

OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY ONLY

NOT RATED

In the opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from income taxation by the State of Kansas. Interest on the Bonds is included in gross income for federal income tax purposes. See "TAX MATTERS" herein.

\$1,050,000
CITY OF LARNED, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2021

Dated: Date of Delivery

Due: September 1, As shown on inside cover

The Taxable General Obligation Refunding Bonds, Series 2021 (the "Bonds") will be issued by the City of Larned, Kansas (the "City" or the "Issuer"), as fully registered Bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the "Authorized Denomination"). Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Bonds. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and registrar (the "Paying Agent and "Bond Registrar"). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of either the Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

Principal of the Bonds will be payable annually on September 1, beginning in 2022, and semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2022. At the option of the Issuer, Bonds maturing on September 1, 2028, and thereafter will be subject to redemption and payment prior to maturity on September 1, 2027, or thereafter as described herein. See "THE BONDS - Redemption Provisions" herein.

The Bonds and the interest thereon will constitute general obligations of the Issuer, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. See "THE BONDS-Security for the Bonds" herein.

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. Certain other legal matters will be passed upon by Ronald D. Smith, Esq., counsel for the Issuer. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about August 19, 2021.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. APPENDIX C CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.



The date of this Official Statement is August 2, 2021

\$1,050,000
CITY OF LARNED, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2021

MATURITY SCHEDULE

SERIAL BONDS

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2022	\$10,000	2.00%	0.35%	517264FB8
2023	10,000	2.00%	0.45%	517264FC6
2024	195,000	2.00%	0.65%	517264FD4
2025	200,000	2.00%	0.85%	517264FE2
2026	210,000	1.00%	1.00%	517264FF9
2027	210,000	1.25%	1.25%	517264FG7
2028	215,000	1.45%	1.45%	517264FH5

(All plus accrued interest, if any)

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

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

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

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

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

CITY OF LARNED, KANSAS

417 Broadway
Larned, Kansas 67550
(620) 285-8500

CITY COUNCIL

William Nusser, Mayor
Carroll Bennett, Councilmember
Gary Rainbolt, Councilmember
Terry Clark, Councilmember
George Elmore, Councilmember
Dennis Wilson, Councilmember
Jason Murray, Councilmember
Sharon McGinness, Councilmember
Kim Barnes, Councilmember

ADMINISTRATIVE OFFICERS

CITY MANAGER

Bradley Eilts

CITY CLERK

Kara Rath

FINANCE DIRECTOR

Monica Steiner

ISSUER'S COUNSEL

Ronald D. Smith, Esq

BOND COUNSEL

Gilmore & Bell, P.C.
Wichita, Kansas

CERTIFIED PUBLIC ACCOUNTANTS

Vonfeldt, Bauer & Vonfeldt, Chtd.
Larned, Kansas

FINANCIAL ADVISOR

Piper Sandler & Co.
Leawood, Kansas

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

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OFFICIAL STATEMENT

\$1,050,000
CITY OF LARNED, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2021

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Larned, Kansas (the “Issuer” or the “City”), the Taxable General Obligation Refunding Bonds, Series 2021 (the “Bonds”) of the Issuer, dated as of August 19, 2021 (the “Dated Date”).

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

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

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

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in “**APPENDIX C – SUMMARY OF BOND FINANCING DOCUMENTS.**”

Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. The Issuer will enter into a continuing disclosure undertaking in connection with the issuance of the Bonds (the “Disclosure Undertaking”) wherein the Issuer covenants to annually provide certain financial information and operating data (collectively the “Annual Report”) and other information necessary to comply with the Rule, and to transmit the same to the MSRB. Pursuant to the Disclosure Undertaking, the Issuer has agreed to file its Annual Report with the national repository (“EMMA”) not later than the September 1st immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2021. In the Bond Resolution, hereinafter defined, the Issuer covenants with the Underwriter and the Beneficial Owners of the Bonds to apply the provisions of the Disclosure Undertaking to the Bonds. These covenants are for the benefit of and is enforceable by the Beneficial Owners of the Bonds.

The Issuer has previously entered into disclosure undertakings pursuant to the Rule (the “Prior Undertakings”). For the past five years the Issuer has failed to file its Annual Report within the time period prescribed by the Prior Undertakings. In 2021, the Issuer hired a third party firm to assist the Issuer in meeting its continuing disclosure obligations.

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

Additional Information

Additional information regarding the Issuer and the Bonds may be obtained from the Clerk of the Issuer at the address set forth in the preface to this Official Statement, or from the Financial Advisor, Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas 66211-2298, (913) 345-3300.

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-427 *et seq.*, and K.S.A. 10-620 *et seq.*, all as amended and supplemented from time to time (collectively the “Act”), and an ordinance passed by the governing body of the Issuer and a resolution adopted by the governing body of the Issuer (collectively the “Bond Resolution”).

Security for the Bonds

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

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

The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes and/or assessments shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

Description of the Bonds

The Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Bond Registrar

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

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

Method and Place of Payment of the Bonds

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

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

than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

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

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

Payments Due on Saturdays, Sundays and Holidays

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

Book-Entry Bonds; Securities Depository

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

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

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

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

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar

shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

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

Registration, Transfer and Exchange of Bonds

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

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

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

Mutilated, Lost, Stolen or Destroyed Bonds

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

Nonpresentation of Bonds

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

so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption. At the option of the Issuer, Bonds or portions thereof maturing on September 1, 2028 and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2027 and any date 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 thereon to the Redemption Date.

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

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

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

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

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

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

THE DEPOSITORY TRUST COMPANY

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

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

3. Purchases of 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. 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.

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

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. 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 Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts

of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

THE REFUNDING PLAN

Proceeds of the Bonds will be applied to retire the following general obligation bonds of the Issuer (the “Refunded Bonds”):

<u>Series</u>	<u>Refunded Amount</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2013	\$995,000	2024-2028	3.20%-3.90%	September 1, 2022	100%

An Escrow Fund will be established for the Refunded Bonds pursuant to the terms of the Escrow Trust Agreement dated as of the Dated Date, by and between the Issuer and Security Bank of Kansas City, Kansas City, Kansas (the “Escrow Agent”). See “**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE ESCROW TRUST AGREEMENT**” for a discussion of the manner in which the Escrow Fund is administered.

SOURCES AND USES OF FUNDS

The following table itemizes the sources and uses of funds associated with the issuance of the Bonds:

Sources of Funds:	
Principal Amount of the Bonds	\$1,050,000.00
Original Issue Premium	<u>17,476.90</u>
Total	<u>\$1,067,476.90</u>
 Uses of Funds:	
Deposit to Escrow Fund	\$1,030,255.00
Underwriter’s Discount	9,301.18
Costs of Issuance	<u>27,920.72</u>
Total	<u>\$1,067,476.90</u>

RISK FACTORS AND INVESTMENT CONSIDERATIONS

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

Market for the Bonds

Lack of Bond Rating. The Bonds are **not** rated and no application has been made for a rating.

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 Issuer, or a material adverse change in the financial condition of the Issuer, 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.

Premium on Bonds

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 “Redemption Provisions” in the sections entitled “THE BONDS”.

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 Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the Issuer 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 of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the 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 are general obligations of the Issuer payable as to both principal and interest, if necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation. See “**APPENDIX A – FINANCIAL INFORMATION – Property Valuations and Property Tax Levies and Collections.**”

Kansas Public Employees Retirement System

As described in “**APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans**,” the Issuer participates in the Kansas Public Employees Retirement System (“KPERs”), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERs administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen’s Retirement System (“KP&F”) and the Public Employees Retirement System – Local Group (the “Plan”). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability (“UAAL”). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERs’ Valuation Report, the Local Group had an UAAL of approximately \$1.501 billion in calendar year 2018 and KP&F had an UAAL of approximately \$933 million.

Suitability of Investment

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.

Potential Impact of the Coronavirus

In recent months, a strain of coronavirus commonly known as SARS-CoV-2 has spread globally, causing a disease known as COVID-19, negatively affecting global, state, and local economies and possibly sparking a recession. Federal, State, and local officials are taking steps to curb the spread of the virus, including providing both discretionary and mandatory guidelines and orders regarding public gatherings, and imposing mandatory closings of some businesses. The State and local governments, including the Issuer, may suffer material adverse consequences from the continued spread of COVID-19, which could affect the amount of tax revenues collected. The spread of the virus could also reduce sales tax and other collections dependent on local business activity, which is likely to be slower, although the Issuer does not currently anticipate a material effect on the extension and collection of property taxes. At this time, however, it is not possible to predict the full impact on the Issuer and its finances.

Cybersecurity Risks

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

Natural Disasters or Terrorist Attacks

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

RATING

The Issuer has **not** applied for a rating on the Bonds herein offered for sale.

ABSENCE OF LITIGATION

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

The Issuer certifies that there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of said Bonds, or any of the proceedings

had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Bonds

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”), bond counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has not participated in the preparation of the Official Statement and therefore expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned “THE BONDS,” “LEGAL MATTERS,” “TAX MATTERS,” “*APPENDIX C – SUMMARY OF BOND FINANCING DOCUMENTS*”. Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds. Certain legal matters have been passed on for the Issuer by Ronald D. Smith, Esq.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the 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 Bonds 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. 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:

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

Other Tax Consequences

Interest Taxable. Interest on the Bonds is included in gross income for federal income tax purposes.

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 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, the owner of a Bond having bond premium may elect to amortize the premium over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. An owner of a Bond amortizes bond premium by offsetting the qualified stated interest allocable to an accrual period with the bond premium allocable to that accrual period. This offset occurs when the owner takes the qualified stated interest into income under the owner’s regular method of accounting. If the premium allocable to an accrual period exceeds the qualified stated interest for that period, the excess is treated by the owner as a deduction under Section 171(a)(1) of the Code. As premium is amortized, the owner’s basis in the Bond will be reduced by the amount of amortizable bond premium properly allocable to the owner. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange, Legal Defeasance 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 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 the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Bond Counsel expresses no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

FINANCIAL ADVISOR

Piper Sandler & Co., Leawood, Kansas has acted as a Financial Advisor to the Issuer in connection with the sale of the Bonds. The Financial Advisor has assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The fees of the Financial Advisor are contingent upon the issuance of the Bonds. The Financial Advisor will not submit a bid for the Bonds.

UNDERWRITING

The Bonds have been sold at public sale by the Issuer to UMB Bank N.A., Kansas City, Missouri (the "Underwriter") on the basis of lowest true interest cost. Two bids were received by the Issuer. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to the principal amount of the Bonds, plus accrued interest from the Dated Date to the Issue Date, plus a premium of \$17,476.90, less an underwriting discount of \$9,301.18.

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

AUTHORIZATION OF OFFICIAL STATEMENT

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

CITY OF LARNED, KANSAS

By: _____
William Nusser: Mayor

By: _____
Monica Steiner: Director of Finance

APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

The City of Larned, Kansas (the “City” or “Issuer”) is the largest city within Pawnee County, Kansas, and is situated approximately 20 miles southwest of Great Bend, Kansas, 60 miles southeast of Hays, Kansas, and 60 miles northeast of Dodge City, Kansas. The City is the county seat of Pawnee County and encompasses approximately 2.32 square miles and has a current estimated population of 3,671 persons.

Government and Organization of the Issuer

The City was incorporated in 1872 and became a city of the second class pursuant to state statute in 1968.

The City operates under a Mayor/Council/Manager form of government. The 8 Council members, elected from each of four wards, serve 2-year staggered terms. The Mayor is elected at large for a 2-year term. The City Manager is appointed by the governing body and acts as its primary agent in accordance with state statute. Other City officers and employees are appointed by the City Manager. The governing body is responsible for policy determination and the City Manager is responsible for the administration of the municipal government.

Municipal Services and Utilities

The City provides water, sewer, and electric service to City residents. Kansas Gas Service provides natural gas service to City residents. Local and long distance telephone service to City residents is provided by AT&T. Cable television and internet service is available to City residents. Package delivery service is available to City residents through the United States Post Office, United Parcel Service, Yellow Freight System, Federal Express, Mistletoe, Pony Express, US Air Express, and United Express.

The City has 12 sworn police officers and 22 firefighters which provide continuous full-time protection to the City.

Transportation and Communication Facilities

The Central Kansas Railway serves the City. Highways serving the City include: U.S. Highways 56, 183 and 281; and Kansas State Highway 156. Interstate Highways I-70 and I-35 are located 65 and 75 miles from the City, respectively. There is a paved and lighted airport in the City. The nearest commercial airport is located in Great Bend, Kansas, approximately 20 miles from the City.

Educational Institutions and Facilities

Unified School District No. 495 serves the City and operates a special education/early childhood center, a 4- year-old at-risk school, 3 elementary schools, one middle school, and one senior high school. Post-secondary education opportunities located within 100 miles of the City are available through Barton County Community College in Great Bend, Kansas, Pratt County Community College and Pratt Area Vocational Technical School in Pratt, Kansas, Hutchinson Community Junior College, Hutchinson, Kansas; Fort Hays State University in Hays, Kansas; and Dodge City Community College in Dodge City, Kansas.

Medical and Health Facilities

Located within the City are a 25-bed Medical Center and family practice clinic, as well as several private medical facilities providing doctors, dentists, chiropractors, optometrists, physical therapists, and pharmacists. Also located within the City are adult assisted living facilities, a state-run hospital, county-run health department and a community health

organization In addition, the City’s centralized location to the cities of Dodge City, Great Bend, and Hays allows City residents to take advantage of the healthcare facilities in each of those cities.

Recreational, Cultural and Religious Facilities

Recreation facilities within the City include a municipal swimming pool, tennis courts, parks, country club, movie theatre, community center, golf course, museums and historical sites. Within close proximity to the City, the Quivira National Wildlife Refuge, Rattlesnake Creek and Cheyenne Bottoms provide hunting and fishing opportunities. There are two public access lakes within 100 miles of the City which provide camping, boating and fishing opportunities to City residents.

ECONOMIC INFORMATION

The area is a trading center for agricultural products, including wheat, grain sorghum, corn, soybeans, and alfalfa. The agricultural economy contributes several million dollars annually to the local economy. Pawnee County ranks in the top three counties in the state in alfalfa products.

Employment opportunities in the area are provided by the farming industry along with the Larned State Hospital. Larned State Hospital is one of the largest organizations in central and western Kansas. Established in 1914, this facility is owned and operated by the State of Kansas and is located 3 miles west of the City. In addition to the Hospital, the grounds include Larned Correctional Mental Health Facility, Larned Juvenile Correctional Facility, and a Sexual Predator Treatment Program.

Major Employers

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

<u>Employer</u>	<u>Employees</u>
Larned State Hospital	842
Unified School District No. 495	220
Larned Correctional Mental Health Facility	189
Univ of Kansas Health System-Pawnee Valley Campus	124
Pawnee County	70
Ward Feed Yard	65
City of Larned	50
Country Living of Larned	49
Eakin Enterprises	35
Pawnee County Coop Association	35
Bert & Wetta Sales Inc.	25

Source: Larned Area Chamber of Commerce

Labor Force

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

PAWNEE COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2016	3,210	3,104	106	3.3%
2017	3,022	2,921	101	3.3%
2018	2,902	2,812	90	3.1%
2019	2,873	2,791	82	2.9%
2020	2,846	2,739	107	3.8%

STATE OF KANSAS

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2016	1,491,961	1,431,920	60,041	4.0%
2017	1,483,648	1,429,911	53,737	3.6%
2018	1,483,633	1,434,852	48,781	3.3%
2019	1,493,666	1,446,448	47,218	3.2%
2020	1,497,003	1,408,995	88,008	5.9%

Source: Kansas Department of Labor

Retail Sales Tax Collections

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

<u>Year</u>	<u>Pawnee County Sales Tax Collections</u>	<u>Pawnee County Per Capita Sales Tax</u>
2015	\$3,694,276	\$530.68
2016	3,671,984	546.52
2017	3,849,095	561.74
2018	3,855,620	629.45
2019*	4,316,924	676.46

The statewide sales and use tax was 6.15% effective July 1, 2013, and increased to 6.50%, effective July 1, 2015.

* Use tax collections included beginning in 2019

Source: Kansas Statistical Abstract

Oil Production

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

<u>Year</u>	<u>Oil Production</u>
2016	253,128
2017	251,653
2018	259,497
2019	230,113
2020	176,325

Source: Kansas Geological Survey

Financial and Banking Institutions

There are currently 6 banks located in Pawnee County. For the years listed, bank deposits of the County's banks are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2016	\$153,547,000
2017	148,994,000
2018	149,913,000
2019	153,439,000
2020	173,448,000

Source: FDIC

Population

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

<u>Year</u>	<u>City Population</u>	<u>Pawnee County Population</u>
1980	4,811	8,065
1990	4,490	7,555
2000	4,236	7,233
2010	4,054	6,973
2019	3,671	6,414

The median age of persons in Pawnee County and the State of Kansas is 43.2 and 36.0, respectively, per the 2010 Census.

Source: Kansas Statistical Abstract

Personal Income

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

<u>Year</u>	<u>Pawnee County Total Personal Income</u>	<u>Pawnee County Per Capita Personal Income</u>	<u>State of Kansas Per Capita Personal Income</u>
2015	\$281,695,000	41,615	47,343
2016	304,527,000	45,323	47,390
2017	260,031,000	39,014	48,883
2018	265,311,000	40,364	51,261
2019	296,491,000	46,226	53,426

Source: Bureau of Economic Analysis

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The City follows a modified accrual basis of accounting for all tax supported funds of the City, including the General Fund. An accrual basis of accounting is utilized for proprietary funds.

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

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79-2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the City) is not authorized to levy a property tax rate in excess of its revenue neutral rate

without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body. The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

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

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

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by Vonfeldt, Bauer & Vonfeldt, Chtd., Larned, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2020, is attached hereto as **Appendix B**.

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

Property Valuations

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

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

tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 30%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

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

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

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

Assessed Valuation

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

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2016	\$18,240,580	\$225,955	\$573,676	\$4,109,303	\$23,149,514
2017	18,138,241	201,171	589,083	4,035,902	22,964,397
2018	17,842,277	206,646	555,455	3,991,175	22,595,553
2019	17,681,581	197,424	596,147	4,188,121	22,663,273
2020	17,426,567	185,975	636,234	4,184,527	22,433,303

Source: County Clerk

Estimated Actual Valuation

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

<u>Year</u>	<u>Estimated Actual Valuation</u>
2016	\$144,684,463
2017	143,527,481
2018	141,222,206
2019	141,645,456
2020	140,208,144

Property Tax Levies and Collections

Tax Collections:

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

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

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

Tax Rates:

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

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

<u>Year</u>	<u>General Fund</u>	<u>Library Fund</u>	<u>Industrial</u>	<u>Airport</u>	<u>Debt Service</u>	<u>Total Levy</u>
2016/17	51.295	8.000	1.501	.501	--	61.297
2017/18	51.294	8.001	15.02	.502	--	61.299
2018/19	51.274	7.997	1.500	.502	--	61.273
2019/20	52.156	8.000	1.501	.976	--	62.633
2020/21	52.149	7.999	1.500	.977	--	62.625

Source: County Clerk

Aggregate Tax Levies:

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

<u>Year</u>	<u>City of Larned</u>	<u>Pawnee County</u>	<u>USD #495</u>	<u>State</u>	<u>Other</u>	<u>Total Levy</u>
2016/17	61.297	77.984	57.959	1.500	2.170	200.910
2017/18	61.299	75.217	58.220	1.500	2.502	198.738
2018/19	61.273	75.199	58.304	1.500	2.500	198.776
2019/20	62.633	75.715	58.341	1.500	3.656	201.845
2020/21	62.625	78.825	58.815	1.500	4.235	206.000

Source: County Clerk

Tax Collection Record:

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

<u>Year</u>	<u>Total Levy</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected</u>	
			<u>Amount</u>	<u>Percentage</u>
2016/17	61.297	\$1,167,904	\$1,076,920	92.21%
2017/18	61.299	1,161,177	1,064,824	91.70%
2018/19	61.273	1,140,529	1,043,810	91.52%
2019/20	62.633	1,157,830	1,068,096	92.25%
2020/21*	62.625	1,143,487	1,010,282	88.35%

*Partial collections through 6/5/2021

Source: County Treasurer

Major Taxpayers:

The following table sets forth the ten largest taxpayers in the City for taxes levied in 2020:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Paid</u>
PAWNEE COUNTY CO-OP	\$869,553	\$179,128.00
KANSAS GAS SERVICE	540,383	111,318.92
LARNED SENIOR LIVING	160,734	33,019.20
ARCP SHOPKO STORES	147,500	30,385.00
INDIVIDUAL	151,278	29,460.14
SAI KRUPA LLC	123,813	25,505.48
FIRST NATIONAL BANK	121,853	25,101.74
AFN ABSPROP001 LLC	117,366	24,177.42
CITY OF LARNED	113,513	23,345.71
CENTRADE PARTNERS	112,500	23,175.00

Source: County Clerk

Risk Management

The City carries commercial insurance for all risks of loss.

Pension and Employee Retirement Plans

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

As of December 31, 2019, KPERs serves approximately 325,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERs administers the following three statewide, defined benefit retirement plans for public employees:

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

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

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

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

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

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 8.87% of the employee's gross salary for calendar year 2021. The Issuer's contribution is projected to change to 8.90% of gross compensation for calendar year 2022. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees; provided that starting July 1, 2021, there will be a moratorium on the Death and Disability Insurance rate, and the Issuer will contribute 0% of the employee's gross salary for Death and Disability Insurance for covered employees after such date.

According to the Valuation Report as of December 31, 2019 (the "2019 Valuation Report") the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately \$1.502 billion at the end of 2019. The amount of the UAAL in 2019 changed from the previous year's amount due to the factors discussed in the 2019 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2019 Valuation Report is available on the KPERS website at kpers.org/about/reports.html. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2019 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2019 Valuation Report sets the employer contribution rate for the period beginning January 1, 2022, for the KPERS Local Group, and KPERS' actuaries identified that an employer contribution rate of 8.90% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2019 Valuation Report. The statutory contribution rate of employers currently equals the 2019 Valuation Report's actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

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

DEBT STRUCTURE

Debt Summary

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

Assessed Valuation ²	\$22,433,303
Estimated Actual Valuation ¹	\$140,208,144
Outstanding General Obligation Debt	\$1,565,000
Direct & Overlapping Debt	\$13,150,500
Direct Debt Per Capita (Population = 3,671)	\$426.31
Direct and Overlapping Debt Per Capita.....	\$3,582.27
Direct Debt as a Percentage of Assessed Valuation	6.98%
Direct and Overlapping Debt as a Percentage of Assessed Valuation	58.62%
Direct Debt as a Percentage of Estimated Actual Valuation.....	1.12%
Direct and Overlapping Debt as a Percentage of Estimated Actual Valuation.....	9.38%

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

² The assessed value of all tangible taxable property within the City, as certified to the County Clerk on the preceding August 25th. Also includes the taxable value of motor vehicles within the City. See K.S.A. 10-301 *et seq*.

Current Indebtedness of the Issuer

The following tables set forth as of the date of issuance of the Bonds all of the outstanding obligations of the Issuer, including the Bonds and excluding the Refunded Bonds:

GENERAL OBLIGATION BONDS

<u>Category of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Bonds ⁽²⁾	2013	09/15/2013	09/01/23	\$2,500,000	\$515,000
Taxable General Obligation Bonds ⁽¹⁾	2021	08/19/2021	09/01/28	1,050,000	<u>1,050,000</u>
				Total	<u>\$1,565,000</u>

⁽¹⁾ *This issue.*

⁽²⁾ *Excludes Refunded Bonds*

TEMPORARY NOTES

There are no temporary notes outstanding.

Lease Obligations

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

<u>Purpose of Indebtedness</u>	<u>Dated Date</u>	<u>Final Payment Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Equipment	12/28/2017	12/28/2021	\$138,048	\$28,388

State Loans

The City has entered into the following Loan Agreements with the Kansas Department of Health and Environment:

<u>Purpose of Indebtedness</u>	<u>Dated Date</u>	<u>Final Payment Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
KDHE Loan (Sanitary Sewer)	08/23/2007	09/01/2028	\$6,824,462	\$3,096,601
KDHE Loan (Water)	01/26/2012	02/01/2033	391,005	264,765

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of the dated date and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Assessed Valuation</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Gross Amount Applicable to Issuer</u>	<u>Net Amount Applicable to Issuer</u>
Pawnee County	\$78,899,434	\$0	100%	\$0	\$0
U.S.D. No. 495 ⁽¹⁾	58,068,512	19,975,000	100%	<u>19,975,000</u>	<u>11,585,500</u>
			Total:	<u>\$19,975,000</u>	<u>\$11,585,500</u>

⁽¹⁾ For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay (for fiscal year 7/1/2021-6/30/2022) 42% of debt service for the School District's bond, for bonds approved by voters after July 1, 2015, the State of Kansas will pay (for fiscal year 7/1/2021-6/30/2022) 6% of debt service for the School District's bond..

Source: County Clerk

Future Indebtedness

At this time, the City does not intend to issue additional general obligation debt.

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APPENDIX B

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020)**

CITY OF LARNED, KANSAS

FINANCIAL STATEMENT
For the Year Ended December 31, 2020

VONFELDT, BAUER & VONFELDT, CHTD.
Certified Public Accountants
Larned, Kansas 67550

CITY OF LARNED, KANSAS

Financial Statement
Regulatory Basis
For the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Larned, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Larned, Kansas, a municipality, as of and for the year ended December 31, 2020 and the related notes to the financial statement.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Larned, Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Larned, Kansas as of December 31, 2020 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 financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Larned, Kansas as of December 31, 2020, 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.

Other Matters

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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 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. The graphical analysis (Schedule 3 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 nor 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Larned, Kansas as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated May 22, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedule of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2020 (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 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 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, 2019, on the basis of accounting described in Note 1.

VonFeldt, Bauer & VonFeldt, Chtd.

VONFELDT, BAUER & VONFELDT, CHTD.

Certified Public Accountants

Larned, Kansas

April 2, 2021

CITY OF LARNED, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances
General Fund:		
General Fund	\$ 733,773.02	\$ 0.00
Special Purpose Funds:		
Airport Fund	3,496.91	0.00
Industrial Fund	55,884.42	0.00
Library Fund	0.00	0.00
Special Highway Fund	619,127.91	0.00
Special Parks and Recreation Fund	10,955.99	0.00
911 Fees Fund	66,901.47	0.00
Tourism and Convention Promotion Fund	26,049.06	0.00
D.A.R.E. Project Fund	16,609.52	0.00
Swimming Pool Reserve Fund	28,186.21	0.00
Risk Management Reserve Fund	55,643.64	0.00
Equipment Reserve Fund	123,842.52	0.00
Capital Improvement Fund	175,534.34	0.00
SPARKS Grant Fund	0.00	0.00
Bond and Interest Fund:		
Bond and Interest Fund	535,844.97	0.00
Business Funds:		
Electric Fund	2,151,562.24	0.00
Electric Reserve Fund	2,825,715.54	0.00
Water Fund	617,974.26	0.00
Water Reserve Fund	136,509.03	0.00
Sewer Fund	216,968.54	0.00
Sewer Reserve Fund	217,001.98	0.00
Solid Waste Fund	52,682.75	0.00
Solid Waste Reserve Fund	0.00	0.00
Airport Facility Fund	11,360.50	0.00
Airport Facility Reserve Fund	(91,854.64)	0.00
Housing Complex Fund	128,610.69	0.00
Trust Funds:		
Edwards Park Improvement Fund	6,751.42	0.00
Housing Development Fund	28,294.98	0.00
EMT Memorial Fund	6,354.02	0.00
Schnack Cemetery Fund	31,824.59	0.00
Larned Volunteer Fire Department Fund	3,622.02	0.00
Projects Improvement Fund	3,161.41	0.00
Eggleston Bequest Fund	17,533.63	0.00
Schnack Trust Fund	25,000.00	0.00

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

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 3,219,554.28	\$ 3,295,308.04	\$ 658,019.26	\$ 5,270.22	\$ 663,289.48
18,781.00	19,376.00	2,901.91	0.00	2,901.91
32,006.68	26,500.00	61,391.10	0.00	61,391.10
170,590.89	170,500.00	90.89	0.00	90.89
97,055.33	69,412.00	646,771.24	0.00	646,771.24
9,052.16	15,111.38	4,896.77	0.00	4,896.77
59,969.64	82,736.29	44,134.82	0.00	44,134.82
25,603.37	25,808.71	25,843.72	0.00	25,843.72
360.00	0.00	16,969.52	0.00	16,969.52
60,879.31	57,624.00	31,441.52	0.00	31,441.52
22,378.79	3,521.00	74,501.43	0.00	74,501.43
50,000.00	0.00	173,842.52	0.00	173,842.52
50,000.00	127,192.74	98,341.60	0.00	98,341.60
367,047.67	366,328.83	718.84	0.00	718.84
265,000.00	213,370.00	587,474.97	0.00	587,474.97
4,537,503.94	4,079,643.60	2,609,422.58	92,985.20	2,702,407.78
120,000.00	3,900.00	2,941,815.54	0.00	2,941,815.54
1,157,013.34	982,007.76	792,979.84	1,872.42	794,852.26
250,000.00	24,673.04	361,835.99	0.00	361,835.99
999,677.54	1,055,086.51	161,559.57	1,200.00	162,759.57
374,041.08	432,629.06	158,414.00	0.00	158,414.00
254,234.91	227,262.68	79,654.98	307.08	79,962.06
15,000.00	0.00	15,000.00	0.00	15,000.00
84,253.78	66,977.20	28,637.08	0.00	28,637.08
110,215.75	18,361.11	0.00	0.00	0.00
183,695.62	159,509.31	152,797.00	18,575.00	171,372.00
7,519.00	6,938.49	7,331.93	0.00	7,331.93
0.00	0.00	28,294.98	0.00	28,294.98
3,769.00	50.00	10,073.02	0.00	10,073.02
0.00	0.00	31,824.59	0.00	31,824.59
100.00	222.36	3,499.66	0.00	3,499.66
0.00	0.00	3,161.41	0.00	3,161.41
0.00	0.00	17,533.63	0.00	17,533.63
0.00	0.00	25,000.00	0.00	25,000.00

CITY OF LARNED, KANSAS
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances
Trust Funds (Cont'd.):		
Insurance Proceed Fund	350.19	0.00
Jordaan Park Fund	16,986.60	0.00
City Loan Program Fund	380.32	0.00
Pride Committee Fund	1,792.63	0.00
 Total Reporting Entity	 \$ 8,860,432.68	 \$ 0.00
 Composition of Cash:		

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

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
0.00	0.00	350.19	0.00	350.19
0.00	3,292.18	13,694.42	0.00	13,694.42
6,689.84	4,347.84	2,722.32	0.00	2,722.32
<u>16,834.26</u>	<u>10,087.53</u>	<u>8,539.36</u>	<u>0.00</u>	<u>8,539.36</u>
<u>\$ 12,568,827.18</u>	<u>\$ 11,547,777.66</u>	<u>\$ 9,881,482.20</u>	<u>\$ 120,209.92</u>	<u>\$ 10,001,692.12</u>
		Checking Accounts		\$ 1,138,201.01
		Savings Accounts		7,102,156.83
		Petty Cash		2,500.00
		Certificates of Deposit		<u>1,758,834.28</u>
		Total Reporting Entity		<u>\$ 10,001,692.12</u>

CITY OF LARNED, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

City of Larned, Kansas (City) is a municipal corporation governed by an elected eight-member council. This financial statement presents the City of Larned, Kansas (the municipality) and does not include any of its related municipal entities.

B. REGULATORY BASIS FUND TYPES

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

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

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

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

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

C. BASIS OF ACCOUNTING

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

The 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 municipality to use the regulatory basis of accounting.

D. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available. Cash and investments consist of a checking account, interest bearing checking account, savings accounts and certificates of deposit. Earnings from these investments are allocated to designated funds. Cash and investments are stated at cost.

E. AD VALOREM TAX REVENUE

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the City by January 20. The second half is due May 10 and distributed to the City by June 5. The City Treasurer draws available funds from the County Treasurer at designated times throughout the year.

F. REIMBURSED EXPENSES

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

G. USE OF ESTIMATES

The preparation of the financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Actual results may differ from those estimates.

Note 2 - BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 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.

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 Swimming Pool Reserve Fund was amended for this year.

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

Adjustment for Qualifying Budget Credits: Cities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, reimbursements, gifts and donations and receipts authorized by law to be spent as if they were reimbursed expenses.

Note 2 - BUDGETARY INFORMATION (Cont'd.)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 project funds, trust funds, and the following special purpose funds:

Risk Management Reserve Fund	Capital Improvement Fund
Equipment Reserve Fund	SPARKS Grant Fund

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

Note 3 - COMPLIANCE WITH KANSAS STATUTES

Management is aware of no statutory violations for the period covered by the audit.

Note 4 - DEPOSITS

K.S.A. 9-1401 established 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 bank to pledge securities for deposits in excess of FDIC Coverage. The City has no other policies that would further limit interest rate risk.

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

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance, bank guarantee bonds, 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%. There were no designated "peak periods" during the year. All deposits were legally secured at December 31, 2020.

At December 31, 2020 the City's carrying amount of deposits was \$10,001,692.12 and the bank balance was \$10,222,840.57. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$1,661,748.27 was covered by federal depository insurance, and \$8,561,092.30 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Note 5 - LONG TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2020, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General obligation bonds: Series 2013	2.25-3.90%	9/15/2013	\$ 2,500,000.00	9/1/2028
KDHE loans:				
KWPCRF Prj. No. 1287-01	2.68%	8/23/2007	6,824,461.94	9/1/2028
KPWSLF Prj. No. 2746	2.42%	1/26/2012	391,004.51	2/1/2033
Capital leases payable:				
John Deere 544K-II Loader	2.90%	12/28/2017	138,048.00	12/28/2021
Total Contractual Indebtedness				

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

	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Principal:				
General obligation bonds	\$ 165,000.00	\$ 170,000.00	\$ 180,000.00	\$ 185,000.00
KDHE loans	370,358.97	380,302.71	390,513.54	400,998.65
Capital leases payable	<u>28,388.32</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Principal	<u>563,747.29</u>	<u>550,302.71</u>	<u>570,513.54</u>	<u>585,998.65</u>
Interest:				
General obligation bonds	49,370.00	45,245.00	40,655.00	35,255.00
KDHE loans	78,509.45	69,516.28	60,281.48	50,798.56
Capital leases payable	<u>821.68</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Interest	<u>128,701.13</u>	<u>114,761.28</u>	<u>100,936.48</u>	<u>86,053.56</u>
Total Principal and Interest	<u>\$ 692,448.42</u>	<u>\$ 665,063.99</u>	<u>\$ 671,450.02</u>	<u>\$ 672,052.21</u>

<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions / Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
\$ 1,670,000.00	\$ 0.00	\$ 160,000.00	\$ 1,510,000.00	\$ 53,370.00
3,439,337.22	0.00	342,735.87	3,096,601.35	81,507.63
282,704.20	0.00	17,939.48	264,764.72	5,759.70
<u>55,975.04</u>	<u>0.00</u>	<u>27,586.72</u>	<u>28,388.32</u>	<u>1,623.28</u>
<u>\$ 5,448,016.46</u>	<u>\$ 0.00</u>	<u>\$ 548,262.07</u>	<u>\$ 4,899,754.39</u>	<u>\$ 142,260.61</u>

<u>12/31/2025</u>	<u>12/31/2026 - 12/31/2030</u>	<u>12/31/2031 - 12/31/2035</u>	<u>Total</u>
\$ 190,000.00	\$ 620,000.00	\$ 0.00	\$ 1,510,000.00
411,765.41	1,347,921.73	59,505.06	3,361,366.07
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>28,388.32</u>
<u>601,765.41</u>	<u>1,967,921.73</u>	<u>59,505.06</u>	<u>4,899,754.39</u>
29,335.00	47,325.00	0.00	247,185.00
41,060.85	65,741.92	750.91	366,659.45
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>821.68</u>
<u>70,395.85</u>	<u>113,066.92</u>	<u>750.91</u>	<u>614,666.13</u>
<u>\$ 672,161.26</u>	<u>\$ 2,080,988.65</u>	<u>\$ 60,255.97</u>	<u>\$ 5,514,420.52</u>

Note 5 - LONG TERM DEBT (Cont'd.)

The City entered into a lease purchase agreement for a John Deere 544K-II Loader with American State Bank on December 28, 2017. The lease requires five annual payments of \$29,210.00, which began December 2017. The lease is non-cancelable except in the event no funds or insufficient funds are appropriated and budgeted and funds are not otherwise available by any means whatsoever after the City has exercised its best efforts and any administrative reviews and appeals available to secure adequate funds.

Note 6 - INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Equipment Reserve	K.S.A. 12-1,117	\$ 50,000.00
General	Capital Improvement	K.S.A. 12-1,118	50,000.00
Electric	General	K.S.A. 12-825d	450,000.00
Electric	Bond & Interest	K.S.A. 12-825d	125,000.00
Electric	Electric Reserve	K.S.A. 12-825d	120,000.00
Water	Bond & Interest	K.S.A. 12-825d	65,000.00
Water	Water Reserve	K.S.A. 12-825d	250,000.00
Sewer	Sewer Reserve	K.S.A. 12-825d	244,421.08
Solid Waste	Electric	K.S.A. 12-825d	20,000.00
Solid Waste	Solid Waste Reserve	K.S.A. 12-825d	15,000.00
Housing Complex	Bond and Interest	K.S.A. 12-825d	75,000.00

Note 7 - 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. The retiree pays \$600.00 of a family policy and \$300.00 of a single policy and the City is responsible for the balance. During the year ended December 31, 2020, the City paid \$24,222.51 in premiums for the retirees.

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.

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, 2020.

Compensated Absences. Regular full-time employees are eligible for paid vacation leave. Part-time or temporary employees are not eligible for paid vacation leave. Eligible employees will receive vacation credit annually as follows:

<u>Years of Continuous Full-Time Employment</u>	<u>Vacation Hours Accrued per Year</u>	<u>Maximum Accrual (Hours)</u>
1-4 Years	80 Hours	160 Hours
5-9 Years	120 Hours	240 Hours
10-14 Years	160 Hours	320 Hours
15+ Years	200 Hours	400 Hours

Note 7 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Cont'd.)

No accumulated vacation leave may be taken by an employee until they have been in service of the City continually for a period of three months. Upon separation of employment, employees will be compensated for unused vacation leave. The potential liability for unused vacation leave as of December 31, 2020 and 2019 is \$204,904.80 and \$199,902.33, respectively, which is a net change of \$5,002.47.

Regular full-time employees are eligible for paid sick leave. Eligible employees will receive sick leave annually as follows. Full-time eligible employees will accrue sick leave at the rate of four hours per pay period. Sick leave can be used for illness or time off to care for members of their immediate family. During the three month introductory period of employment, eligible employees will accrue but not yet be eligible to utilize sick leave. Employees may accumulate a maximum of 1,000 hours of sick leave. Any accumulation in excess of 1,000 hours will be forfeited and accrual will cease until such time that the accumulation level drops below 1,000 hours. Employees will not be paid for unused sick leave except where an employee voluntarily retires from employment with the City in good standing. Eligible employees may be entitled to a percentage of the employee's unused sick leave above 400 hours and less than 1,000, up to a maximum of 480 hours. The potential liability for unused sick leave as of December 31, 2020 and 2019 is \$32,858.40 and \$25,812.21, respectively, which is a net change of \$7,046.19.

Note 8 - DEFINED BENEFIT PENSION PLAN

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$229,099.84 for the year ended December 31, 2020.

Net Pension Liability. At December 31, 2020 the City's proportionate share of the collective net pension liability reported by KPERS was \$2,479,611. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Trust will be self-sustaining through member premiums and will reinsure through commercial companies for excess claims for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust's management.

The City continues to carry commercial insurance for all other risks of loss, including equipment, property and building coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10 - CONTINGENCIES

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

Note 11 - RELATED PARTY TRANSACTIONS

The City purchased turkeys as Christmas gifts to employees from B&B Quality Meats, a company for which a Council member is one of the owners. The amount paid during the year was \$2,614.92.

Note 12 - CORONAVIRUS

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by Congress and signed into law by the President to provide economic assistance to individuals, business and municipalities affected by the pandemic. In response to the CARES Act, Kansas Governor Laura Kelly formed the Strengthening People and Revitalizing (SPARK) Taskforce to oversee the statewide distribution of significant CARES Act funding. On June 16, 2020 the State Finance Council approved the SPARK Taskforce's proposal to distribute money to the various counties to help address the health and economic challenges inflicted by COVID-19 based on the county's population and impact from COVID-19. To ensure that all educational and municipal entities within counties receive Coronavirus Relief Funds the SPARK Taskforce directed counties to allocate and share Coronavirus Relief Funds with public educational and municipal entities within their counties to help meet their respective health and economic challenges.

Note 13 - SUBSEQUENT EVENTS

The City has evaluated events subsequent to year end through April 2, 2021 for potential recognition or disclosure in the financial statement. The extent to which COVID-19 may impact the City will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain the coronavirus. The City has not included any contingencies in the financial statement specific to this issue.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF LARNED, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

Funds	Certified Budget	Adjustment for Qualifying Budget Credits
General Fund:		
General Fund	\$ 3,672,117.00	\$ 0.00
Special Purpose Funds:		
Airport Fund	19,376.00	0.00
Industrial Fund	88,116.00	0.00
Library Fund	174,037.00	0.00
Special Highway Fund	592,902.00	0.00
Special Parks and Recreation Fund	19,636.00	0.00
911 Fees Fund	83,185.00	0.00
Tourism and Convention Promotion Fund	47,829.00	0.00
D.A.R.E. Project Fund	11,971.00	0.00
Swimming Pool Reserve Fund	57,624.00	0.00
Bond and Interest Funds:		
Bond and Interest Fund	427,740.00	0.00
Business Funds:		
Electric Fund	6,255,912.00	0.00
Water Fund	1,472,157.00	0.00
Sewer Fund	1,055,087.00	0.00
Solid Waste Fund	249,033.00	0.00
Airport Facility Fund	110,121.00	0.00
Housing Complex Fund	234,140.00	0.00

<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ 3,672,117.00	\$ 3,295,308.04	\$ (376,808.96)
19,376.00	19,376.00	0.00
88,116.00	26,500.00	(61,616.00)
174,037.00	170,500.00	(3,537.00)
592,902.00	69,412.00	(523,490.00)
19,636.00	15,111.38	(4,524.62)
83,185.00	82,736.29	(448.71)
47,829.00	25,808.71	(22,020.29)
11,971.00	0.00	(11,971.00)
57,624.00	57,624.00	0.00
427,740.00	213,370.00	(214,370.00)
6,255,912.00	4,079,643.60	(2,176,268.40)
1,472,157.00	982,007.76	(490,149.24)
1,055,087.00	1,055,086.51	(0.49)
249,033.00	227,262.68	(21,770.32)
110,121.00	66,977.20	(43,143.80)
234,140.00	159,509.31	(74,630.69)

CITY OF LARNED, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 868,533.92	\$ 886,410.72	\$ 911,845.00	\$ (25,434.28)
Delinquent Tax	39,299.33	34,113.36	18,000.00	16,113.36
Motor Vehicle / 16-20M Tax	177,664.93	178,212.02	165,971.00	12,241.02
Recreational Vehicle Tax	2,534.77	2,112.28	1,985.00	127.28
Commercial Vehicle Tax	8,988.17	7,614.86	8,645.00	(1,030.14)
Sales Tax	539,803.10	547,951.81	534,000.00	13,951.81
Franchise Tax	138,915.08	126,272.07	134,000.00	(7,727.93)
Highway Connecting Links	36,545.01	45,681.42	27,390.00	18,291.42
Alcoholic Liquor Tax	3,876.51	2,552.17	3,488.00	(935.83)
Pilot	10,000.00	0.00	10,000.00	(10,000.00)
Licenses, Fines and Permits	44,925.94	31,148.91	37,700.00	(6,551.09)
Ambulance Fees and Subsidy	479,606.54	512,223.63	560,860.00	(48,636.37)
Cemetery Lots	20,630.00	26,745.00	18,000.00	8,745.00
Fire Services	55,856.39	57,532.07	57,532.00	0.07
Maps, Copies, etc.	341.19	366.99	400.00	(33.01)
Police Services	120,186.45	170,548.17	138,920.00	31,628.17
Community Center Receipts	5,195.00	1,065.00	1,700.00	(635.00)
USD 495 Payment	23,690.00	23,690.00	23,690.00	0.00
Weed Cutting	4,957.14	3,005.00	4,500.00	(1,495.00)
Swimming Pool Receipts	3,417.27	0.00	1,000.00	(1,000.00)
Animal Shelter Fees	2,805.00	3,385.00	3,000.00	385.00
Rents	2,639.20	1,770.00	4,000.00	(2,230.00)
Reimbursed Expense	20,036.60	27,337.36	3,600.00	23,737.36
Interest on Idle Funds	121,360.27	66,214.27	65,000.00	1,214.27
Miscellaneous	11,256.51	13,602.17	0.00	13,602.17
Operating Transfers:				
From Electric	450,000.00	450,000.00	450,000.00	0.00
Total Receipts	<u>3,193,064.32</u>	<u>3,219,554.28</u>	<u>\$ 3,185,226.00</u>	<u>\$ 34,328.28</u>
Expenditures				
Emergency Medical Services:				
Personal Services	556,336.67	557,243.81	650,000.00	(92,756.19)
Contractual Services	78,296.90	67,268.99	81,550.00	(14,281.01)
Commodities	51,447.99	52,230.61	60,600.00	(8,369.39)
Capital Outlay	8,332.57	81,582.04	145,000.00	(63,417.96)

CITY OF LARNED, KANSAS
GENERAL FUND (Cont'd.)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (Cont'd.)				
Fire Department:				
Personal Services	21,294.78	20,663.62	29,500.00	(8,836.38)
Contractual Services	14,401.89	16,149.35	24,000.00	(7,850.65)
Commodities	21,182.69	14,916.16	25,000.00	(10,083.84)
Capital Outlay	8,736.78	18,491.21	18,000.00	491.21
Administration:				
Personal Services	84,176.16	89,797.44	93,500.00	(3,702.56)
Contractual Services	118,197.14	49,459.31	85,900.00	(36,440.69)
Commodities	24,433.56	17,881.58	20,000.00	(2,118.42)
Capital Outlay	0.00	0.00	2,000.00	(2,000.00)
Parks:				
Personal Services	202,343.18	218,977.68	215,000.00	3,977.68
Contractual Services	38,378.76	39,897.03	45,000.00	(5,102.97)
Commodities	48,289.72	51,556.04	70,000.00	(18,443.96)
Capital Outlay	8,995.00	0.00	19,000.00	(19,000.00)
Dispatch:				
Personal Services	299,622.16	314,566.62	329,000.00	(14,433.38)
Contractual Services	10,629.39	8,595.89	13,050.00	(4,454.11)
Commodities	1,640.29	3,767.57	3,750.00	17.57
Capital Outlay	0.00	75.00	1,500.00	(1,425.00)
Police Department:				
Personal Services	667,743.07	648,239.56	666,000.00	(17,760.44)
Contractual Services	29,413.60	37,381.88	38,950.00	(1,568.12)
Commodities	52,458.99	45,658.66	55,250.00	(9,591.34)
Capital Outlay	61,103.00	15,464.65	66,000.00	(50,535.35)
Public Buildings:				
Personal Services	42,816.46	30,400.10	44,750.00	(14,349.90)
Contractual Services	89,719.25	72,288.88	85,500.00	(13,211.12)
Commodities	17,949.91	10,048.26	15,050.00	(5,001.74)
Street Department:				
Personal Services	325,829.59	315,854.67	323,500.00	(7,645.33)
Contractual Services	27,848.89	27,690.24	40,150.00	(12,459.76)
Commodities	162,818.98	186,307.50	168,000.00	18,307.50
Capital Outlay	77,010.79	29,210.00	32,000.00	(2,790.00)
Street Lighting:				
Contractual Services	540.00	540.00	680.00	(140.00)

CITY OF LARNED, KANSAS
GENERAL FUND (Cont'd.)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (Cont'd.)				
Swimming Pool:				
Personal Services	65,858.63	13,172.16	67,550.00	(54,377.84)
Contractual Services	21,988.52	25,639.48	11,550.00	14,089.48
Commodities	23,689.00	36,885.52	27,500.00	9,385.52
Capital Outlay	0.00	27,468.00	0.00	27,468.00
Municipal Court:				
Personal Services	32,074.90	30,700.41	33,500.00	(2,799.59)
Contractual Services	20,364.43	8,443.74	12,350.00	(3,906.26)
Commodities	366.70	59.72	500.00	(440.28)
Building Inspection:				
Contractual Services	3,886.91	1,042.45	6,000.00	(4,957.55)
Commodities	3,140.49	423.51	3,700.00	(3,276.49)
Capital Outlay	0.00	0.00	500.00	(500.00)
Non Operating:				
Golf Ball Machine Express	3,800.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	21,787.00	(21,787.00)
Airport Appropriation	0.00	9,268.70	20,000.00	(10,731.30)
Operating Transfers:				
To Equipment Reserve	0.00	50,000.00	0.00	50,000.00
To Capital Improvement	0.00	50,000.00	0.00	50,000.00
Total Expenditures	<u>3,327,157.74</u>	<u>3,295,308.04</u>	<u>\$ 3,672,117.00</u>	<u>\$ (376,808.96)</u>
Receipts Over (Under) Expenditures	(134,093.42)	(75,753.76)		
Unencumbered Cash, Beginning	<u>867,866.44</u>	<u>733,773.02</u>		
Unencumbered Cash, Ending	<u>\$ 733,773.02</u>	<u>\$ 658,019.26</u>		

CITY OF LARNED, KANSAS
 AIRPORT FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 8,503.39	\$ 16,583.00	\$ 17,050.00	\$ (467.00)
Delinquent Tax	383.50	358.16	600.00	(241.84)
Motor Vehicle / 16-20M Tax	1,737.80	1,744.62	1,622.00	122.62
Recreational Vehicle Tax	24.81	20.67	19.00	1.67
Commercial Vehicle Tax	87.95	74.55	85.00	(10.45)
Total Receipts	<u>10,737.45</u>	<u>18,781.00</u>	<u>\$ 19,376.00</u>	<u>\$ (595.00)</u>
Expenditures				
Appropriation	<u>7,249.55</u>	<u>19,376.00</u>	<u>19,376.00</u>	<u>0.00</u>
Total Expenditures	<u>7,249.55</u>	<u>19,376.00</u>	<u>\$ 19,376.00</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	3,487.90	(595.00)		
Unencumbered Cash, Beginning	<u>9.01</u>	<u>3,496.91</u>		
Unencumbered Cash, Ending	<u>\$ 3,496.91</u>	<u>\$ 2,901.91</u>		

CITY OF LARNED, KANSAS
INDUSTRIAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 25,408.60	\$ 25,510.29	\$ 26,234.00	\$ (723.71)
Delinquent Tax	1,146.69	997.00	500.00	497.00
Motor Vehicle / 16-20M Tax	5,201.47	5,214.83	4,853.00	361.83
Recreational Vehicle Tax	74.21	61.80	58.00	3.80
Commercial Vehicle Tax	263.18	222.76	253.00	(30.24)
Total Receipts	<u>32,094.15</u>	<u>32,006.68</u>	<u>\$ 31,898.00</u>	<u>\$ 108.68</u>
Expenditures				
Contractual Services	<u>26,500.00</u>	<u>26,500.00</u>	<u>88,116.00</u>	<u>(61,616.00)</u>
Total Expenditures	<u>26,500.00</u>	<u>26,500.00</u>	<u>\$ 88,116.00</u>	<u>\$ (61,616.00)</u>
Receipts Over (Under) Expenditures	5,594.15	5,506.68		
Unencumbered Cash, Beginning	<u>50,290.27</u>	<u>55,884.42</u>		
Unencumbered Cash, Ending	<u>\$ 55,884.42</u>	<u>\$ 61,391.10</u>		

CITY OF LARNED, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 135,461.75	\$ 135,964.30	\$ 139,850.00	\$ (3,885.70)
Delinquent Tax	6,121.49	5,313.64	4,000.00	1,313.64
Motor Vehicle / 16-20M Tax	27,711.66	27,795.84	25,884.00	1,911.84
Recreational Vehicle Tax	395.38	329.45	310.00	19.45
Commercial Vehicle Tax	<u>1,402.00</u>	<u>1,187.66</u>	<u>1,348.00</u>	<u>(160.34)</u>
Total Receipts	<u>171,092.28</u>	<u>170,590.89</u>	<u>\$ 171,392.00</u>	<u>\$ (801.11)</u>
Expenditures				
Appropriation	<u>174,155.37</u>	<u>170,500.00</u>	<u>174,037.00</u>	<u>(3,537.00)</u>
Total Expenditures	<u>174,155.37</u>	<u>170,500.00</u>	<u>\$ 174,037.00</u>	<u>\$ (3,537.00)</u>
Receipts Over (Under) Expenditures	(3,063.09)	90.89		
Unencumbered Cash, Beginning	<u>3,063.09</u>	<u>0.00</u>		
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 90.89</u>		

CITY OF LARNED, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts:				
Highway Gas Tax	\$ 104,424.07	\$ 96,880.33	\$ 105,140.00	\$ (8,259.67)
Special Assessments	<u>325.00</u>	<u>175.00</u>	<u>0.00</u>	<u>175.00</u>
Total Receipts	<u>104,749.07</u>	<u>97,055.33</u>	<u>\$ 105,140.00</u>	<u>\$ (8,084.67)</u>
Expenditures				
Contractual Services	51,253.20	0.00	150,000.00	(150,000.00)
Commodities	111,062.80	69,412.00	250,000.00	(180,588.00)
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>192,902.00</u>	<u>(192,902.00)</u>
Total Expenditures	<u>162,316.00</u>	<u>69,412.00</u>	<u>\$ 592,902.00</u>	<u>\$ (523,490.00)</u>
Receipts Over (Under) Expenditures	(57,566.93)	27,643.33		
Unencumbered Cash, Beginning	<u>676,694.84</u>	<u>619,127.91</u>		
Unencumbered Cash, Ending	<u>\$ 619,127.91</u>	<u>\$ 646,771.24</u>		

CITY OF LARNED, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts:				
Alcoholic Liquor Tax	\$ 3,876.50	\$ 2,552.16	\$ 3,487.00	\$ (934.84)
Reimbursed Expense	<u>6,500.00</u>	<u>6,500.00</u>	<u>6,500.00</u>	<u>0.00</u>
Total Receipts	<u>10,376.50</u>	<u>9,052.16</u>	<u>\$ 9,987.00</u>	<u>\$ (934.84)</u>
Expenditures				
Contractual Services	3,804.46	8,611.38	5,000.00	3,611.38
Commodities	<u>6,500.00</u>	<u>6,500.00</u>	<u>14,636.00</u>	<u>(8,136.00)</u>
Total Expenditures	<u>10,304.46</u>	<u>15,111.38</u>	<u>\$ 19,636.00</u>	<u>\$ (4,524.62)</u>
Receipts Over (Under) Expenditures	72.04	(6,059.22)		
Unencumbered Cash, Beginning	<u>10,883.95</u>	<u>10,955.99</u>		
Unencumbered Cash, Ending	<u>\$ 10,955.99</u>	<u>\$ 4,896.77</u>		

CITY OF LARNED, KANSAS
 911 FEES FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Wireless 911 Tax	\$ 53,047.04	\$ 59,969.64	\$ 36,000.00	\$ 23,969.64
Total Receipts	<u>53,047.04</u>	<u>59,969.64</u>	<u>\$ 36,000.00</u>	<u>\$ 23,969.64</u>
Expenditures				
Personal Services	781.66	0.00	0.00	0.00
Contractual Services	37,001.96	31,844.20	65,685.00	(33,840.80)
Commodities	414.19	309.25	2,500.00	(2,190.75)
Capital Outlay	<u>15,633.10</u>	<u>50,582.84</u>	<u>15,000.00</u>	<u>35,582.84</u>
Total Expenditures	<u>53,830.91</u>	<u>82,736.29</u>	<u>\$ 83,185.00</u>	<u>\$ (448.71)</u>
Receipts Over (Under) Expenditures	(783.87)	(22,766.65)		
Unencumbered Cash, Beginning	<u>67,685.34</u>	<u>66,901.47</u>		
Unencumbered Cash, Ending	<u>\$ 66,901.47</u>	<u>\$ 44,134.82</u>		

CITY OF LARNED, KANSAS
 TOURISM AND CONVENTION PROMOTION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Transient Guest Tax	\$ 28,220.36	\$ 25,603.37	\$ 25,000.00	\$ 603.37
Total Receipts	<u>28,220.36</u>	<u>25,603.37</u>	<u>\$ 25,000.00</u>	<u>\$ 603.37</u>
Expenditures				
Contractual Services	35,075.39	24,966.23	46,829.00	(21,862.77)
Commodities	<u>24.61</u>	<u>842.48</u>	<u>1,000.00</u>	<u>(157.52)</u>
Total Expenditures	<u>35,100.00</u>	<u>25,808.71</u>	<u>\$ 47,829.00</u>	<u>\$ (22,020.29)</u>
Receipts Over (Under) Expenditures	(6,879.64)	(205.34)		
Unencumbered Cash, Beginning	<u>32,928.70</u>	<u>26,049.06</u>		
Unencumbered Cash, Ending	<u>\$ 26,049.06</u>	<u>\$ 25,843.72</u>		

CITY OF LARNED, KANSAS
D.A.R.E. PROJECT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Administrative	\$ 638.91	\$ 360.00	\$ 500.00	\$ (140.00)
Total Receipts	<u>638.91</u>	<u>360.00</u>	<u>\$ 500.00</u>	<u>\$ (140.00)</u>
Expenditures				
Contractual Services	<u>0.00</u>	<u>0.00</u>	<u>11,971.00</u>	<u>(11,971.00)</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>	<u>\$ 11,971.00</u>	<u>\$ (11,971.00)</u>
Receipts Over (Under) Expenditures	638.91	360.00		
Unencumbered Cash, Beginning	<u>15,970.61</u>	<u>16,609.52</u>		
Unencumbered Cash, Ending	<u>\$ 16,609.52</u>	<u>\$ 16,969.52</u>		

CITY OF LARNED, KANSAS
 SWIMMING POOL RESERVE FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Pool Surcharge	\$ 24,861.21	\$ 60,879.31	\$ 58,000.00	\$ 2,879.31
Donations	<u>3,325.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Receipts	<u>28,186.21</u>	<u>60,879.31</u>	<u>\$ 58,000.00</u>	<u>\$ 2,879.31</u>
Expenditures				
Capital Outlay	<u>0.00</u>	<u>57,624.00</u>	<u>57,624.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>57,624.00</u>	<u>\$ 57,624.00</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	28,186.21	3,255.31		
Unencumbered Cash, Beginning	<u>0.00</u>	<u>28,186.21</u>		
Unencumbered Cash, Ending	<u>\$ 28,186.21</u>	<u>\$ 31,441.52</u>		

CITY OF LARNED, KANSAS
RISK MANAGEMENT RESERVE FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Insurance Recoveries	\$ 38,039.13	\$ 22,378.79
Total Receipts	<u>38,039.13</u>	<u>22,378.79</u>
Expenditures		
Contractual Services	<u>7,895.50</u>	<u>3,521.00</u>
Total Expenditures	<u>7,895.50</u>	<u>3,521.00</u>
Receipts Over (Under) Expenditures	30,143.63	18,857.79
Unencumbered Cash, Beginning	<u>25,500.01</u>	<u>55,643.64</u>
Unencumbered Cash, Ending	<u>\$ 55,643.64</u>	<u>\$ 74,501.43</u>

CITY OF LARNED, KANSAS
EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Operating Transfers:		
From General	\$ 0.00	\$ 50,000.00
Total Receipts	<u>0.00</u>	<u>50,000.00</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	50,000.00
Unencumbered Cash, Beginning	<u>123,842.52</u>	<u>123,842.52</u>
Unencumbered Cash, Ending	<u>\$ 123,842.52</u>	<u>\$ 173,842.52</u>

CITY OF LARNED, KANSAS
 CAPITAL IMPROVEMENT FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Operating Transfers:		
From General	\$ 0.00	\$ 50,000.00
Total Receipts	<u>0.00</u>	<u>50,000.00</u>
Expenditures		
Contractual Services	0.00	57,840.00
Commodities	14,112.09	44,012.99
Capital Outlay	<u>0.00</u>	<u>25,339.75</u>
Total Expenditures	<u>14,112.09</u>	<u>127,192.74</u>
Receipts Over (Under) Expenditures	(14,112.09)	(77,192.74)
Unencumbered Cash, Beginning	<u>189,646.43</u>	<u>175,534.34</u>
Unencumbered Cash, Ending	<u>\$ 175,534.34</u>	<u>\$ 98,341.60</u>

CITY OF LARNED, KANSAS
 SPARKS GRANT FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Federal Aid	\$ 0.00	\$ 367,036.13
Interest on Idle Funds	<u>0.00</u>	<u>11.54</u>
Total Receipts	<u>0.00</u>	<u>367,047.67</u>
Expenditures		
Capital Outlay	<u>0.00</u>	<u>366,328.83</u>
Total Expenditures	<u>0.00</u>	<u>366,328.83</u>
Receipts Over (Under) Expenditures	0.00	718.84
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u><u>\$ 0.00</u></u>	<u><u>\$ 718.84</u></u>

CITY OF LARNED, KANSAS
 BOND AND INTEREST FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts:				
Delinquent Tax	\$ 15.38	\$ 0.00	\$ 0.00	\$ 0.00
Operating Transfers:				
From Electric	125,000.00	125,000.00	125,000.00	0.00
From Water	65,000.00	65,000.00	65,000.00	0.00
From Housing Complex	75,000.00	75,000.00	75,000.00	0.00
Total Receipts	<u>265,015.38</u>	<u>265,000.00</u>	<u>\$ 265,000.00</u>	<u>\$ 0.00</u>
Expenditures				
Bond Principal	155,000.00	160,000.00	160,000.00	0.00
Bond Interest	56,857.50	53,370.00	53,370.00	0.00
Cash Basis Reserve	0.00	0.00	214,370.00	(214,370.00)
Total Expenditures	<u>211,857.50</u>	<u>213,370.00</u>	<u>\$ 427,740.00</u>	<u>\$ (214,370.00)</u>
Receipts Over (Under) Expenditures	53,157.88	51,630.00		
Unencumbered Cash, Beginning	<u>482,687.09</u>	<u>535,844.97</u>		
Unencumbered Cash, Ending	<u>\$ 535,844.97</u>	<u>\$ 587,474.97</u>		

CITY OF LARNED, KANSAS
ELECTRIC FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Utility Revenue	\$ 3,918,839.13	\$ 3,617,985.67	\$ 3,785,000.00	\$ (167,014.33)
Fuel Cost Adjustment	962,109.52	704,080.39	690,000.00	14,080.39
Sales Tax Collected	156,325.14	142,671.52	142,000.00	671.52
Misc. Charges & Fees	57,318.52	45,568.40	44,000.00	1,568.40
Sale of Assets	380.96	525.00	0.00	525.00
Reimbursed Expense	10,011.34	6,672.96	14,400.00	(7,727.04)
Operating Transfers:				
From Solid Waste	0.00	20,000.00	0.00	20,000.00
Total Receipts	<u>5,104,984.61</u>	<u>4,537,503.94</u>	<u>\$ 4,675,400.00</u>	<u>\$ (137,896.06)</u>
Expenditures				
Commercial and General:				
Personal Services	190,400.76	180,813.79	203,000.00	(22,186.21)
Contractual Services	261,967.31	239,259.66	274,650.00	(35,390.34)
Commodities	8,831.97	13,521.77	16,500.00	(2,978.23)
Capital Outlay	0.00	0.00	0.00	0.00
Other	3,121.25	0.00	0.00	0.00
Production:				
Personal Services	411,541.37	362,435.10	425,000.00	(62,564.90)
Contractual Services	2,530,803.87	1,874,411.68	2,526,450.00	(652,038.32)
Commodities	42,302.12	46,674.21	114,500.00	(67,825.79)
Capital Outlay	6,008.95	8,120.50	400,000.00	(391,879.50)
Transmission and Distribution:				
Personal Services	349,964.78	314,692.41	393,000.00	(78,307.59)
Contractual Services	76,154.77	46,764.93	119,200.00	(72,435.07)
Commodities	138,148.31	90,809.01	129,800.00	(38,990.99)
Capital Outlay	106,553.45	207,140.54	477,250.00	(270,109.46)
Operating Transfers:				
To General	450,000.00	450,000.00	450,000.00	0.00
To Bond and Interest	125,000.00	125,000.00	125,000.00	0.00
To Electric Reserve	0.00	120,000.00	120,000.00	0.00
To Sewer Reserve	572,000.00	0.00	0.00	0.00
To Solid Waste Reserve	82,850.00	0.00	0.00	0.00
To Equipment Reserve	0.00	0.00	240,781.00	(240,781.00)
To Capital Improvement	0.00	0.00	240,781.00	(240,781.00)
Total Expenditures	<u>5,355,648.91</u>	<u>4,079,643.60</u>	<u>\$ 6,255,912.00</u>	<u>\$ (2,176,268.40)</u>

CITY OF LARNED, KANSAS
 ELECTRIC FUND (Cont'd.)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts Over (Under) Expenditures	(250,664.30)	457,860.34		
Unencumbered Cash, Beginning	<u>2,402,226.54</u>	<u>2,151,562.24</u>		
Unencumbered Cash, Ending	<u>\$ 2,151,562.24</u>	<u>\$ 2,609,422.58</u>		

CITY OF LARNED, KANSAS
ELECTRIC RESERVE FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Operating Transfers:		
From Electric	\$ 0.00	\$ 120,000.00
Total Receipts	<u>0.00</u>	<u>120,000.00</u>
Expenditures		
Contractual Services	265,586.61	3,900.00
Commodities	<u>54,841.59</u>	<u>0.00</u>
Total Expenditures	<u>320,428.20</u>	<u>3,900.00</u>
Receipts Over (Under) Expenditures	(320,428.20)	116,100.00
Unencumbered Cash, Beginning	<u>3,146,143.74</u>	<u>2,825,715.54</u>
Unencumbered Cash, Ending	<u>\$ 2,825,715.54</u>	<u>\$ 2,941,815.54</u>

CITY OF LARNED, KANSAS
WATER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Utility Revenue	\$ 922,763.25	\$ 1,093,005.16	\$ 1,035,000.00	\$ 58,005.16
Sales Tax Collected	11,327.70	11,657.70	10,000.00	1,657.70
Misc. Charges & Fees	24,823.02	28,665.74	17,600.00	11,065.74
Reimbursed Expense	2,355.98	3,801.49	0.00	3,801.49
Rental Revenue	14,891.79	19,883.25	0.00	19,883.25
Total Receipts	<u>976,161.74</u>	<u>1,157,013.34</u>	<u>\$ 1,062,600.00</u>	<u>\$ 94,413.34</u>
Expenditures				
Commercial and General:				
Personal Services	157,451.31	135,704.81	175,000.00	(39,295.19)
Contractual Services	28,326.26	28,724.36	38,520.00	(9,795.64)
Commodities	4,194.45	2,507.75	11,000.00	(8,492.25)
Capital Outlay	0.00	0.00	0.00	0.00
Production:				
Contractual Services	50,131.74	49,530.76	53,200.00	(3,669.24)
Commodities	326.05	5,183.49	5,000.00	183.49
Capital Outlay	7,495.00	0.00	40,000.00	(40,000.00)
Transmission and Distribution:				
Personal Services	250,654.00	292,699.43	342,000.00	(49,300.57)
Contractual Services	56,819.78	39,968.94	166,650.00	(126,681.06)
Commodities	100,786.68	100,956.59	81,100.00	19,856.59
Capital Outlay	111,029.70	11,731.63	244,687.00	(232,955.37)
Operating Transfers:				
To Bond and Interest	65,000.00	65,000.00	65,000.00	0.00
To Water Reserve	125,000.00	250,000.00	250,000.00	0.00
Total Expenditures	<u>957,214.97</u>	<u>982,007.76</u>	<u>\$ 1,472,157.00</u>	<u>\$ (490,149.24)</u>
Receipts Over (Under) Expenditures	18,946.77	175,005.58		
Unencumbered Cash, Beginning	<u>599,027.49</u>	<u>617,974.26</u>		
Unencumbered Cash, Ending	<u>\$ 617,974.26</u>	<u>\$ 792,979.84</u>		

CITY OF LARNED, KANSAS
WATER RESERVE FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Operating Transfers:		
From Water	\$ 125,000.00	\$ 250,000.00
Total Receipts	<u>125,000.00</u>	<u>250,000.00</u>
Expenditures		
Loan Principal	17,513.10	17,939.48
Loan Interest	6,124.41	5,759.70
Loan Fees	<u>1,035.53</u>	<u>973.86</u>
Total Expenditures	<u>24,673.04</u>	<u>24,673.04</u>
Receipts Over (Under) Expenditures	100,326.96	225,326.96
Unencumbered Cash, Beginning	<u>36,182.07</u>	<u>136,509.03</u>
Unencumbered Cash, Ending	<u>\$ 136,509.03</u>	<u>\$ 361,835.99</u>

CITY OF LARNED, KANSAS
SEWER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Utility Revenue	\$ 833,871.86	\$ 855,991.83	\$ 805,000.00	\$ 50,991.83
LSH Charges	137,524.60	132,680.89	100,000.00	32,680.89
Misc. Charges & Fees	10,367.68	11,004.82	10,000.00	1,004.82
Reimbursed Expense	<u>2,100.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Receipts	<u>983,864.14</u>	<u>999,677.54</u>	<u>\$ 915,000.00</u>	<u>\$ 84,677.54</u>
Expenditures				
Personal Services	256,738.96	275,363.49	300,300.00	(24,936.51)
Contractual Services	281,583.56	419,811.78	168,787.00	251,024.78
Commodities	298,288.73	115,490.16	166,000.00	(50,509.84)
Capital Outlay	308,461.83	0.00	0.00	0.00
Operating Transfers: To Sewer Reserve	<u>0.00</u>	<u>244,421.08</u>	<u>420,000.00</u>	<u>(175,578.92)</u>
Total Expenditures	<u>1,145,073.08</u>	<u>1,055,086.51</u>	<u>\$ 1,055,087.00</u>	<u>\$ (0.49)</u>
Receipts Over (Under) Expenditures	(161,208.94)	(55,408.97)		
Unencumbered Cash, Beginning	<u>378,177.48</u>	<u>216,968.54</u>		
Unencumbered Cash, Ending	<u>\$ 216,968.54</u>	<u>\$ 161,559.57</u>		

CITY OF LARNED, KANSAS
 SEWER RESERVE FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Reimbursed Expense	\$ 129,620.00	\$ 129,620.00
Operating Transfers:		
From Electric	572,000.00	0.00
From Sewer	<u>0.00</u>	<u>244,421.08</u>
Total Receipts	<u>701,620.00</u>	<u>374,041.08</u>
Expenditures		
Contractual Services	489,592.86	0.00
Loan Principal	333,731.93	342,735.87
Loan Interest	89,671.65	81,507.63
Loan Fees	<u>9,225.48</u>	<u>8,385.56</u>
Total Expenditures	<u>922,221.92</u>	<u>432,629.06</u>
Receipts Over (Under) Expenditures	(220,601.92)	(58,587.98)
Unencumbered Cash, Beginning	<u>437,603.90</u>	<u>217,001.98</u>
Unencumbered Cash, Ending	<u>\$ 217,001.98</u>	<u>\$ 158,414.00</u>

CITY OF LARNED, KANSAS
SOLID WASTE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Utility Revenue	\$ 236,480.22	\$ 248,977.11	\$ 217,000.00	\$ 31,977.11
Misc. Charges & Fees	4,383.90	5,257.80	3,000.00	2,257.80
Reimbursed Expense	<u>85.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Receipts	<u>240,949.12</u>	<u>254,234.91</u>	<u>\$ 220,000.00</u>	<u>\$ 34,234.91</u>
Expenditures				
Personal Services	162,565.02	159,060.81	185,000.00	(25,939.19)
Contractual Services	10,485.91	10,458.31	14,000.00	(3,541.69)
Commodities	22,124.64	18,503.56	37,000.00	(18,496.44)
Capital Outlay	7,123.65	4,240.00	7,033.00	(2,793.00)
Operating Transfers:				
To Electric	0.00	20,000.00	0.00	20,000.00
To Solid Waste Reserve	<u>25,000.00</u>	<u>15,000.00</u>	<u>6,000.00</u>	<u>9,000.00</u>
Total Expenditures	<u>227,299.22</u>	<u>227,262.68</u>	<u>\$ 249,033.00</u>	<u>\$ (21,770.32)</u>
Receipts Over (Under) Expenditures	13,649.90	26,972.23		
Unencumbered Cash, Beginning	<u>39,032.85</u>	<u>52,682.75</u>		
Unencumbered Cash, Ending	<u>\$ 52,682.75</u>	<u>\$ 79,654.98</u>		

CITY OF LARNED, KANSAS
SOLID WASTE RESERVE FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Operating Transfers:		
From Electric	\$ 82,850.00	\$ 0.00
From Solid Waste	<u>25,000.00</u>	<u>15,000.00</u>
Total Receipts	<u>107,850.00</u>	<u>15,000.00</u>
Expenditures		
Capital Outlay	<u>160,650.00</u>	<u>0.00</u>
Total Expenditures	<u>160,650.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	(52,800.00)	15,000.00
Unencumbered Cash, Beginning	<u>52,800.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 15,000.00</u>

CITY OF LARNED, KANSAS
 AIRPORT FACILITY FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Rents, Royalties	\$ 31,418.97	\$ 26,734.52	\$ 22,000.00	\$ 4,734.52
City Cost Share	7,249.55	10,804.83	19,268.00	(8,463.17)
Pawnee Co Cost Share	7,267.98	32,545.89	38,537.00	(5,991.11)
Sales Tax Collected	575.53	585.47	500.00	85.47
Fuel Reimbursement	13,055.68	13,281.21	15,000.00	(1,718.79)
Reimbursed Expense	447.48	301.86	500.00	(198.14)
Total Receipts	<u>60,015.19</u>	<u>84,253.78</u>	<u>\$ 95,805.00</u>	<u>\$ (11,551.22)</u>
Expenditures				
Personal Services	19,200.00	19,200.00	19,200.00	0.00
Contractual Services	34,762.46	31,903.34	43,810.00	(11,906.66)
Commodities	15,608.65	15,873.86	36,300.00	(20,426.14)
Capital Outlay	0.00	0.00	10,811.00	(10,811.00)
Total Expenditures	<u>69,571.11</u>	<u>66,977.20</u>	<u>\$ 110,121.00</u>	<u>\$ (43,143.80)</u>
Receipts Over (Under) Expenditures	(9,555.92)	17,276.58		
Unencumbered Cash, Beginning	<u>20,916.42</u>	<u>11,360.50</u>		
Unencumbered Cash, Ending	<u>\$ 11,360.50</u>	<u>\$ 28,637.08</u>		

CITY OF LARNED, KANSAS
 AIRPORT FACILITY RESERVE FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Reimbursed Expense	\$ 246,575.00	\$ 110,215.75
Total Receipts	<u>246,575.00</u>	<u>110,215.75</u>
Expenditures		
Contractual Services	<u>338,429.64</u>	<u>18,361.11</u>
Total Expenditures	<u>338,429.64</u>	<u>18,361.11</u>
Receipts Over (Under) Expenditures	(91,854.64)	91,854.64
Unencumbered Cash, Beginning	<u>0.00</u>	<u>(91,854.64)</u>
Unencumbered Cash, Ending	<u>\$ (91,854.64)</u>	<u>\$ 0.00</u>

CITY OF LARNED, KANSAS
HOUSING COMPLEX FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Duplex Rents	\$ 183,719.95	\$ 182,250.62	\$ 168,000.00	\$ 14,250.62
Fees	270.00	440.00	120.00	320.00
Reimbursed Expense	275.00	1,005.00	0.00	1,005.00
Total Receipts	<u>184,264.95</u>	<u>183,695.62</u>	<u>\$ 168,120.00</u>	<u>\$ 15,575.62</u>
Expenditures				
Personal Services	47,441.55	46,715.87	49,750.00	(3,034.13)
Contractual Services	29,436.63	24,902.52	54,000.00	(29,097.48)
Commodities	2,240.56	5,094.47	6,500.00	(1,405.53)
Capital Outlay	3,865.80	7,796.45	48,890.00	(41,093.55)
Operating Transfers: To Bond & Interest	<u>75,000.00</u>	<u>75,000.00</u>	<u>75,000.00</u>	<u>0.00</u>
Total Expenditures	<u>157,984.54</u>	<u>159,509.31</u>	<u>\$ 234,140.00</u>	<u>\$ (74,630.69)</u>
Receipts Over (Under) Expenditures	26,280.41	24,186.31		
Unencumbered Cash, Beginning	<u>102,330.28</u>	<u>128,610.69</u>		
Unencumbered Cash, Ending	<u>\$ 128,610.69</u>	<u>\$ 152,797.00</u>		

CITY OF LARNED, KANSAS
EDWARDS PARK IMPROVEMENT FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Reimbursed Expense	\$ 3,800.00	\$ 0.00
Golf Range Fees	<u>6,674.00</u>	<u>7,519.00</u>
Total Receipts	<u>10,474.00</u>	<u>7,519.00</u>
Expenditures		
Contractual Services	283.38	269.49
Other	<u>6,388.00</u>	<u>6,669.00</u>
Total Expenditures	<u>6,671.38</u>	<u>6,938.49</u>
Receipts Over (Under) Expenditures	3,802.62	580.51
Unencumbered Cash, Beginning	<u>2,948.80</u>	<u>6,751.42</u>
Unencumbered Cash, Ending	<u>\$ 6,751.42</u>	<u>\$ 7,331.93</u>

CITY OF LARNED, KANSAS
HOUSING DEVELOPMENT FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
None	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>28,294.98</u>	<u>28,294.98</u>
Unencumbered Cash, Ending	<u><u>\$ 28,294.98</u></u>	<u><u>\$ 28,294.98</u></u>

CITY OF LARNED, KANSAS
 EMT MEMORIAL FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Donations	\$ 260.00	\$ 3,769.00
Total Receipts	<u>260.00</u>	<u>3,769.00</u>
Expenditures		
Commodities	<u>348.73</u>	<u>50.00</u>
Total Expenditures	<u>348.73</u>	<u>50.00</u>
Receipts Over (Under) Expenditures	(88.73)	3,719.00
Unencumbered Cash, Beginning	<u>6,442.75</u>	<u>6,354.02</u>
Unencumbered Cash, Ending	<u>\$ 6,354.02</u>	<u>\$ 10,073.02</u>

CITY OF LARNED, KANSAS
SCHNACK CEMETERY FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
None	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>31,824.59</u>	<u>31,824.59</u>
Unencumbered Cash, Ending	<u><u>\$ 31,824.59</u></u>	<u><u>\$ 31,824.59</u></u>

CITY OF LARNED, KANSAS
LARNED VOLUNTEER FIRE DEPARTMENT FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Donations	\$ 340.00	\$ 100.00
Total Receipts	<u>340.00</u>	<u>100.00</u>
Expenditures		
Commodities	<u>113.36</u>	<u>222.36</u>
Total Expenditures	<u>113.36</u>	<u>222.36</u>
Receipts Over (Under) Expenditures	226.64	(122.36)
Unencumbered Cash, Beginning	<u>3,395.38</u>	<u>3,622.02</u>
Unencumbered Cash, Ending	<u>\$ 3,622.02</u>	<u>\$ 3,499.66</u>

CITY OF LARNED, KANSAS
 PROJECTS IMPROVEMENT FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
None	\$ 0.00	\$ 0.00
Total Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>3,161.41</u>	<u>3,161.41</u>
Unencumbered Cash, Ending	<u><u>\$ 3,161.41</u></u>	<u><u>\$ 3,161.41</u></u>

CITY OF LARNED, KANSAS
 EGGLESTON BEQUEST FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
None	\$ 0.00	\$ 0.00
Total Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
Commodities	<u>115.31</u>	<u>0.00</u>
Total Expenditures	<u>115.31</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	(115.31)	0.00
Unencumbered Cash, Beginning	<u>17,648.94</u>	<u>17,533.63</u>
Unencumbered Cash, Ending	<u><u>\$ 17,533.63</u></u>	<u><u>\$ 17,533.63</u></u>

CITY OF LARNED, KANSAS
 SCHNACK TRUST FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
None	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>25,000.00</u>	<u>25,000.00</u>
Unencumbered Cash, Ending	<u><u>\$ 25,000.00</u></u>	<u><u>\$ 25,000.00</u></u>

CITY OF LARNED, KANSAS
INSURANCE PROCEED FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
None	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>350.19</u>	<u>350.19</u>
Unencumbered Cash, Ending	<u><u>\$ 350.19</u></u>	<u><u>\$ 350.19</u></u>

CITY OF LARNED, KANSAS
 JORDAAN PARK FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
None	\$ 0.00	\$ 0.00
Total Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
Contractual Services	<u>4,627.20</u>	<u>3,292.18</u>
Total Expenditures	<u>4,627.20</u>	<u>3,292.18</u>
Receipts Over (Under) Expenditures	(4,627.20)	(3,292.18)
Unencumbered Cash, Beginning	<u>21,613.80</u>	<u>16,986.60</u>
Unencumbered Cash, Ending	<u>\$ 16,986.60</u>	<u>\$ 13,694.42</u>

CITY OF LARNED, KANSAS
 CITY LOAN PROGRAM FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

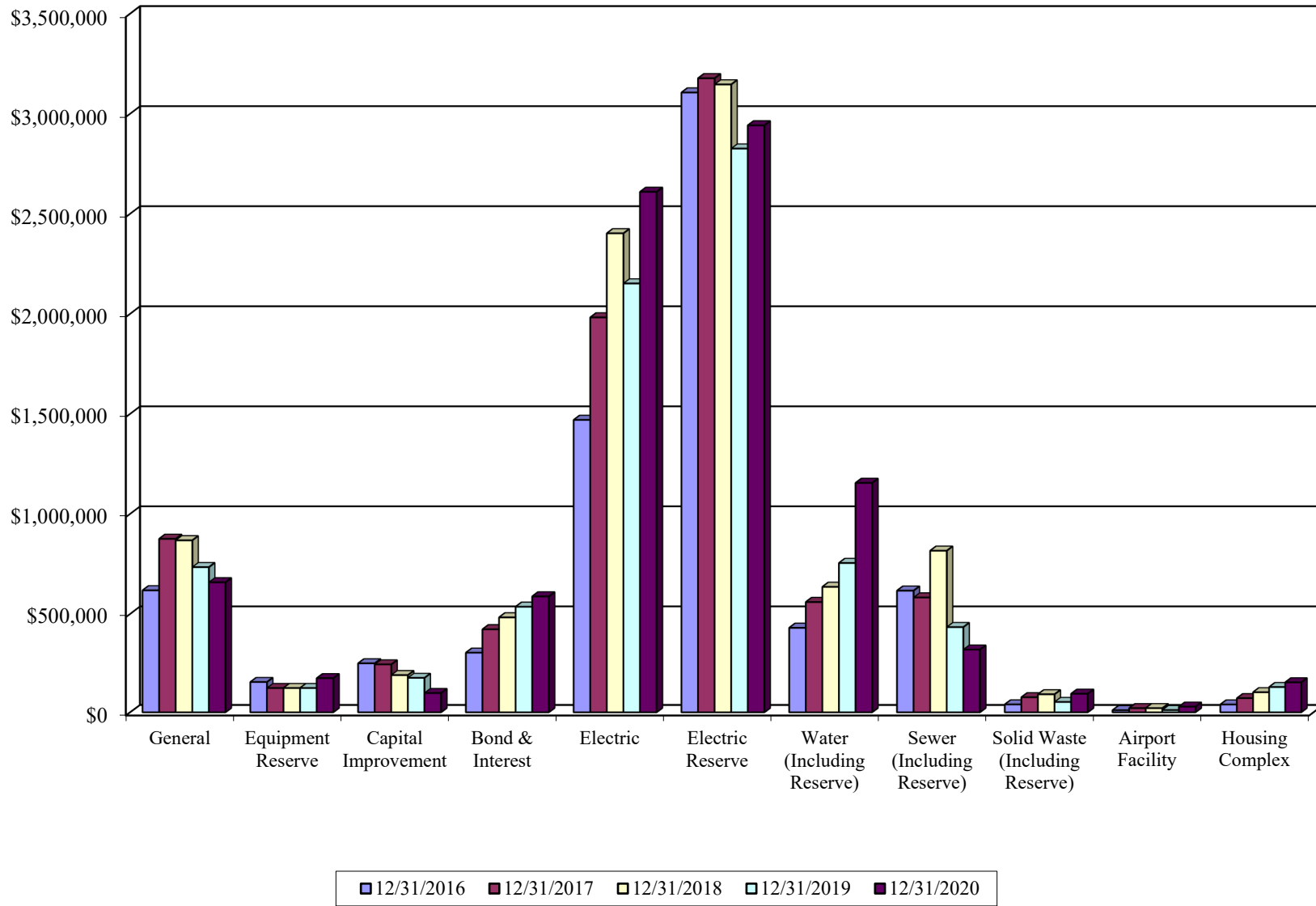
	<u>2019</u>	<u>2020</u>
Receipts		
CLP Payments	\$ 4,347.84	\$ 6,689.84
Total Receipts	<u>4,347.84</u>	<u>6,689.84</u>
Expenditures		
Contractual Services	<u>4,347.84</u>	<u>4,347.84</u>
Total Expenditures	<u>4,347.84</u>	<u>4,347.84</u>
Receipts Over (Under) Expenditures	0.00	2,342.00
Unencumbered Cash, Beginning	<u>380.32</u>	<u>380.32</u>
Unencumbered Cash, Ending	<u>\$ 380.32</u>	<u>\$ 2,722.32</u>

CITY OF LARNED, KANSAS
 PRIDE COMMITTEE FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

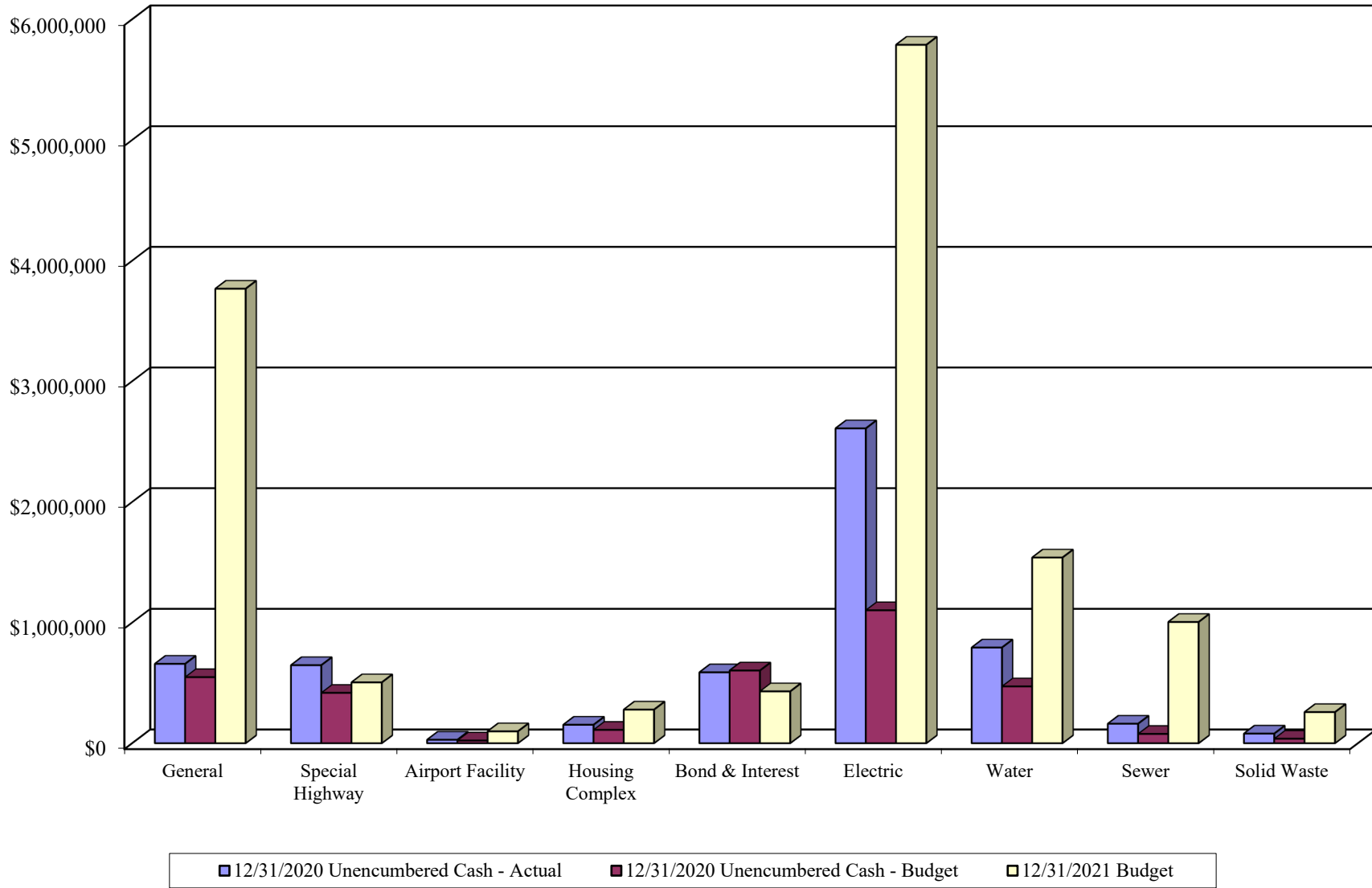
	<u>2019</u>	<u>2020</u>
Receipts		
Administrative	\$ 5,500.00	\$ 6,500.00
Reimbursed Expense	<u>0.00</u>	<u>10,334.26</u>
Total Receipts	<u>5,500.00</u>	<u>16,834.26</u>
Expenditures		
Commodities	<u>10,776.26</u>	<u>10,087.53</u>
Total Expenditures	<u>10,776.26</u>	<u>10,087.53</u>
Receipts Over (Under) Expenditures	(5,276.26)	6,746.73
Unencumbered Cash, Beginning	<u>7,068.89</u>	<u>1,792.63</u>
Unencumbered Cash, Ending	<u>\$ 1,792.63</u>	<u>\$ 8,539.36</u>

SUPPLEMENTARY INFORMATION

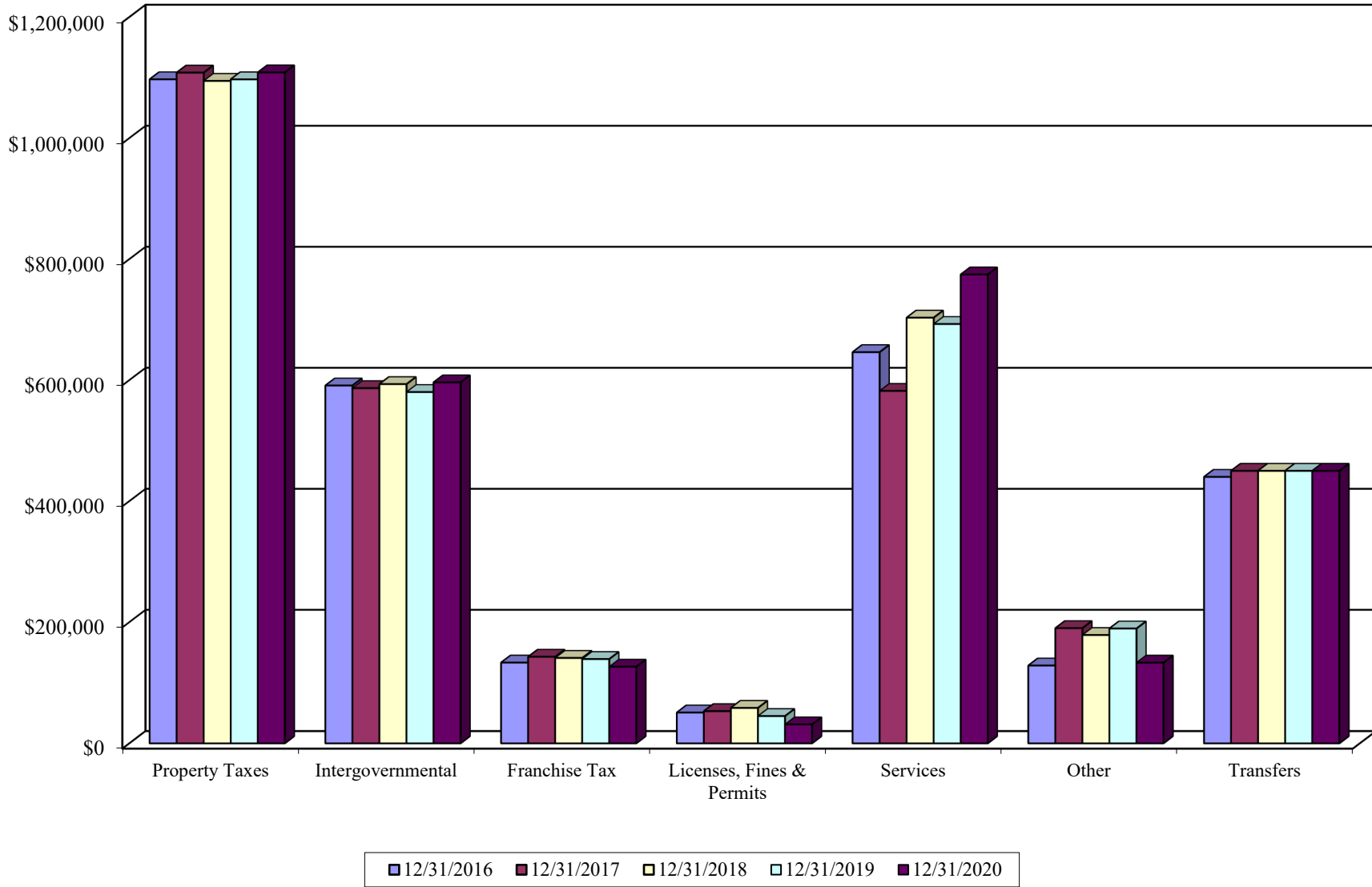
CITY OF LARNED, KANSAS Unencumbered Cash Balance Selected Funds



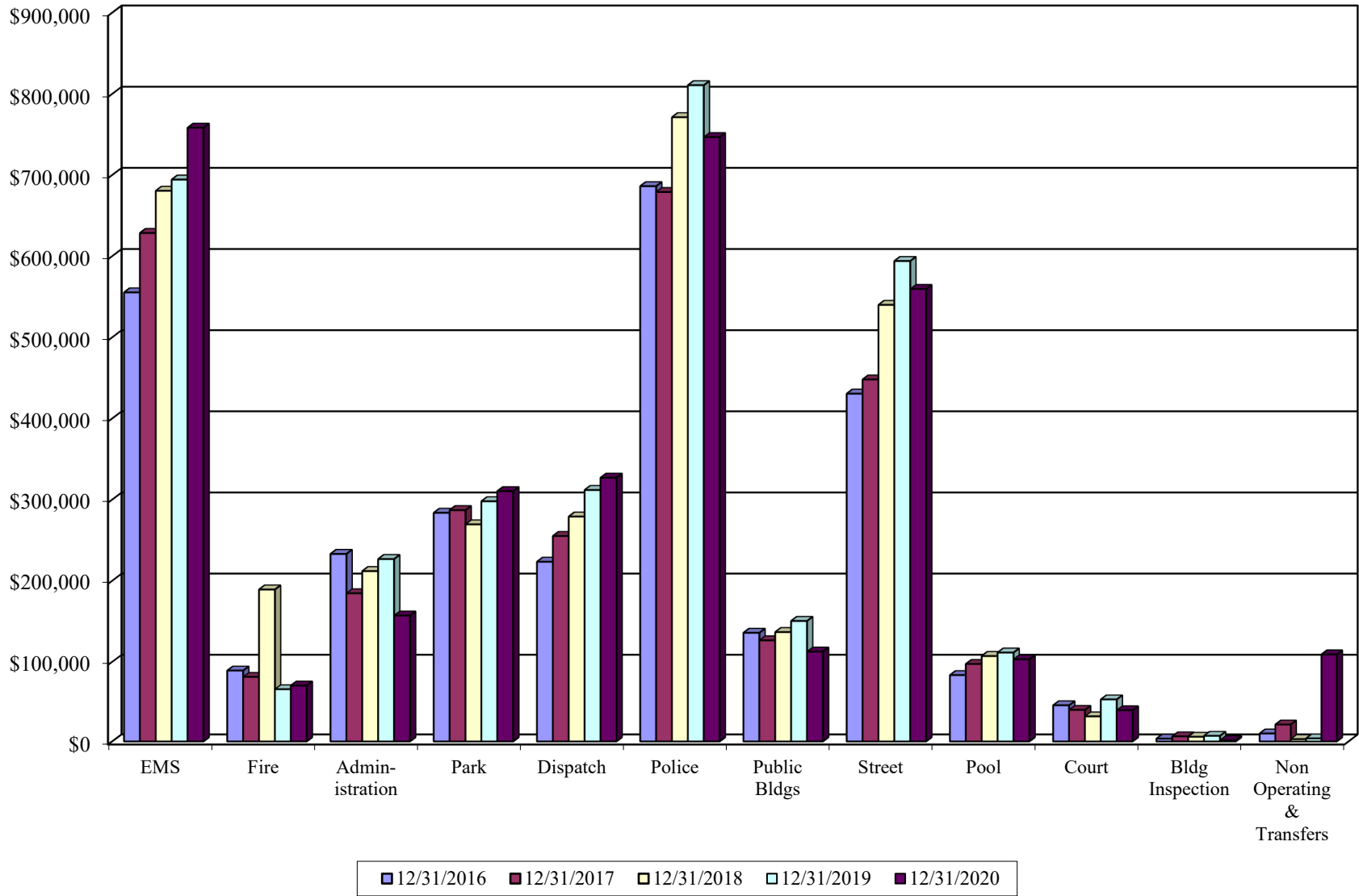
CITY OF LARNED, KANSAS Unencumbered Cash - Actual vs Budget Select Budgeted Funds



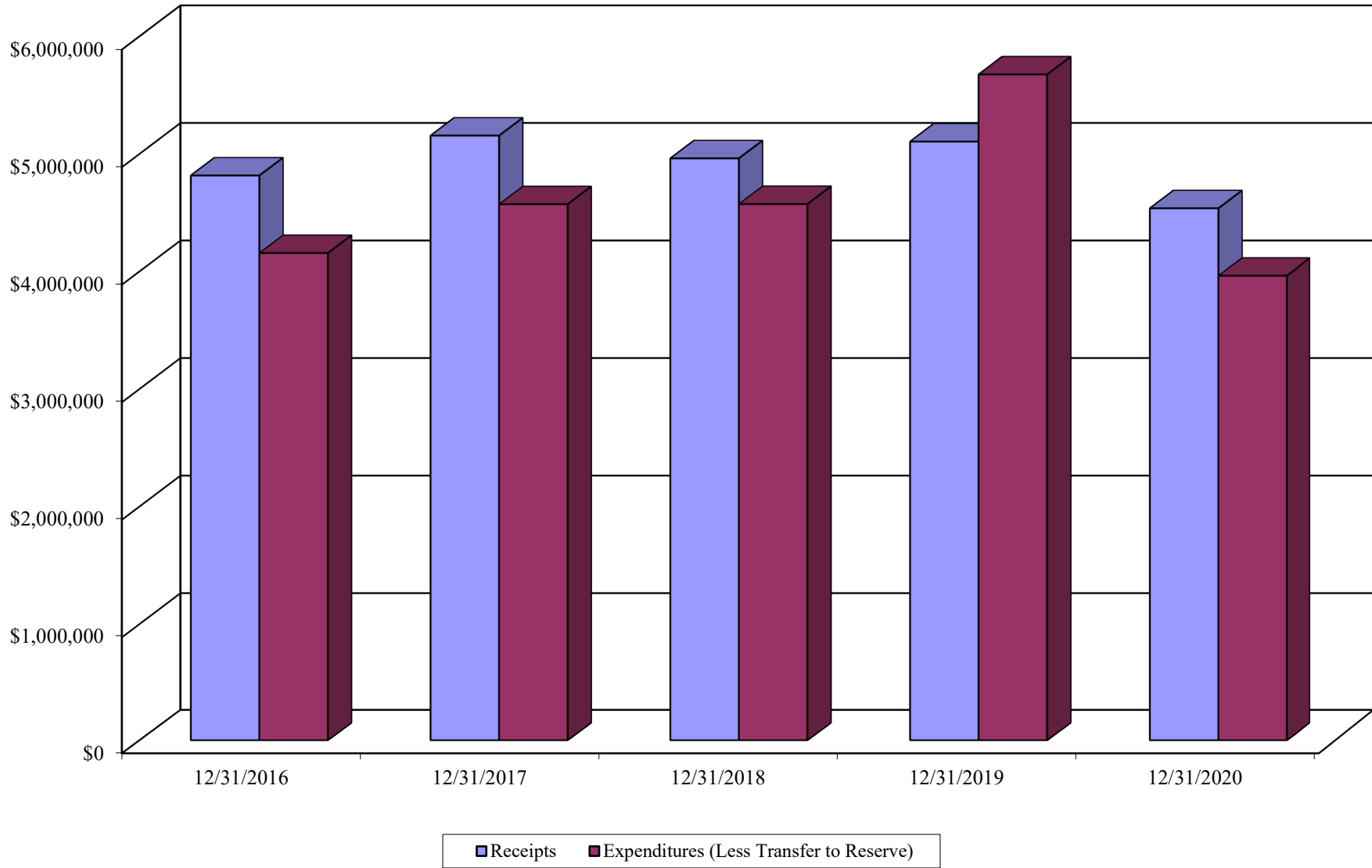
CITY OF LARNED, KANSAS General Fund Receipts



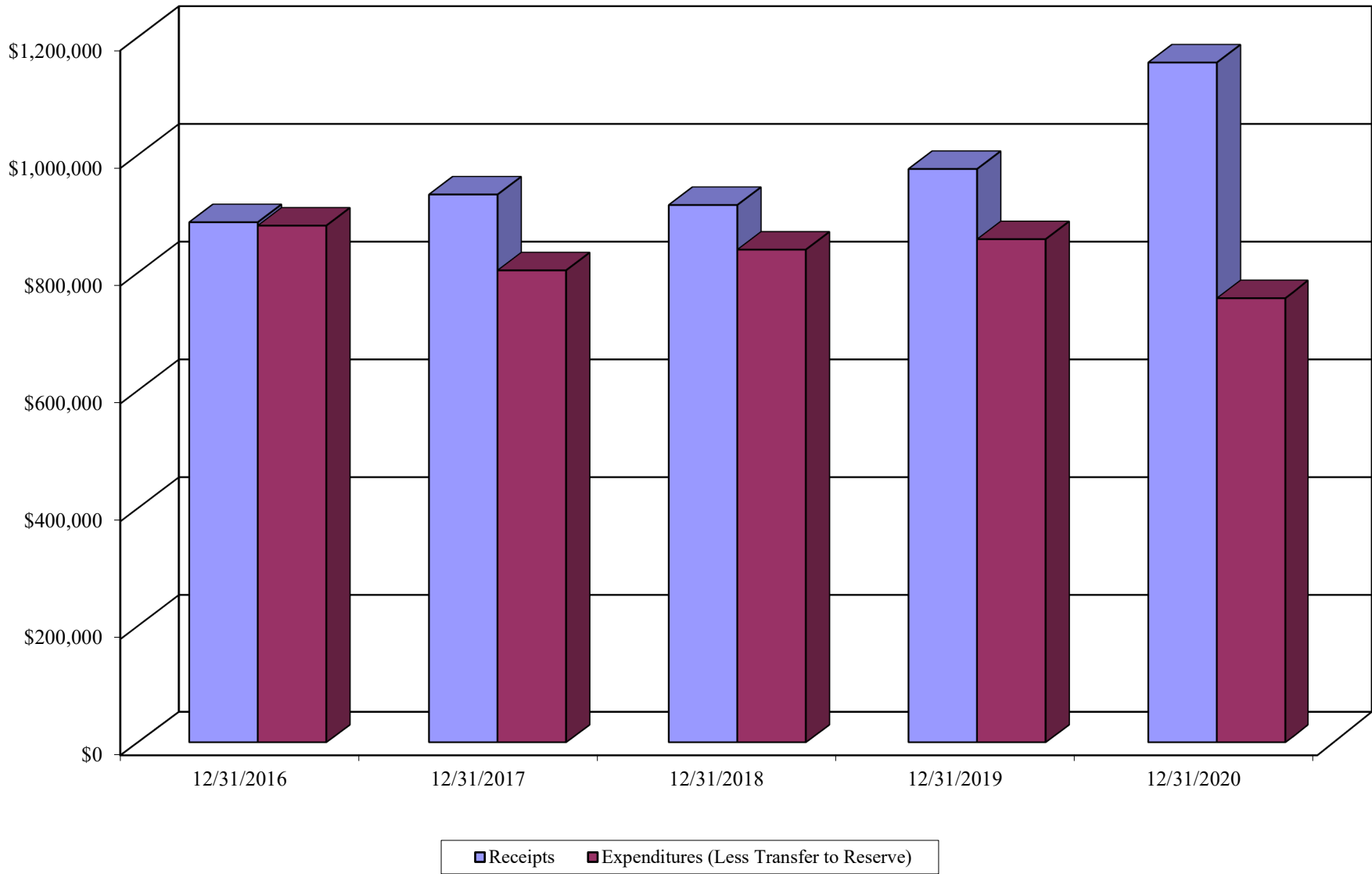
CITY OF LARNED, KANSAS General Fund Expenditures



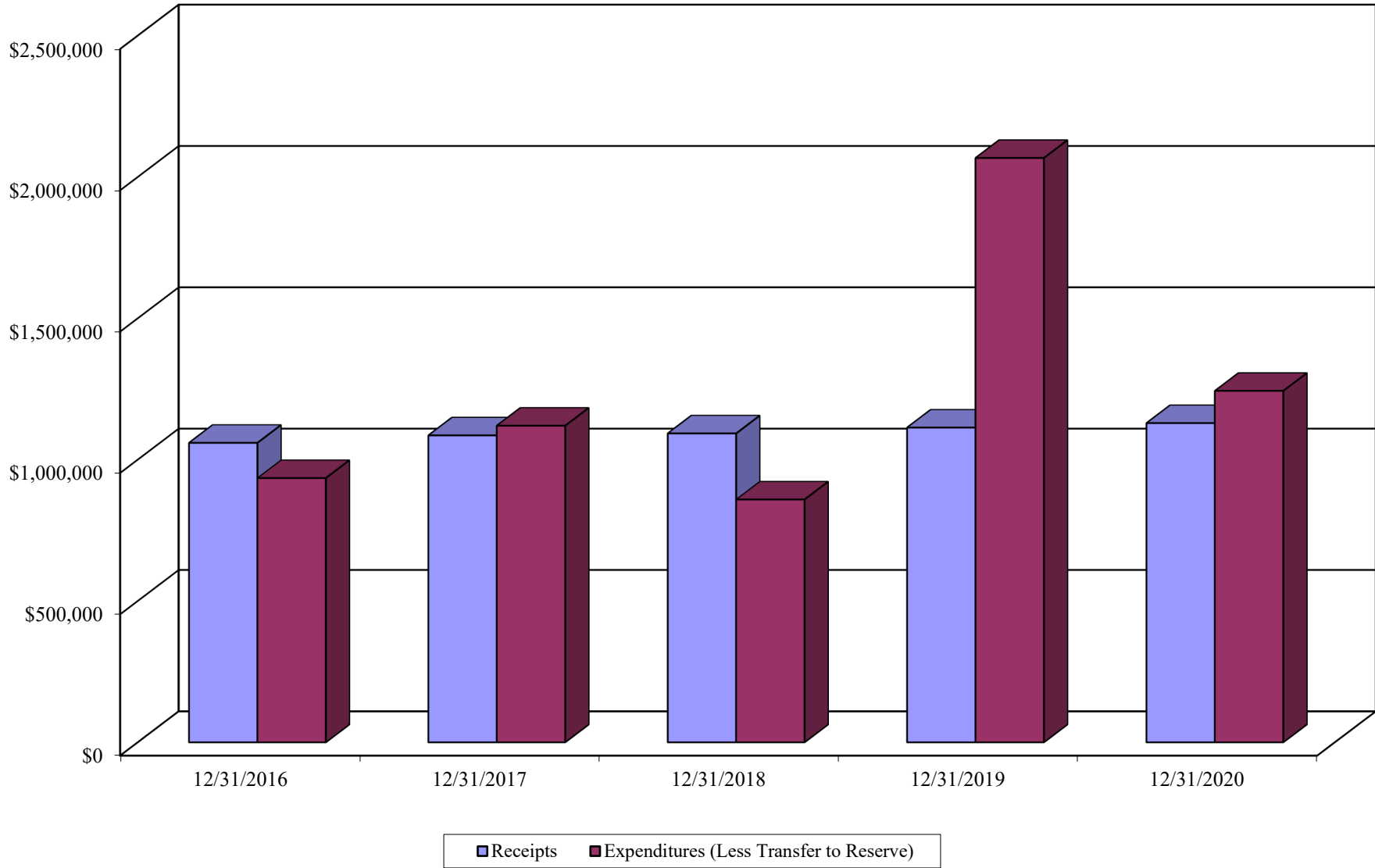
CITY OF LARNED, KANSAS Electric Fund Receipts vs Expenditures



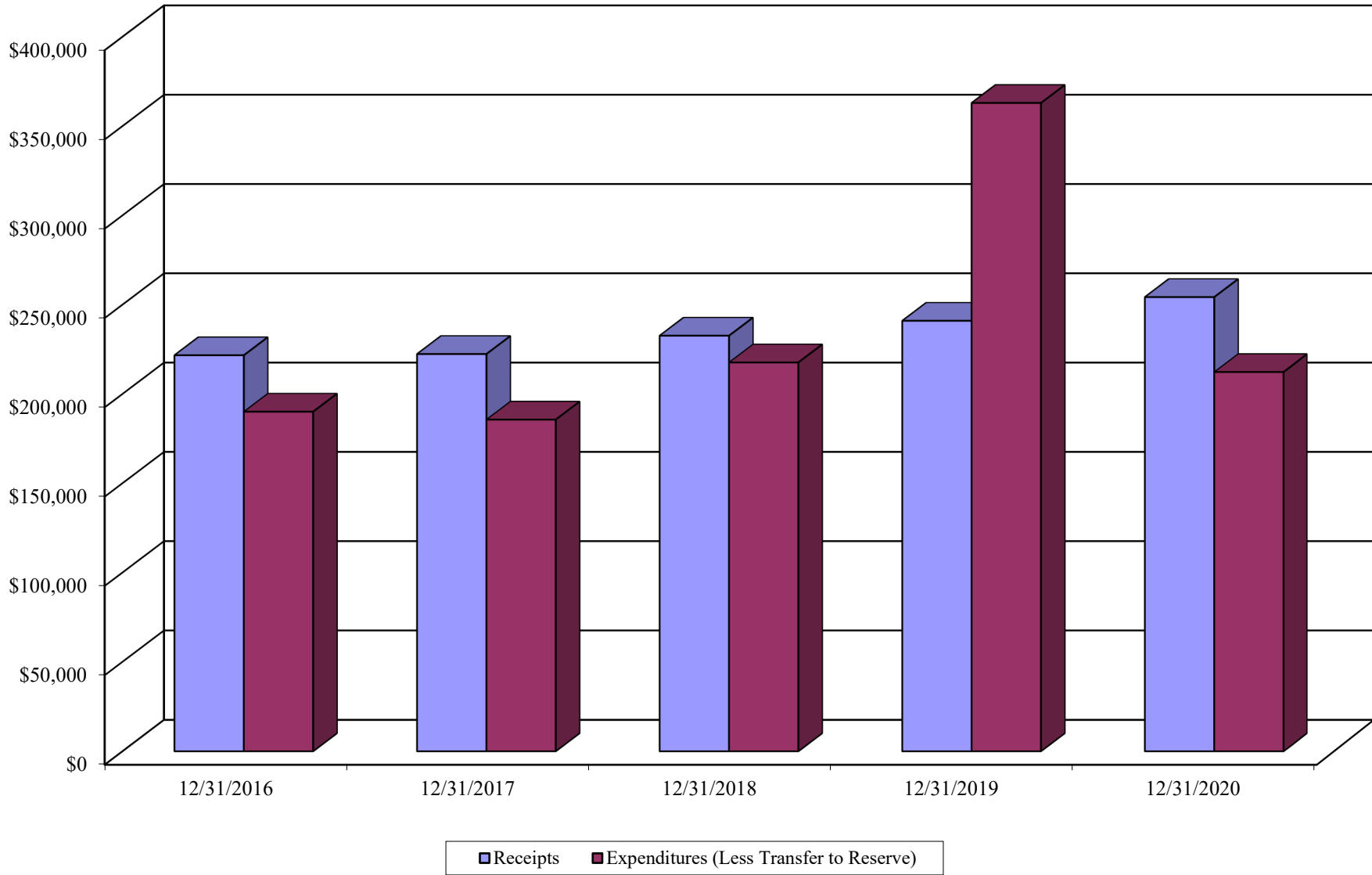
CITY OF LARNED, KANSAS Water Fund Receipts vs Expenditures



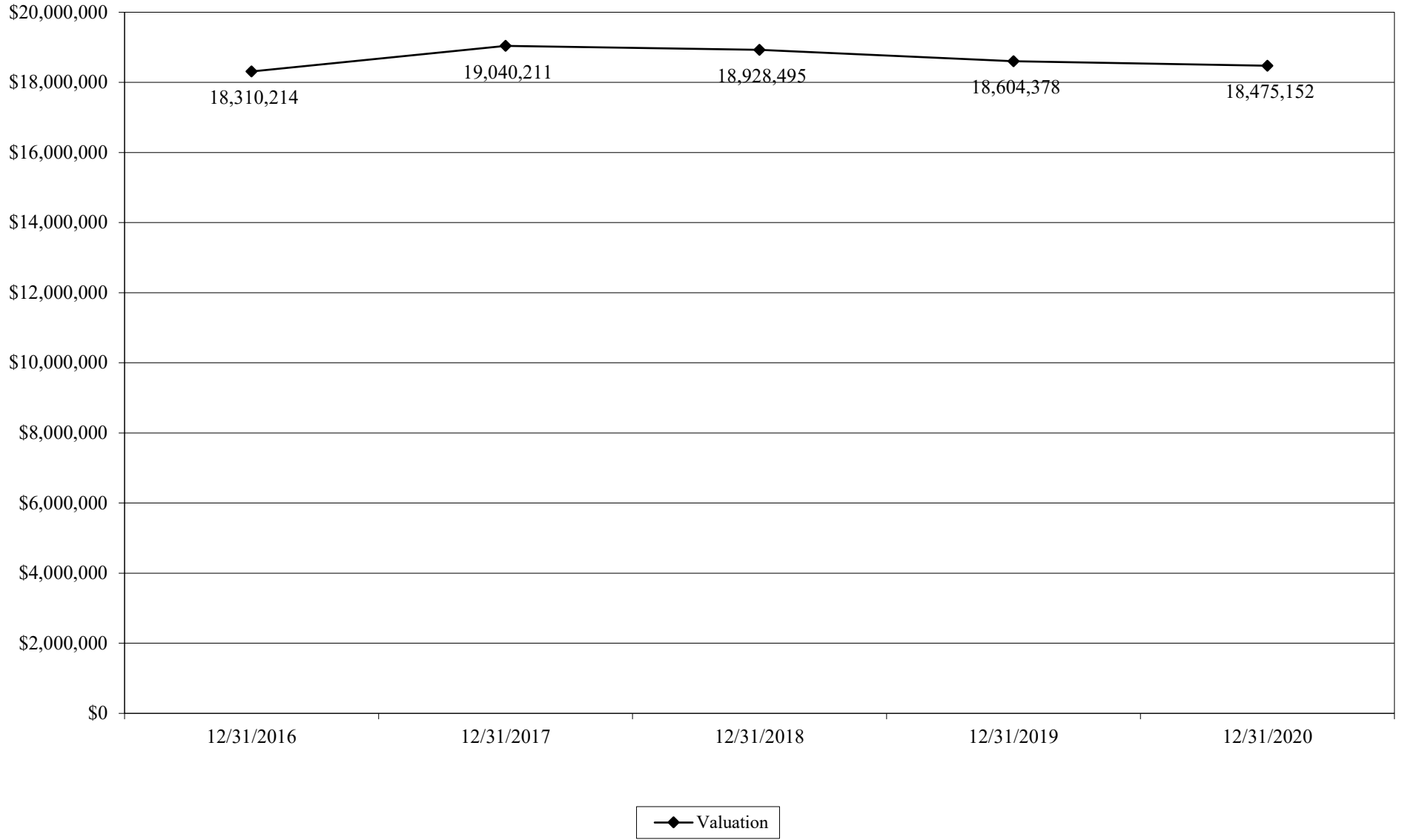
CITY OF LARNED, KANSAS Sewer Fund Receipts vs Expenditures



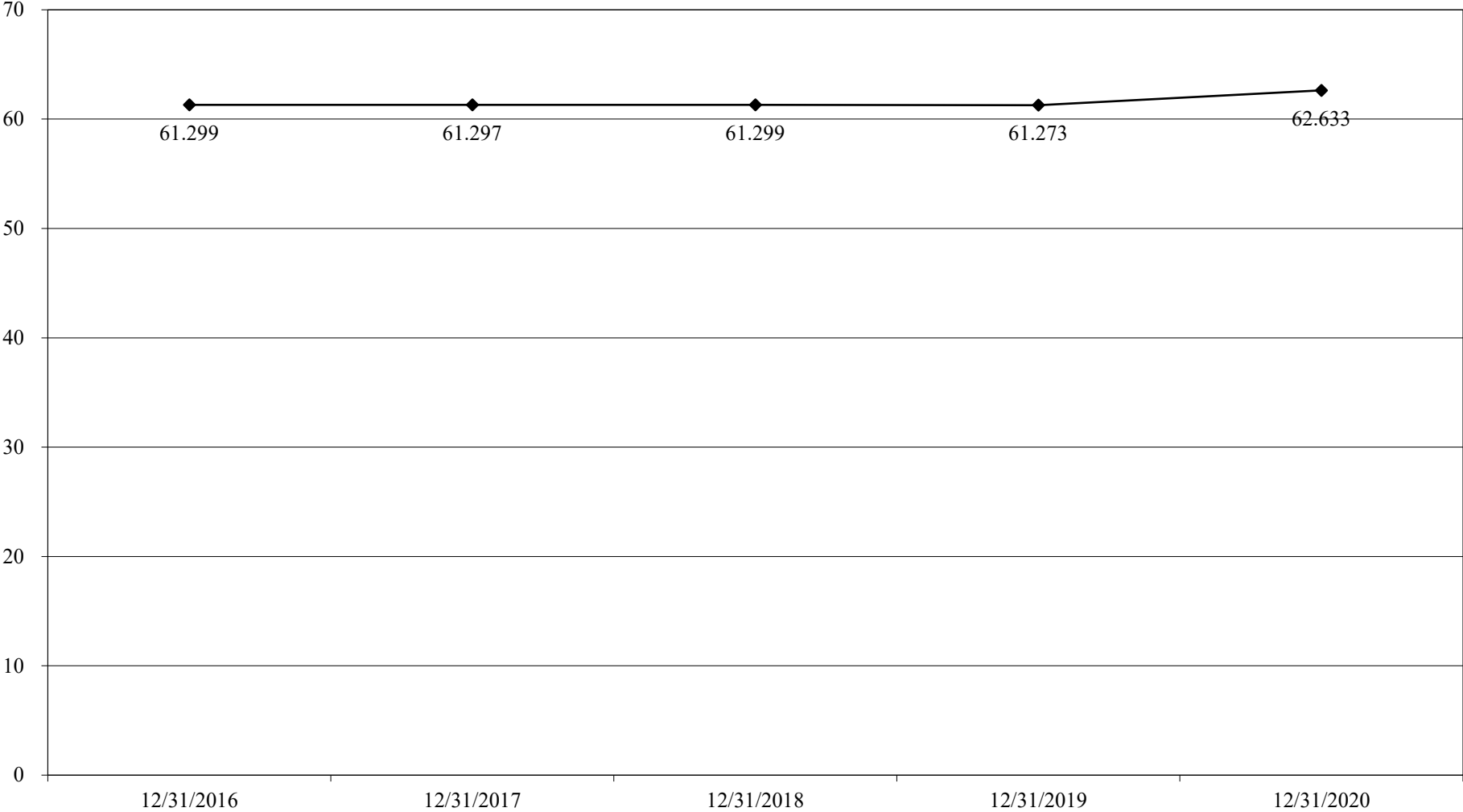
CITY OF LARNED, KANSAS Solid Waste Fund Receipts vs Expenditures



CITY OF LARNED, KANSAS Assessed Valuation



CITY OF LARNED, KANSAS Mill Rate



◆ Mill Rate

APPENDIX C

SUMMARY OF BOND FINANCING DOCUMENTS

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

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

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 of Kansas including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-427 *et seq.*, and K.S.A. 10-620 *et seq.* 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, and with regards to the Escrow Trust Agreement, means any date on which any principal of, or interest on, any of the Refunded Bonds is due and payable.

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

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

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

“Bonds” means the Taxable General Obligation Refunding Bonds, Series 2021, 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 Larned, 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.

“Compliance Account” means the account by that name created 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 August 19, 2021.

“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.

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

“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.

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

“Escrow Agreement” means the Escrow Trust Agreement, dated as of August 19, 2021, between the Issuer and the Escrow Agent.

“Escrow Fund” means the Escrow Fund for Refunded Bonds referred to in the Bond Resolution.

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

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

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

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

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in 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.

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

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

“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, 2022.

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

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

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

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

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

“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, 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 Bonds” means the Series 2013 Bonds maturing in the years 2024 to 2028, inclusive, in the aggregate principal amount of \$995,000.

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

“Refunded Bonds Redemption Date” means September 1, 2022.

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

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with 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 2013 Bonds**” means the Issuer's General Obligation Bonds, Series 2013, dated September 15, 2013.

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

“**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) Debt Service Account (within the Bond and Interest Fund).
- (b) Compliance Account.

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

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

- (a) Escrow Fund.
- (b) Cost of Issuance Account.

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

- (a) An amount necessary to pay the Costs of Issuance shall be transferred to the Escrow Agent for deposit in the Costs of Issuance Account and applied in accordance with the Escrow Agreement.

(b) An amount to pay costs of compliance shall be deposited in the Compliance Account.

(c) The remaining balance of the proceeds derived from the sale of the Bonds shall be transferred to the Escrow Agent for deposit in the Escrow Fund and applied in accordance with the Escrow Agreement.

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

Application of Moneys in the Escrow Fund. Under the Escrow Agreement, the Escrow Agent will apply moneys in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance in accordance with the Escrow Agreement. The cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely in the manner authorized by the Escrow Agreement.

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

DEPOSIT AND INVESTMENT OF MONEYS

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

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

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.

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. 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, 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.

THE ESCROW TRUST AGREEMENT

Creation of the Escrow Fund. The Escrow Trust Agreement creates and establishes with the Escrow Agent the Escrow Fund, which shall be a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent.

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

Deposits to the Escrow Fund. Concurrently with the execution and delivery of the issuance of the Bonds, and pursuant to the provisions of the Bond Resolution, the Issuer shall deposit with the Escrow Agent, and the Escrow Agent acknowledges receipt and deposit into the Escrow Fund of, proceeds of the Bonds and other money contributed by the Issuer in amounts sufficient to purchase the Escrowed Securities, which shall be delivered to and deposited in the Escrow Fund, and establish any required beginning cash balance in the Escrow Fund sufficient to provide for payment of the Refunded Bonds.

Application of Cash and Escrowed Securities in the Escrow Fund. Except as otherwise expressly provided, the Escrow Agent shall have no power or duty to invest any money held thereunder or to sell transfer or otherwise dispose of any Escrowed Securities. On or prior to each Refunded Bonds Payment Date and on the Refunded Bonds Redemption Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of, redemption premium, if any, and interest on the Refunded Bonds becoming due and payable on such Refunded Bonds Payment Date and on the Refunded Bonds Redemption Date, and shall forward from available moneys in the Escrow Fund such amount to the office of the respective Refunded Bonds Paying Agent, so that immediately available funds will reach the offices of the Refunded Bonds Paying Agent on or before the Refunded Bonds Payment Date and the Refunded Bonds Redemption Date. In order to make the required payments, the Escrow Agent is authorized to redeem or otherwise dispose of Escrowed Securities. Upon the payment in full of the principal of, redemption premium, if any, and interest on the Refunded Bonds, all remaining money and Escrowed Securities in the Escrow Fund, together with any interest thereon, shall be transferred to the Issuer to be applied in accordance with State law.

Substitute Escrowed Securities. In the event that any of the Escrowed Securities are not available for delivery on the date of the issuance of the Bonds, the Escrow Agent is directed to accept substitute securities in lieu thereof, provided the substitute securities are non-callable direct obligations of the United States of America, the maturing principal of and interest on such substitute securities (excluding any interest after any optional call date) is equal to or greater than the maturity value of such unavailable Escrowed Securities, principal of and interest on the substitute securities is payable on or before the maturity date of the unavailable Escrowed Securities, and the Issuer and Bond Counsel approve such substitution.

At the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of the Escrowed Securities and to substitute for the Escrowed Securities solely cash or Substitute Escrowed Securities. The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously; the Escrow Agent shall receive from an independent certified public accountant acceptable to the Escrow Agent in its reasonable judgment a certification, satisfactory in form and substance to the Escrow Agent, to the effect that after such substitution, the principal of and interest on the Escrowed Securities to be held in the Escrow Fund after the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Refunded Bonds and the amounts and dates of the anticipated transfers from the Escrow Fund to the Refunded Bonds Paying Agent will not be diminished or postponed thereby; and the Escrow Agent shall receive a written opinion of Bond Counsel to the effect that such substitution would not cause the interest on the Refunded Bonds to become included in gross income for purposes of federal income taxation under then existing law.

Redemption of Refunded Bonds. The Escrow Agent acknowledges that the Issuer has notified the Escrow Agent that the Issuer has elected to call the Refunded Bonds for redemption and payment prior to maturity on the Refunded Bonds Redemption Date and has directed the Escrow Agent to notify the Refunded Bonds Paying Agent of such call for redemption so that the Refunded Bonds Paying Agent may cause notice of the call for redemption and payment of the Refunded Bonds to be given.

Reports of the Escrow Agent. As long as any of the Refunded Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least sixty (60) days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the next Bond Payment Date or Refunded Bonds Redemption Date. In the event that funds are not

sufficient to make the required payments on such Bond Payment Date or Refunded Bonds Redemption Date, the Escrow Agent shall certify in writing to the Issuer (a) the amount so determined and (b) a list of the moneys and Escrowed Securities held by the Escrow Agent in the Escrow Fund on the date of such certification, including all moneys held by it which were received as interest or profit from Escrowed Securities.

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

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

If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the Issuer within 60 days after written notice of resignation of the Escrow Agent has been given to the Issuer or instrument of removal has been delivered to the Escrow Agent, the Owner of any of the Refunded Bonds or any retiring or removed Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent. No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers authorized to do business in the State, and organized under the banking laws of the United States or the State and shall have at the time of appointment capital and surplus of not less than \$10,000,000.

Amendments. The Escrow Agreement is made for the benefit of the Issuer and the Owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such Owners, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such Owners, enter into such agreements supplemental to the Escrow Agreement as shall not adversely affect the rights of such Owners and as shall not be inconsistent with the terms and provisions of the Escrow Agreement, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect or omission; (b) to grant to, or confer upon, the Escrow Agent for the benefit of the Owners of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Owners or the Escrow Agent; and (c) to subject to the Escrow Agreement additional funds, securities or properties.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

DATED AS OF AUGUST 19, 2021

BY

CITY OF LARNED, KANSAS

\$1,050,000
CITY OF LARNED, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2021
DATED AUGUST 19, 2021

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of August 19, 2021 (the “Continuing Disclosure Undertaking”), is executed and delivered by **CITY OF LARNED** (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 Taxable General Obligation Refunding Bonds, Series 2021 (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.

“**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 September 1st immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2021, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, in substantially the format contained in the Official Statement relating to the Bonds. A more detailed explanation of the accounting basis and method of preparation of the financial statements is contained in the Official Statement relating to the 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 first day of the eighth 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 LARNED, KANSAS

(SEAL)

Mayor

Clerk

EXHIBIT A

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

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

- Assessed Valuation
- Tax Rates
- Aggregate Tax Levies
- Tax Collection Record
- Major Taxpayers