Submittal Hour”), on

TUESDAY, FEBRUARY 13, 2024

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of the Bonds to the successful bidder (the “Successful Bidder”) will be acted upon immediately thereafter by the Issuer’s Mayor and City Administrator, and ratified by the Governing Body of the Issuer (the “Governing Body”) at its meeting to be held at 7:00 p.m. on February 20, 2024. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Bonds.

Terms of the Bonds. The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Bonds will be dated February 28, 2024 (the “Dated Date”), and will become due in principal installments on September 1 in the years as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2025	\$100,000	2035	\$140,000
2026	110,000	2036	140,000
2027	110,000	2037	150,000
2028	115,000	2038	150,000
2029	115,000	2039	155,000
2030	120,000	2040	165,000
2031	125,000	2041	165,000
2032	125,000	2042	175,000
2033	130,000	2043	180,000
2034	135,000		

The Bonds will bear interest from the Dated Date at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2024 (the “Interest Payment Dates”).

***Adjustment of Issue Size.** The Issuer reserves the right to increase or decrease the total principal amount of the Bonds or the schedule of principal payments described above, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder, but in no event will the total principal amount of the Bonds exceed \$2,625,000. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Bonds or the schedule of principal payments as described herein. If there is an increase or decrease in the final aggregate principal amount of the Bonds or the schedule of principal payments as described above, the Issuer will notify the Successful Bidder by means of telephone, electronic or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m. applicable Central Time, on the business day immediately following the Sale Date. The actual purchase price for the Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the Bonds, as adjusted, plus accrued interest from the Dated Date to the Closing Date (as hereinafter defined).

Place of Payment. The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The principal of the Bonds will be payable at maturity or earlier redemption to the owner thereof whose name is on the registration books (the "Bond Register") of the Bond Registrar (the "Registered Owner") upon presentation and surrender at the principal office of the Paying Agent. Interest on the Bonds will be payable to the Registered Owner of such Bonds as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the "Record Date") (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

Bond Registration. The Bonds will be registered pursuant to a plan of registration approved by the Issuer and the Treasurer of the State of Kansas (the "State"). The Issuer will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered Bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

Book-Entry-Only System. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in "book entry" form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities

depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.

Redemption of Bonds Prior to Maturity.

General. Whenever the Issuer is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

Optional Redemption. At the option of the Issuer, Bonds maturing on September 1 in the years 2035, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2034, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Mandatory Redemption. A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as term bonds (the “Term Bonds”) scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY®.

Notice and Effect of Call for Redemption. Unless waived by any owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar, any provider of municipal bond insurance and the Successful Bidder. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the Redemption Date. All notices of redemption shall state the Redemption Date, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption. The Issuer shall also give such additional notice as may be required by State law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the Redemption Date, provided funds are available for its payment at the price hereinbefore specified.

Authority, Purpose and Security. The Bonds are being issued pursuant to K.S.A. 12-101 *et seq.* and Charter Ordinance No. 19 of the Issuer, as amended, and an ordinance and a resolution adopted by the Governing Body (collectively the “Bond Resolution”) for the purpose of paying the cost of certain community and recreation facility improvements (the “Improvements”). The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, 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 and interest on the Bonds as the same become due.

Submission of Bids. Email bids must be made on forms which may be procured from the Clerk or the Municipal Advisor and shall be addressed to the undersigned, and marked “Proposal for General Obligation Bonds, Series 2024-A.” Email bids should be sent only once to the Municipal Advisor at bids@bakertilly.com. Confirmation of receipt of email bids may be made by contacting the Municipal Advisor at the number listed below. Electronic bids via PARITY® must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. ***Any bid submitted shall include the initial offering prices to the public for each maturity of the Bonds.*** If provisions of this Notice of Bond Sale conflict with those of PARITY®, this Notice of Bond Sale shall control. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately. The Issuer and Municipal Advisor shall not be responsible for failure of the transmission of any bid. ***Any bidder desiring to have the Municipal Advisor assist in the delivery of such bidder's bid should provide pertinent bidding information to the Municipal Advisor not later than 30 minutes prior to the Submittal Hour on the Sale Date.***

PARITY®. Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

Conditions of Bids. Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Bonds of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by ***THE BOND BUYER***, in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus 3%; and (c) no supplemental interest payments will be considered; and (d) each interest rate specified shall be a multiple of 1/100 or 1/8 of 1%. The initial price to the public as stated on the bid must be 98.0% or greater. No bid for less than ***98.4%*** of the principal amount of the Bonds and accrued interest thereon to the date of delivery will be considered. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds, as applicable, on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form, and the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Bonds, it will provide the certification described under the caption “Establishment of Issue Price” in this Notice.

Good Faith Deposit. To have its proposal considered for award, the lowest bidder for the Bonds is required to submit a good faith deposit in the amount of \$52,100 (the “Deposit”), payable to the order of the Issuer, in order to secure the Issuer from any loss resulting from the failure of the bidder to comply with the terms of its bid. ***The Deposit must be received by the City by 3:00 p.m. Central Time on the Sale Date.*** The Deposit shall be submitted by wire transfer in Federal Reserve funds, immediately available for use by the City.

Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to the Municipal Advisor at the email address set forth below, including the following information: (a) notification that a wire transfer has been made and (b) the amount of the wire transfer. No interest on the Deposit will be paid by the Issuer. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the Issuer until the Successful Bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price at the option of the Issuer. If a bid is accepted but the Issuer fails to deliver the Bond to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the Issuer as and for liquidated damages.

Basis of Award. The award of the Bonds will be made on the basis of the lowest true interest cost (“TIC”), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Bonds on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Issuer. The Issuer or its Municipal Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern, and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the governing body of the Issuer will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within the State with regard to such dispute.

The Issuer’s acceptance, including electronic acceptance through PARITY®, of the Successful Bidder’s proposal for the purchase of the Bonds in accordance with this Notice of Bond Sale shall constitute a Bond purchase agreement between the Issuer and the Successful Bidder for purposes of the laws of the State and a contract between the Issuer and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and Rule G-32 of the Municipal Securities Rulemaking Board (“Rule G-32”). The method of acceptance shall be determined solely by the Governing Body.

Bond Ratings. The outstanding general obligation bonds of the Issuer are rated “A” by S&P Global Ratings, a division of S&P Global Inc. The Issuer has applied to S&P Global Ratings for a rating on the Bonds herein offered for sale.

Optional Bond Insurance. The Issuer has **not** applied for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance, and any bidder desires to purchase such policy, such indication and the name of the desired insurer must be set forth on the bidder’s Official Bid Form. The Issuer specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the Issuer.

If the Successful Bidder elects to purchase the Bonds with municipal bond insurance, certain rating agencies will assign their ratings to the Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of the principal of and interest on the Bonds will be issued by such bond insurer. All costs associated with the purchase and issuance of such municipal bond insurance policy and associated ratings and expenses (other than any independent rating requested by the Issuer) shall be paid by the Successful Bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the Successful Bidder to accept delivery of the Bonds.

CUSIP Numbers. CUSIP identification numbers will be assigned and printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. The Municipal Advisor will apply for CUSIP numbers pursuant to Rule G-

34 implemented by the Municipal Securities Rulemaking Board. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the Issuer.

Delivery and Payment. The Issuer will pay for the preparation of the Bonds and will deliver the Bonds properly prepared, executed and registered without cost on or about **FEBRUARY 28, 2024** (the “Closing Date”), to DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Bond of each maturity registered in the nominee name of DTC.

Establishment of Issue Price.

(a) In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the “Code”), the Successful Bidder will be required to assist the Issuer in establishing the “issue price” of the Bonds and complete, execute and deliver to the Issuer prior to the Closing Date, a written certification in a form acceptable to the Successful Bidder, the Issuer and Bond Counsel (the “Issue Price Certificate”) containing the following for the Bonds (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (1) the interest rate; (2) the reasonably expected initial offering price to the “public” (as said term is used in Treasury Regulation Section 1.148-1(f) (the “Regulation”)) or the sale price; and (3) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public. Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received by the Municipal Advisor or Bond Counsel on behalf of the Issuer.

(b) The Issuer intends that the sale of the Bonds pursuant to this Notice shall constitute a “competitive sale” as defined in the Regulation. In support thereof: (1) the Issuer shall cause this Notice to be disseminated to potential bidders in a manner reasonably designed to reach potential bidders; (2) all bidders shall have an equal opportunity to submit a bid; (3) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and (4) the Issuer anticipates awarding the sale of the Bonds to the bidder that provides a bid with the lowest TIC in accordance with the section hereof entitled “Basis of Award.”

(c) Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds, as specified therein. The Successful Bidder shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the Successful Bidder confirms that it shall require any agreement among underwriters, a selling group agreement or other agreement to which it is a party relating to the initial sale of the Bonds to include provisions requiring compliance with provisions of the Code and the Regulation regarding the initial sale of the Bonds.

(d) If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the Successful Bidder of such fact at the time of award of the sale of the Bonds to the Successful Bidder and the following provisions shall apply to the Bonds. ***In such event, any bid submitted will not be subject to cancellation or withdrawal.*** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Successful Bidder shall advise the Issuer if a “substantial amount” (as defined in the Regulation (10%)) of the Bonds (and if different interest rates apply within a maturity, to each separate CUSIP number

within that maturity), has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for the Bonds. The Issuer will *not* require the Successful Bidder to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement, but the Successful Bidder may elect such option. If the Successful Bidder exercises such option, the Issuer will apply the initial offering price to the public provided in the bid as the issue price for the Bonds. If the Successful Bidder does not exercise that option, it shall thereafter promptly provide the Issuer the prices at which a substantial amount of the Bonds is sold to the public; provided such determination shall be made and the Issuer notified of such prices not later than three (3) business days prior to the Closing Date. ***Any change in the issue price of any of the Bonds after the Submittal Hours will not affect the purchase price for the Bonds submitted in the bid of the Successful Bidder.***

(e) This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

Preliminary Official Statement and Official Statement. The Issuer has prepared a Preliminary Official Statement dated February 2, 2024, “deemed final” by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Clerk or from the Municipal Advisor. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder’s proposal in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32.

Continuing Disclosure. In the Bond Resolution, the Issuer has covenanted to annually provide certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the Bonds. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

Assessed Valuation and Indebtedness. The total assessed valuation of the taxable tangible property within the Issuer for the year 2023 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property	\$44,969,176
Tangible Valuation of Motor Vehicles (2022)	<u>5,090,070</u>
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations	<u>\$50,059,246</u>

The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold, is \$20,435,000. Temporary notes in the principal amount of \$1,580,000 will be retired out of proceeds of the Bonds, which will reduce the outstanding general obligation indebtedness of the Issuer to \$18,855,000.

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel to the Issuer, which opinion will be furnished and paid for by the Issuer, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Bonds being excludable from gross income for federal income tax purposes and exempt from income taxation by the State. Reference is made to the Preliminary Official Statement for further discussion of federal and State income tax matters relating to the interest on the Bonds.

Electronic Transactions. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means or transmissions. All bid documents, closing documents, certificates, ordinances, resolutions and related instruments may be executed by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Additional Information. Additional information regarding the Bonds may be obtained from the undersigned or from the Municipal Advisor at the addresses set forth below:

DATED: January 16, 2024.

CITY OF BALDWIN CITY, KANSAS
By: Amara Packard, Clerk

Issuer Address:

803 8th Street, P.O. Box 86
Baldwin City, Kansas 66006
Attn: Amara Packard, Clerk
Phone: (785) 594-6427
Email: apackard@baldwincity.gov

Municipal Advisor Address:

Baker Tilly Municipal Advisors, LLC
30 East 7th Street, Suite 3025
Saint Paul, Minnesota 55101
Attn: Bond Services
Phone: (651) 223-3000
Email: bids@bakertilly.com

OFFICIAL BID FORM
 PROPOSAL FOR THE PURCHASE OF CITY OF BALDWIN CITY, KANSAS
 GENERAL OBLIGATION BONDS, SERIES 2024-A

TO: Amara Packard, Clerk
 City of Baldwin City, Kansas

February 13, 2024

For \$2,605,000* principal amount of General Obligation Bonds, Series 2024-A, of the City of Baldwin City, Kansas (the "Issuer"), to be dated February 28, 2024, as described in the Notice of Bond Sale dated January 16, 2024 (the "Notice"), said Bonds to bear interest as follows:

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>Stated Maturity</u> <u>September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>
2025	\$100,000	_____ %	_____ %	2035	\$140,000	_____ %	_____ %
2026	110,000	_____ %	_____ %	2036	140,000	_____ %	_____ %
2027	110,000	_____ %	_____ %	2037	150,000	_____ %	_____ %
2028	115,000	_____ %	_____ %	2038	150,000	_____ %	_____ %
2029	115,000	_____ %	_____ %	2039	155,000	_____ %	_____ %
2030	120,000	_____ %	_____ %	2040	165,000	_____ %	_____ %
2031	125,000	_____ %	_____ %	2041	165,000	_____ %	_____ %
2032	125,000	_____ %	_____ %	2042	175,000	_____ %	_____ %
2033	130,000	_____ %	_____ %	2043	180,000	_____ %	_____ %
2034	135,000	_____ %	_____ %				

* Subject to change, see the Notice

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount	\$2,605,000* .00
Less Discount (not to exceed 1.6%).....	-
Plus Premium (if any)	_____
Total Purchase Price	\$ _____
Total interest cost to maturity at the rates specified	\$ _____
Net interest cost (adjusted for Discount and/or Premium)	\$ _____
True Interest Cost	_____ %

- The Bidder elects to purchase Municipal Bond Insurance from (circle one of the following): [AGM] [BAM]
- The Bidder elects to have the following Term Bonds:

<u>Maturity Date</u>	<u>Years</u>	<u>Amount*</u>
September 1, ____	_____ to _____	\$ _____
September 1, ____	_____ to _____	\$ _____

*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice. A wire transfer in the amount of \$52,100 payable to the order of the Issuer, submitted in the manner set forth in the Notice accompanies this proposal as evidence of good faith. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: _____

(LIST ACCOUNT MEMBERS ON REVERSE)

By: _____

Telephone No. (____) _____

ACCEPTANCE

The above proposal is hereby accepted on behalf of the Issuer on February 13, 2024.

Attest:

 Clerk

 Mayor

NOTE: No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Email bids may be filed with Baker Tilly Municipal Advisors, LLC, at bids@bakertilly.com, and electronic bids may be submitted via **PARITY**®, at or prior to 10:30 A.M. applicable Central Time, on February 13, 2024. Any bid received after such time will not be accepted or shall be returned to the bidder.