

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 23, 2021**

**BOOK-ENTRY ONLY**

**RATING: S&P: "AA-"**

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, 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.*

**\$8,140,000\***  
**CITY OF AUGUSTA, 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" or the "Series 2021 Bonds") will be issued by the City of Augusta, 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 annually on September 1, beginning in 2022, and semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2022 (the "Interest Payment Dates"). 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 bond 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 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.

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,. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due. See "THE BONDS - Security for the Bonds"

**BIDS FOR THE BONDS WILL BE RECEIVED ON MONDAY, OCTOBER 4, 2021  
UNTIL 11:00 A.M., CENTRAL DAYLIGHT TIME**

The Bonds maturing on September 1, 2030 and thereafter will be subject to redemption prior to maturity, at the option of the Issuer, on September 1, 2029 or any date thereafter as described herein. The Term Bonds are also subject to Mandatory Redemption as described herein. See "THE BONDS-Redemption Provisions" 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. Certain other legal matters will be passed upon by Gibson Watson Marino LLC, Wichita, Kansas, 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 October 21, 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 - SUMMARY OF FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.*

The date of this Official Statement is \_\_\_\_\_, 2021.

*\*Preliminary, subject to change*

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

**\$8,140,000\***  
**CITY OF AUGUSTA, KANSAS**  
**TAXABLE GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2021**

**MATURITY SCHEDULE**

**SERIAL BONDS**

<u>Stated Maturity September 1</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup></u>
2022	\$115,000			
2023	245,000			
2024	530,000			
2025	530,000			
2026	405,000			
2027	415,000			
2028	420,000			
2029	430,000			
2030	430,000			
2031	440,000			
2032	445,000			
2033	455,000			
2034	315,000			
2035	265,000			
2036	275,000			
2037	275,000			
2038	285,000			
2039	295,000			
2040	300,000			
2041	310,000			
2042	320,000			
2043	330,000			
2044	310,000			

**[TERM BONDS**

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup></u>
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(All plus accrued interest, if any)

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

\*Preliminary, subject to change

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**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 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 SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE 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 PRELIMINARY OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

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

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

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**CITY OF AUGUSTA, KANSAS**

113 E. 6th  
Augusta, Kansas 67010  
(316) 775-4510

**GOVERNING BODY**

Mike Rawlings, Mayor

Eric Birk, Councilmember  
Jamie Crum, Councilmember  
Kip Richardson, Councilmember  
Bill Slade, Councilmember  
Jake Marr, Councilmember  
Mike Huddleston, Councilmember  
Tom Leffler, Councilmember  
Ron Reavis, Councilmember

**ADMINISTRATIVE OFFICERS**

**CITY MANAGER**

Joshua Shaw

**ASSISTANT CITY MANAGER**

Cody Sims

**CLERK**

Erica Jones

**TREASURER**

Tammy Davis

**ISSUER'S COUNSEL**

Gibson Watson Marino LLC  
Wichita, Kansas

**BOND COUNSEL**

Gilmore & Bell, P.C.  
Wichita, Kansas

**FINANCIAL ADVISOR**

Piper Sandler & Co.  
Leawood, Kansas

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the 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 Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds.

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# OFFICIAL STATEMENT

**\$8,140,000\***

## **CITY OF AUGUSTA, 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 Augusta, Kansas (the "Issuer" or the "City"), and the Taxable General Obligation Refunding Bonds, Series 2021 (the "Bonds"), of the Issuer, dated as of the Date of Delivery, to be issued in the principal amount of \$8,140,000\*.

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

The Issuer is a municipal corporation and city of the second class 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. All financial and other information presented herein has been compiled by the Issuer. 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.

#### Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in "*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE BOND RESOLUTION - DEFINITIONS.*"

#### Continuing Disclosure

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

The Issuer has previously entered into disclosure undertakings pursuant to the Rule (the "Prior Undertakings"). In certain prior years, the Issuer has failed to file its Annual Report within the time period prescribed by the Prior Undertakings, and did not timely file notices on EMMA that the Annual Report was missing or late. Beginning with the fiscal year ending in 2013, the Issuer has utilized a third-party firm to assist the Issuer in meeting its continuing disclosure obligations. The Issuer's filings for previous years are set forth on the table below.

<b><u>Fiscal Year</u></b> <b><u>Ending December 31</u></b>	<b><u>Filing Time Period</u></b> <sup>1</sup>	<b><u>Financial Information</u></b> <b><u>Filing Date</u></b>	<b><u>Operating Data</u></b> <b><u>Filing Date</u></b>
2016	210/300 Days	06/30/2017	06/30/2017
2017	210/300 Days	06/29/2018 <sup>(2)</sup> & 10/10/2018	06/29/2018
2018	210/300 Days	06/27/2019 <sup>(2)</sup> & 08/19/2019	06/27/2019
2019	210/300 Days	07/24/2020	07/24/2020
2020	210/300 Days	07/27/2021	07/27/2021

<sup>(1)</sup> The Prior Undertakings provided that the Issuer would file its Annual Report within 210 days with respect to other issues., and within 300 days with respect to other issues, after the end of the fiscal year.

<sup>(2)</sup> Unaudited financials filed

\*Preliminary, subject to change

While the Issuer had the filing deficiencies referred to above, it issued general obligation bonds or temporary notes or both each year from 2013 to 2017, payable from the same source of revenue as the Bonds. The official statements for such general obligation bonds and temporary notes were filed and publicly available on EMMA.

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

### **Additional Information**

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

## **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 of Kansas (the "State"), including K.S.A. 10-101 to 10-125, inclusive, and K.S.A. 10-427 *et seq.*, as amended and supplemented from time to time (the "Act"), an ordinance passed by the governing body of the Issuer and a resolution adopted by the governing body of the Issuer (jointly, the "Bond Resolution").

### **Security for the Bonds**

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

### **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 upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes 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 the denomination of \$5,000 or any integral multiples thereof (the "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 Date of Delivery (the "Dated Date"), shall become due in the amounts, on the Stated Maturities, and subject to redemption and payment, prior to their Stated Maturities, as hereinafter set forth under "THE BONDS – Redemption Provisions," and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement. The Bonds shall bear interest (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 or at the Redemption Date to the Person in whose name such Bond is registered on the Bond Register at the Maturity or at the Redemption Date thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

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

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

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

### **Payments Due on Saturdays, Sundays and Holidays**

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

### **Book-Entry Bonds; Securities Depository**

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

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

- (a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation



of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

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

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

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

### **Registration, Transfer and Exchange of Bonds**

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

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

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

## Mutilated, Lost, Stolen or Destroyed Bonds

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

## Nonpresentment of Bonds

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

## Redemption Provisions

**Optional Redemption.** At the option of the Issuer, the Bonds maturing September 1, 2030 and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2029, and thereafter as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

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

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

\*Final Maturity]

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

redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

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

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

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

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

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

## **THE 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 S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of 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

The Bonds are being issued for the purpose of refunding a portion of the Issuer's outstanding General Obligation Bonds, Series 2014-A (the "Series 2014-A Bonds") and General Obligation Bonds, Series 2015-A (the "Series 2015-A Bonds") in order to provide for debt service savings.

A portion of the proceeds of the sale of the Bonds will be used to refund the following Series 2014-A Bonds and Series 2015-A Bonds (the "Refunded Bonds"):

<u>Series</u>	<u>Maturity</u>	<u>Refunded Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2014-A	2023-2034	\$2,030,000	2.50%-3.75%	September 1, 2022	100%
2015-A	2024-2045	5,480,000	3.00%-3.75%	September 1, 2023	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.

## VERIFICATION OF ESCROW

The accuracy of the mathematical computations of the adequacy of cash and certain Escrowed Securities to be held by the Escrow Agent pursuant to the Escrow Agreement, together with the interest to be earned thereon, to pay the principal of, premium if any, and interest due and to become due on the Refunded Bonds to and including the applicable optional redemption date or date of final maturity will be verified by Robert Thomas CPA, LLC, Shawnee Mission, Kansas. Such verification of the accuracy of such mathematical computations will be based upon information supplied by the Underwriter and on interpretations of the Code provided by Bond Counsel.

## SOURCES AND USES OF FUNDS

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

**Sources of Funds:**

Principal Amount of the Bonds \$8,140,000.00\*  
[Original Issue Premium]

**Total**

**Uses of Funds:**

Deposit to Escrow Account  
Costs of Issuance  
Underwriter's Discount

**Total**

*\*Preliminary, subject to change*

## 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 UNDERWRITER.

## **Market for the Bonds**

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

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

## **Premium on Bonds**

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

## **No Additional Interest or Mandatory Redemption upon Event of Taxability**

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

## **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.

## **Kansas Public Employees Retirement System**

As described in “**APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans**,” the Issuer participates in the Kansas Public Employees Retirement System (“KPERs”), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERs administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen’s Retirement System (“KP&F”) and the Public Employees Retirement System – Local Group (the “Plan”). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability (“UAAL”). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERs’ Valuation Reports, KPERs had an aggregate UAAL of approximately \$8.258 billion in calendar year 2018 and approximately \$8.047 billion in calendar year 2019, of which approximately \$1.501 billion (2018) and approximately \$1.502 billion (2019) was attributable to the Local Group and approximately \$933 million (2018) and \$949 million (2019) was attributable to KP&F.

## **COVID-19 Pandemic**

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state and local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets. The Governor of the State has issued various Executive Orders in response to the COVID-19 pandemic, including Executive Orders temporarily preventing foreclosures and evictions, deferring certain tax deadlines and payments, instituting a temporary State-wide stay-at-home (expired as of May 2020), and instituting a mask mandate which granted each county the right to opt out of such order.

The COVID-19 pandemic could result in increased costs to the Issuer and/or negative impacts on the collection of property taxes (a primary source of revenue for the Issuer, including for repayment of the Bonds) within the Issuer due to increased payment delinquencies or disruption of the collection or distribution of property taxes. All such factors could have a material adverse effect on the Issuer’s operations and financial condition. As of the date hereof, the Issuer has not experienced material adverse changes relative to its adopted budget with regard to expenditures or receipt of revenues.

Governmental authorities continue efforts to contain and limit the spread of COVID-19. Future revenue collections, including property tax and sales tax revenues may deviate from historical or anticipated levels.

The emergence of COVID-19 and the spread thereof is an emerging and evolving issue. The Issuer is not able to predict and makes no representations as to the economic impact of the COVID-19 pandemic on the Issuer.

## **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.

## **BOND RATING**

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

## **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. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE BONDS," "LEGAL MATTERS," "TAX MATTERS" and "*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*" Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds. Certain legal matters have been passed on for the Issuer by Gibson Watson Marino LLC, Wichita, Kansas.

### **Certain Relationships**

Bond Counsel has represented the Financial Advisor in transactions unrelated to the issuance of the Bonds, but is not representing the Financial Advisor in connection with the issuance of the Bonds.

## **TAX MATTERS**

### **General**

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



consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

### **Opinion of Bond Counsel**

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

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

### **Other Tax Consequences**

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

[ ***Original Issue Discount.*** For Federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. If the original issue discount on a Bond is more than a *de minimis* amount (generally  $\frac{1}{4}$  of 1% of the stated redemption price at maturity of the Bond multiplied by either (a) the number of complete years to the maturity date of the Bond, or (b) the weighted average maturity of the Bond, in the case of a Bond providing for the mandatory, or in certain cases optional, payment prior to its maturity date), then that Bond will be treated as issued with original issue discount. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be included in gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[ ***Original Issue Premium.*** For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the 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, legal defeasance or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, legal defeasance or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

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

## **FINANCIAL ADVISOR**

Piper Sandler & Co. serves as financial advisor (the "Financial Advisor") to the City. The Financial Advisor is a “municipal advisor” as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Financial Advisor has participated in the preparation of this Preliminary Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the affairs of the City for the purpose of passing upon the accuracy or completeness of this Preliminary Official Statement. The Financial Advisor's fee is contingent upon the actual issuance and delivery 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 \_\_\_\_\_, \_\_\_\_\_ (the "Underwriter") at the purchase price of \_\_\_\_\_% of the principal amount of the Bonds plus the net premium in the amount of \$\_\_\_\_\_, minus the Underwriter's Discount in the amount of \$\_\_\_\_\_. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds.

The Bonds will be offered to the public initially at the prices determined to produce the yields 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 AUGUSTA, KANSAS**

## *APPENDIX A*

### **INFORMATION CONCERNING THE ISSUER**

#### **GENERAL**

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

The City of Augusta (the “Issuer” or the City”) is a city of the second class in Butler County, Kansas, and is located approximately 12 miles east of Wichita. The City encompasses approximately 4.4 square miles and has a current estimated population of 9,345 persons.

##### **Government and Organization of the Issuer**

The City was incorporated in 1871.

The City operates under the Mayor-Council-Manager form of government. The Council members elected by ward, serve four year terms. The Mayor, elected at large, for four year terms, has veto power over certain Council action, presides over Council meetings and appoints board and committee positions, subject to Council approval. The City Manager is appointed by the Council and is charged with the efficient and effective administration of the City.

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

The City owns and operates its own water and sewer utility systems and electric power plant. Kansas Gas Service supplies natural gas. Cox Communications operates a cable television system under franchise with the City.

The City has 25 sworn police officers and 30 volunteer firefighters which provide continuous full-time protection to the City.

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

The City completed a municipal airport in 1967 on Highway 54 between Augusta and Wichita. The City is located on the Santa Fe-Burlington Northern Railroad, U.S. Highways 54 and 77 and U.S. Highway 400 and has four-lane divided roadbed to Wichita industrial markets.

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

Unified School District No. 402 of Butler County has its offices in the City. The District serves grades K through 12 and has an enrollment of 2,260. Additionally, a parochial institution operates an elementary school in the City.

Butler County Community College, with an enrollment of 8,365 students, is located nine miles northeast of the City in El Dorado, Kansas. Additionally, a state university and four private colleges are located within a 30 mile radius of Augusta.

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

Three medical clinics operate in the City. Approximately five doctors and four dentists practice in the City.

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

Public recreation facilities include parks, a nine-hole golf course, an eighteen-hole disc golf course, a public swimming pool, splash pad, numerous ball parks and playing fields, and tennis courts. Augusta Lake, Santa Fe Lake, and El Dorado Reservoir provide swimming, boating, fishing, camping and water-skiing activities.

Additional recreational and cultural activities are available throughout the entire Wichita metropolitan area.

## ECONOMIC INFORMATION

The City is located in one of the richest agricultural and petroleum producing areas in the nation. The City's economy is diversified among agricultural production, oil production and industrial development of the greater Wichita area.

### Major Employers

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

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full- &amp; Part-time Employees</u>
Butler Community College	Education	410
Butler County	Government	400
Susan B Allen Memorial Hospital	Medical Services	400
Unified School District No. 402	Education	375
D J Engineering	Manufacturing	254
LakePoint Nursing	Medical	135
City of Augusta	Government	104
Dillons	Grocery	100
ProKleen	Industrial Services	100
Wal-Mart	Retail	85
Global Parts	Manufacturing	56

*Source:* City Clerk

### Labor Force

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

#### BUTLER COUNTY

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2014	31,954	30,396	1,558	4.9%
2015	32,054	30,689	1,365	4.3%
2016	32,197	30,854	1,343	4.2%
2017	31,668	30,470	1,198	3.8%
2018	31,938	30,833	1,105	3.5%
2019	32,491	31,442	1,049	3.2%
2020	32,533	30,403	2,130	6.5%

#### STATE OF KANSAS

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2014	1,492,158	1,424,439	67,719	4.5%
2015	1,489,560	1,427,337	62,223	4.2%
2016	1,483,633	1,423,730	59,903	4.0%
2017	1,476,110	1,422,274	53,836	3.6%
2018	1,477,847	1,429,229	48,618	3.3%
2019	1,486,620	1,439,563	47,057	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 State of Kansas sales tax collections for the years indicated for sales occurring in Butler County, Kansas:

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Per Capita Sales Tax</u>
2014	\$42,623,482	\$637.46
2015	44,641,136	646.59
2016	44,760,378	678.25
2017	44,284,365	661.50
2018	45,999,427	684.61
2019*	56,093,888	820.06

\* Use tax collections included beginning in 2019

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

*Source:* Kansas Statistical Abstract

## Local Option Sales Tax

The following table provides the amount of local sales tax collected and received by the City during the years indicated. Prior to April 2013, the local sales tax was 1%. In April 2013, voters approved an additional 1% local sales tax. The City currently collects a sales tax of 2%. The City voters also approved in early 2016 the continuation of an existing 1% sales tax, which was set to expire as of October 1, 2017.

<u>Year</u>	<u>Receipts</u>
2014	\$2,422,087
2015	2,425,087
2016	2,379,598
2017	2,518,722
2018	2,498,393
2019	2,541,638
2020	2,677,087

*Source:* City Clerk

The spread of the COVID-19 could reduce sales tax and other collections dependent on local business activity, which is likely to be slower. Please see “RISK FACTORS AND INVESTMENT CONSIDERATIONS--COVID 19 Pandemic.”

## Oil Production

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

<u>Year</u>	<u>Oil Production</u>
2014	1,012,271
2015	922,182
2016	842,187
2017	802,997
2018	791,534
2019	743,884
2020	684,225

*Source:* Kansas Geological Survey

## Financial and Banking Institutions

There are currently 14 banks located in Butler County. For the years listed, bank deposits of the County's banks are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2014	\$992,000,000
2015	1,063,154,000
2016	1,054,891,000
2017	1,114,685,000
2018	1,105,301,000
2019	1,166,789,000
2020	1,421,981,000

*Source:* FDIC

## Building Permits

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

<u>Year</u>	<u>Number of Permits Issued</u>		<u>Total Valuation</u>	
	<u>Residential</u>	<u>Non-Residential</u>	<u>Residential</u>	<u>Non-Residential</u>
2014	28	8	\$913,437	\$526,650
2015	29	3	1,302,778	2,172,758
2016	40	7	1,227,083	252,400
2017	14	4	569,360	726,938
2018	42	4	1,401,449	706,366
2019	38	3	832,724	910,794
2020	34	4	909,929	1,534,355

*Source:* City Clerk

## Population Trends

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

<u>Year</u>	<u>City Population</u>	<u>Butler County Population</u>
2000	8,324	59,681
2005	8,507	61,606
2010	9,274	64,073
2019	9,345	66,911

The median age of persons in Butler County and the State of Kansas is 37.2 and 36.0, respectively, per the 2010 Census.

*Source:* Kansas Statistical Abstract

## Personal Income Trends

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

<u>Year</u>	<u>Butler County Personal Income</u>	<u>Butler County Per Capita Income</u>	<u>State of Kansas Per Capita Income</u>
2013	\$2,806,073,000	\$41,898	\$42,644
2014	2,861,232,000	43,203	44,891
2015	2,823,186,000	42,301	47,161
2016	2,880,122,000	43,214	47,496
2017	2,940,192,000	43,964	48,559
2018	3,081,694,000	46,157	51,471
2019	3,226,195,000	48,216	53,426

*Source:* Kansas Statistical Abstract, Bureau of Economic Analysis

## FINANCIAL INFORMATION

### Accounting, Budgeting and Auditing Procedures

The City has received a waiver from GAAP and follows a statutory basis of accounting which demonstrates compliance with the cash-basis and budget laws of the State of Kansas for all tax supported funds of the City, including the General Fund.

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

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

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

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

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

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by GBN, P.A. Certified Public Accountants., Wichita, Kansas. Copies of the audit reports for the past five (5) years are on file in the

Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 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 Butler County Appraiser's office determines the fair market value of all taxable property within Butler County and the assessed valuation thereof that is to be used as a basis for the mill levy on property located in the Issuer.

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Code §501, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 30%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

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

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

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



## Assessed Valuation

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

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2011	\$48,497,334	\$2,859,838	\$1,627,949	\$9,304,300	\$62,289,421
2012	48,599,913	2,655,802	1,695,943	9,325,426	62,277,084
2013	48,641,351	2,564,215	1,653,508	9,141,556	62,000,630
2014	50,584,589	2,032,794	1,453,975	9,318,965	63,390,323
2015	50,885,818	1,917,275	1,566,682	9,497,458	63,867,233
2016	52,674,893	1,931,579	1,612,766	9,594,543	65,813,781
2017	54,154,620	1,971,972	1,591,432	9,763,443	67,481,467
2018	55,683,452	2,050,701	1,703,063	10,067,238	69,504,454
2019	57,595,727	1,835,693	1,802,904	10,143,016	71,377,340
2020	59,315,791	1,811,217	1,873,846	9,903,428	72,904,282

*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>
2011	\$389,308,881
2012	389,231,775
2013	391,064,098
2014	396,189,519
2015	399,170,206
2016	411,336,131
2017	421,759,169
2018	434,402,838
2019	446,108,375
2020	455,651,763

## 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>Library Emp. Fund</u>	<u>Employee Benefit</u>	<u>G.O. Bond and Interest</u>	<u>Total Levy</u>
2011/12	19.906	3.709	0.638	13.506	2.067	39.826
2012/13	19.918	3.711	0.638	13.514	3.367	41.148
2013/14	19.953	3.717	0.639	13.538	3.935	41.782
2014/15	19.001	4.376	0.776	14.852	5.611	44.616
2015/16	20.374	4.352	0.839	15.959	1.519	43.043
2016/17	25.407	4.209	1.321	16.694	4.347	51.978
2017/18	27.049	4.099	1.286	17.534	5.432	55.400
2018/19	21.625	4.452	1.283	22.175	5.551	55.086
2019/20	25.170	4.610	1.352	20.600	4.576	56.308
2020/21	26.177	4.481	1.314	19.524	4.286	55.782

**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</u>	<u>Butler County</u>	<u>School District</u>	<u>State</u>	<u>Other</u>	<u>Total Levy</u>
2011/12	39.826	35.775	61.880	1.500	18.005	156.986
2012/13	41.148	35.273	61.946	1.500	18.005	157.872
2013/14	41.782	35.164	65.102	1.500	18.021	161.569
2014/15	44.616	35.133	64.085	1.500	18.003	163.337
2015/16	43.043	35.012	63.413	1.500	18.063	161.031
2016/17	51.978	34.747	63.414	1.500	20.074	171.713
2017/18	55.400	34.263	63.401	1.500	20.075	174.639
2018/19	55.086	34.274	63.240	1.500	20.068	174.168
2019/20	56.308	34.280	63.225	1.500	19.336	174.649
2020/21	55.782	34.013	62.253	1.500	18.007	171.555

**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 Taxes Levied</u>	<u>Current Taxes Collected</u>	
		<u>Amount</u>	<u>Percentage</u>
2011/12	\$2,687,556.36	\$2,585,604.70	96.21%
2012/13	2,188,241.37	2,148,814.09	98.20%
2013/14	2,216,904.20	2,061,092.07	92.97%
2014/15	2,422,573.91	2,367,431.93	97.72%
2015/16	2,347,425.42	2,247,587.67	95.75%
2016/17	3,341,694.96	3,260,996.66	97.58%
2017/18	3,608,891.38	3,482,296.01	96.64%
2018/19	3,625,969.55	3,511,625.89	96.85%
2019/20	3,679,009.20	3,618,302.43	98.35%
2020/21*	3,708,726.89	3,606,930.89	97.26%

\*Partial collections through 08/24/2021

**Source:** County Treasurer

The spread of the COVID-19 could impact the timing and amount of tax collections. Please see “RISK FACTORS AND INVESTMENT CONSIDERATIONS--Potential Impact of the Coronavirus.”

**Major Taxpayers:**

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

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Due</u>
Wal-Mart Real Estate Business Trust	\$1,815,695	\$311,491.56
D-J Engineering Inc	877,649	150,533.00
D-J Engineering Inc	843,091	144,636.50
Kansas Gas Service	799,297	137,123.40
Global Parts Inc	746,403	128,049.18
Lakepoint Augusta, LLC	686,508	117,727.88
D-J Engineering Inc	659,266	113,100.38
BNSF	535,498	91,867.36
White Eagle Credit Union	337,817	57,954.20
Epic Homes of Kansas	310,926	53,340.92

Source: County Clerk

**History of Employment**

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

<u>Year</u>	<u>Total Full-Time Employees</u>	<u>Total Part-Time Employees</u>	<u>Total</u>
2014	98	7	105
2015	97	8	105
2016	104	6	110
2017	95	15	110
2018	96	4	100
2019	99	12	111
2020	95	9	104

Source: City Clerk

**Pension and Employee Retirement Plans**

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

As of June 30, 2020, 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:

- (y) *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.

(z) *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](http://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 established membership in the Kansas Police and Fire Retirement System ("KP&F") for its police and fire personnel. KP&F is a division of and is administered by KPERS. Annual contributions are adjusted annually based on actuarial studies, subject to legislative caps on percentage increases. According to the 2019 Valuation Report, KP&F carried an UAAL of approximately \$949 million at the end of 2019. For KP&F, the Issuer's employees currently annually contribute 7.15% of their gross salary to the plan. For the year beginning January 1, 2021, the Issuer contributes 22.80% of employees' gross compensation. Beginning January 1, 2022, the Issuer's contribution is projected to change to 22.99% of gross compensation for calendar year 2022.

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](http://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:

Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations.....	\$72,904,282
Estimated Actual Valuation.....	\$455,651,763
Legal limitation of Bonded Debt <sup>2</sup> .....	\$21,871,285
Outstanding General Obligation Debt <sup>3</sup> .....	\$14,840,000
Statutory Exempt Debt .....	\$11,511,928
Net Debt against Debt Limit Capacity .....	\$3,328,072
Less Self Supporting debt <sup>4</sup> .....	\$11,300,000
Additional Debt Capacity .....	\$18,543,213
Net Overlapping Indebtedness .....	\$8,897,667
Direct Debt Per Capita (Population = 9,345) .....	\$1,588.01
Direct and Overlapping Debt Per Capita.....	\$2,540.14
Direct Debt as a Percentage of Assessed Valuation.....	20.35%
Direct Debt as a Percentage of Estimated Actual Valuation.....	3.25%
Direct and Overlapping Debt as a Percentage of Assessed Valuation .....	32.56%
Direct and Overlapping Debt as a Percentage of Estimated Actual Valuation .....	5.20%

<sup>1</sup>See "Property Valuations" *infra*

<sup>2</sup>K.S.A. 10-301 *et seq.*

<sup>3</sup>Includes Bonds & Notes

<sup>4</sup> A portion of the Series 2019 Bonds are payable primarily from the water utility system, the Series 2015-A and a portion of the Series 2021 Bonds are expected to be paid primarily from a portion of a 1% City-wide sales tax and also from the water utility system; the Series 2016-A Bonds are paid primarily from a portion of a separate 1% City-wide sales tax; and Series 2020-1 Notes are to be paid primarily from a portion of a 1% City-wide sales tax.

### Current Indebtedness of the Issuer

The following table summarizes certain key statistics with respect to the Issuer's general obligation debt, 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>	<u>Exempt from Debt Limit</u>
General Obligation Bonds	A-2008	4/15/2008	9/1/2023	\$655,000	\$80,000	\$37,504 (46.88%)
General Obligation Bonds	2012-B	8/1/2012	9/1/2032	455,000	280,000	74,424 (26.58%)
General Obligation Bonds	2013	4/18/2013	9/1/2033	970,000	640,000	640,000 (100%)
General Obligation Bonds <sup>(1)</sup>	2014-A	9/10/2014	9/1/2022	3,090,000	140,000	140,000 (100%)
General Obligation Bonds <sup>(1)</sup>	2015-A	5/21/2015	9/1/2023	7,050,000	560,000	560,000 (100%)
General Obligation Bonds	2016-A	08/17/2016	9/1/2026	4,305,000	2,260,000	-0- (0%)
General Obligation Refunding and Improvement Bonds	2019	06/06/2019	9/1/2034	2,415,000	1,920,000	1,920,000 (100%)
Taxable General Obligation Refunding Bonds <sup>(2)</sup>	2021	10/21/2021	9/1/2045	8,140,000	<u>8,140,000</u>	8,140,000 (100%)
				<i>Total</i>	<u>\$14,020,000</u>	<u>\$11,511,928</u>

<sup>(1)</sup> Excludes the portion being refunded.

<sup>(2)</sup> This Issue. Preliminary, subject to change.

**GENERAL OBLIGATION TEMPORARY NOTES**

<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>	<u>Exempt from Debt Limit</u>
General Obligation Temporary Notes	2020-1	7/01/2020	09/01/2023	\$1,205,000	<u>\$820,000</u>	\$-0- (0%)
				<i>Total</i>	<u>\$820,000</u>	<u>\$-0-</u>

In addition to the above-referenced bonds, the City also has issued general obligation bonds to refund certain electric utility system revenue bonds and provide funding for certain utility system improvements. The City intends to provide for the payment of such general obligation bonds with the net revenues derived from the operation of its Electric Utility System. If, however, such net revenues are not sufficient to make the required payments, the City is obligated to provide for the payment through its ability to levy unlimited ad valorem taxes. The following is a list of the revenue-supported general obligation bonds of the City:

**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>
John Deere 324 E Skid Steer	7/12/2017	2022	\$25,860	\$5,403
John Deere 324 E Skid Steer	7/12/2017	2022	25,860	5,403
Mini Excavator	6/12/2019	2023	40,000	<u>24,000</u>
			<i>Total</i>	<u>\$34,806</u>

*Source:* City Clerk

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

**Overlapping Indebtedness**

The following table sets forth overlapping indebtedness as of 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>Gross Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Gross Amount Applicable to Issuer</u>	<u>Net Amount Applicable to Issuer <sup>(1)</sup></u>
Butler County	\$800,817,691	\$75,000	7.87%	\$5,900	\$5,900
U.S.D. No. 402	102,517,230	37,100,000	61.45%	<u>22,799,403</u>	<u>8,891,767</u>
			<i>Total</i>	<u>\$22,805,303</u>	<u>\$8,897,667</u>

<sup>(1)</sup> For bonds approved by voters prior to July 1, 2015, the State of Kansas will pay 61% of debt service for the School District's bonds, for bonds approved by voters after July 1, 2015, the State of Kansas will pay 25% of debt service for the School District's bonds.

**Future Indebtedness**

The City regularly finances, on a temporary basis, the costs of improvement projects under construction through the issuance of temporary notes. When the projects are completed and the notes mature or are called for redemption, the City customarily issues general obligation bonds to provide for long-term project financing. The City anticipates issuing bonds/notes during the next 12-24 months for City improvements.

*APPENDIX B*

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

**CITY OF AUGUSTA, KANSAS**

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**FINANCIAL STATEMENT**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED DECEMBER 31, 2020**

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**GBN, P.A.**

*Certified Public Accountants*



**CITY OF AUGUSTA, KANSAS  
YEAR ENDED DECEMBER 31, 2020**

**GOVERNING BODY**

Mike Rawlings, Mayor 2023

**CITY COUNCIL**

Erik Birk Ward 1 2021

Jake Marr Ward 1 2023

Jamie Crum Ward 2 2021

Mike Huddleston Ward 2 2023

Kip Richardson Ward 3 2021

Tom Leffler Ward 3 2023

Bill Slade Ward 4 2021

Ron Reavis Ward 4 2023

**CITY OFFICERS**

Josh Shaw, City Manager  
Cody Sims, Asst. City Manager  
Erica Jones, City Clerk / Finance Director

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and City Council  
City of Augusta, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Augusta, Kansas, 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 the financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; 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 that 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 the 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 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 Augusta, Kansas to meet the requirements of the State of 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 Augusta, 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 balances of the City of Augusta, 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, individual fund schedules of regulatory basis receipts and expenditures—actual and budget, summary schedule of regulatory basis receipts and disbursements—agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Augusta, Kansas as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated May 30, 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 web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipalservices..> The 2019 actual column (2019 comparative information) presented in the individual fund schedules 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.

*GBN, P.A.*

Wichita, Kansas  
June 9, 2021

## CITY OF AUGUSTA, KANSAS

### Summary Statement of Receipts, Expenditures and Unencumbered Cash Regulatory Basis For the Year Ended December 31, 2020

Department	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 1,274,353	\$ -	\$ 6,152,222	\$ 6,147,682	\$ 1,278,893	\$ 190,714	\$ 1,469,607
Special Purpose Funds:							
Industrial Development	438,419	-	29,507	438,000	29,926	-	29,926
Library Employee Benefits	6,576	-	92,925	96,875	2,626	6,156	8,782
Library	447	-	317,399	313,280	4,566	3,536	8,102
Cemetery Endowment	95,811	-	14,656	42,182	68,285	-	68,285
Employee Benefits	199,408	-	1,568,020	1,599,859	167,569	31,412	198,981
Special City-County Highway	501,975	-	298,642	550,921	249,696	16,228	265,924
Special Alcohol	28,560	-	9,798	24,500	13,858	-	13,858
Convention and Visitors Bureau	51,463	-	12,852	3,328	60,987	327	61,314
Emergency Communications	20,082	-	-	-	20,082	-	20,082
Emergency Communications 2012	124,800	-	36,673	45,116	116,357	1,630	117,987
Special Park	84,512	-	51,931	39,710	96,733	18,171	114,904
Street Sales Tax	1,357,400	-	1,886,387	2,037,293	1,206,494	63,380	1,269,874
Water Sales Tax	4,858,181	-	1,218,189	350,000	5,726,370	51,930	5,778,300
Capital Improvements	321,986	-	656,027	649,382	328,631	13,975	342,606
Employee Insurance	13,978	-	49,337	55,138	8,177	130	8,307
Health Insurance Reserve	752,613	-	1,368,378	1,059,236	1,061,755	26,547	1,088,302
Drug Reimbursement	76	-	649	-	725	-	725
State Seizure	179	-	-	-	179	-	179
E-Comm / Augusta Progress Inc. Loan	305	-	21,882	21,882	305	5,795	6,100
Dalton Palmer Park	(74,739) *	75,000	-	189	72	-	72
Airport Hanger Drive	(84,998) *	-	84,998	-	-	-	-
Equipment Reserve	-	-	370,823	116,586	254,237	1,357	255,594
CDBG-GV Funding	-	-	80,000	80,000	-	42,000	42,000
2019 Bonds	-	-	-	-	-	-	-

## CITY OF AUGUSTA, KANSAS

### Summary Statement of Receipts, Expenditures and Unencumbered Cash Regulatory Basis For the Year Ended December 31, 2020

Department	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund:							
Bond and Interest	\$ 116,390	\$ -	\$ 538,909	\$ 554,125	\$ 101,174	\$ -	\$ 101,174
Capital Project Funds:							
Dam Spillway	74,795	-	-	-	74,795	-	74,795
Depot	-	-	-	-	-	-	-
Marsh Donation – ADOPS	2,462	-	-	-	2,462	-	2,462
South Ohio Street	(9,977)	-	9,977	-	-	-	-
Corp Levee	52,756	-	-	36,504	16,252	-	16,252
KLINK 2014/2015	291	-	-	-	291	-	291
Airport Improvement Project	(1,105)	6,447	-	22,219	(16,877) *	-	(16,877)
Sales Tax Waterline Improvements	3,586,917	-	-	-	3,586,917	-	3,586,917
Lions Club Project	540	-	2,500	-	3,040	-	3,040
7th Street Geometric Project	69,289	-	-	9,977	59,312	-	59,312
Entrance Sign Project	20,000	-	-	-	20,000	-	20,000
Disc Golf Project	645	-	-	-	645	-	645
Pride and Progress	2,660,874	-	483,000	2,180,921	962,953	47,856	1,010,809
Sewer CDBG Project	(173,791) *	-	184,791	7,500	3,500	-	3,500
Scattering Garden Project	7,500	-	-	-	7,500	-	7,500
Wayfinding Sign Project	12,300	-	-	-	12,300	-	12,300
Storm Water Project	56,000	-	-	51,500	4,500	4,950	9,450
APPCON Temporary Note Project	740	-	-	-	740	-	740
A/P Fly In Donations	-	-	50,000	-	50,000	-	50,000
Sparks Funding Project	-	-	188,780	178,780	10,000	54,221	64,221
KDHE Water Loan	-	-	-	64,700	(64,700) #	56,025	(8,675)



## CITY OF AUGUSTA, KANSAS

### Summary Statement of Receipts, Expenditures and Unencumbered Cash Regulatory Basis For the Year Ended December 31, 2020

Department	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Business Funds:</b>							
Electric Utility	\$ 2,682,605	\$ -	\$ 8,945,124	\$ 9,251,597	\$ 2,376,132	\$ 655,885	\$ 3,032,017
Water Utility	401,909	-	2,092,029	1,949,677	544,261	152,526	696,787
Refuse	644,247	-	935,932	846,983	733,196	53,327	786,523
Wastewater Treatment	431,913	-	594,325	456,131	570,107	33,502	603,609
Wastewater Treatment Plant	267,407	-	742,374	885,300	124,481	11,350	135,831
Airport	348,123	-	423,261	474,782	296,602	10,502	307,104
Electric Principal & Interest	96,456	-	490,475	531,094	55,837	-	55,837
Electric Reserve	1,315,839	-	-	252,556	1,063,283	64,278	1,127,561
Water Bonds Reserve	-	-	-	-	-	-	-
Water Bonds Principal & Interest	38,183	-	586,500	585,231	39,452	-	39,452
Water Revenue Bond Depreciation & Replacement Reserve	25,000	-	-	-	25,000	-	25,000
Wastewater Reserve	119,990	-	25,000	23,508	121,482	38,844	160,326
Sanitation Bond & Interest	6,747	-	127,000	126,400	7,347	-	7,347
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b><u>\$ 22,826,432</u></b>	<b><u>\$ 81,447</u></b>	<b><u>\$ 30,741,272</u></b>	<b><u>\$ 32,160,644</u></b>	<b><u>\$ 21,488,507</u></b>	<b><u>\$ 1,656,554</u></b>	<b><u>\$ 23,145,061</u></b>
<b>Composition of Cash:</b>							
							\$ 700
							583
							9,842,540
							442,307
							601,925
							3,072,994
							9,248,853
							38,204
							23,248,106
							(103,045)
							<b><u>\$ 23,145,061</u></b>

\* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

# Per K.S.A 10-1116, the limits of indebtedness may be exceed when provision has been made for payment by issuance of bonds or temporary notes

The accompanying notes are an integral part of the financial statement.

**CITY OF AUGUSTA, KANSAS**

**NOTES TO FINANCIAL STATEMENT**

**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**Municipal Financial Reporting Entity**

The City of Augusta, Kansas was incorporated in 1871 and is a City of the Second Class pursuant to state statute. The City operates under a Mayor-Council-Manager form of City government consisting of an elected Mayor and eight council persons and provides services to the citizens in the areas of highways and streets, electric, water and wastewater treatment services, public improvement, public safety, planning and zoning, recreation, and general administrative services.

Related Municipal Entities – The City’s financial statement includes all of the funds relevant to the operations of the City of Augusta, Kansas. The financial statement does not include the following related municipal entities:

1. Augusta Public Library, 1609 State Street, Augusta, Kansas 67010
2. Augusta Housing Authority, 620 Osage Street, Augusta, Kansas 67010
3. Augusta Public Building Commission, 113 E. 6<sup>th</sup> Ave., Augusta, Kansas 67010

Financial statements of the related municipal entities can be obtained by contacting management at the addresses listed above.

**Regulatory Basis Fund Types**

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with state statutes, several different types of funds are used to record the City's financial transactions. For financial reporting, they have been grouped and are presented in this report as follows:

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

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Business funds – funds financed in whole or in part by fees charged to users of the goods or services.

Agency funds – funds used to report assets held by the City in a purely custodial capacity.

### **Regulatory basis of accounting and departure from accounting principles generally accepted in the United States of America**

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

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

### **Budgetary principles**

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to 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 budget was amended by the following amounts during 2020.

<u>Fund</u>	<u>Original Budget</u>	<u>Amended Budget</u>
Library Employee Benefits	\$ 86,890	\$ 96,875
Cemetery Endowment	\$ 10,000	\$ 55,000
Industrial Development	\$ 200,000	\$ 438,419
Wastewater Reserve	\$ -	\$ 350,417
Wastewater Treatment Plant	\$ 914,500	\$ 1,246,228

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

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

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

Street Sales Tax Fund	Water Sales Tax Fund
Capital Improvements Fund	Employee Insurance Fund
Health Insurance Reserve Fund	Drug Reimbursement Fund
Airport Fuel Branding Fund	State Seizure Fund
E-Comm/Augusta Progress, Inc. Loan	Economic Development Fund
Santa Fe Lake Capital Improvement	

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

**Compensated absences**

The City permits employees to accumulate earned but unused vacation and sick pay benefits.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Vacation – Employees earn vacation leave at the rate of 3.08 hours for each bi-weekly pay period during the first five years of service, 4.62 hours after five years of continuous service and 6.16 hours after fifteen years of continuous service. Accumulated vacation hours may not exceed 200 hours; 260 hours for those with over ten years of continuous service. At termination, employees are compensated for accumulated vacation pay.

Sick Leave – Employees earn 4.62 hours of sick leave for each bi-weekly pay period employed. Each employee may accumulate a maximum of 960 hours. Any hours above 960 shall be compensated at the rate of one hour of regular pay for every four hours above the maximum. No sick leave is paid upon termination of employment unless the employee qualifies upon retirement.

### **Pension plan**

All full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERs), which is a cost sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs as determined annually by the system's actuary.

### **Concentration of credit risk**

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City. The City does not require security deposits for the credit granted to certain utility customers, however, tap fees or hook-up charges are assessed by the City when the utility service is provided.

### **Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

### **Subsequent Events**

Subsequent events have been evaluated through June 9, 2021, which is the date the financial statement was available to be issued.

The COVID-19 coronavirus pandemic has created economic uncertainties that may negatively impact the City's financial position. The ultimate impact of the ongoing pandemic on the City's financial position is unknown at this time.

## 2. DEPOSITS AND INVESTMENTS

As of December 31, 2020 the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity- Less than 1 Year</u>	<u>Rating</u>
Municipal Investment Pool	\$9,248,852	\$9,248,852	AAAf/S1+

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

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

### Concentration of credit risk

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

### Custodial credit risk – deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the state of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2020.

At December 31, 2020, the carrying amount of the City's deposits was \$13,998,553, with the bank balances of such accounts being \$13,947,539. Of the bank balances, \$750,000 was covered by federal depository insurance and the remaining balance of \$13,197,539 was collateralized with securities held by the pledging financial institution's agent in the City's name. The fair value of those pledged securities held by the City's custodial investment agencies was \$18,877,791 at December 31, 2020.

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### 3. PENSION PLAN (continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for KPERS and 21.93% for KP&F for the fiscal year ended December 31, 2020. The City's contributions to KPERS & KP&F for the years ending December 31, 2020 and 2019 were \$622,426 and \$583,227, respectively.

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$3,194,448 and \$2,669,569 for KP&F. 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 KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

### 4. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2020:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
<u>General Obligation Bonds</u>									
General Obligation Bonds, Series 2008 A	2.50-4.60	04-15-08	\$ 655,000	09-01-23	\$ 150,000	\$ -	\$ 35,000	\$ 115,000	\$ 6,795
General Obligation Refunding Bonds, Series 2010 C	2.00-3.13	12-18-10	4,275,000	09-01-21	1,015,000	-	500,000	515,000	31,094
General Obligation Refunding Bonds, Series 2012	2.00-2.00	03-15-12	945,000	09-01-21	245,000	-	135,000	110,000	4,900
General Obligation Wastewater Treatment Plant Refunding Bonds, Series 2012	2.00-2.00	03-15-12	4,800,000	09-01-21	845,000	-	570,000	275,000	16,900
General Obligation Bonds, Series 2012 B	1.35-3.30	08-01-12	455,000	09-01-32	320,000	-	20,000	300,000	9,095
General Obligation Bonds, Series 2013	1.65-3.13	04-18-13	970,000	09-01-33	730,000	-	45,000	685,000	19,831
General Obligation Bonds, Series 2014-A	2.00-3.75	09-01-14	3,090,000	09-01-34	2,445,000	-	135,000	2,310,000	73,800
General Obligation Bonds, Series 2015-A	2.00-3.75	05-18-15	7,050,000	09-01-45	6,580,000	-	265,000	6,315,000	210,743
General Obligation Bonds, Series 2016-A	2.00-2.00	08-01-16	4,305,000	09-01-26	3,105,000	-	420,000	2,685,000	62,100



#### 4. LONG-TERM DEBT (continued)

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
<b>General Obligation Bonds, Series</b>									
2019	2.00-3.00	06-06-19	2,415,000	09-01-34	\$ 2,415,000	\$ —	\$ 240,000	\$ 2,175,000	\$ 65,591
<b>Total General Obligation Bonds</b>					<u>17,850,000</u>	<u>—</u>	<u>2,365,000</u>	<u>15,485,000</u>	<u>500,849</u>
<b>Capital Lease Obligations</b>									
Public Safety Building	0.00	01-25-00	995,520	10-01-24	74,471	—	74,471	—	—
Skid Steer	4.72	07-14-17	25,860	07-14-21	10,565	—	5,161	5,403	499
Skid Steer	4.72	07-14-17	25,860	07-14-21	10,565	—	5,161	5,403	499
Mini Excavator	0.00	06-12-19	40,000	07-14-23	32,000	—	8,000	24,000	—
<b>Total Capital Lease Obligations</b>					<u>127,601</u>	<u>—</u>	<u>92,793</u>	<u>34,806</u>	<u>998</u>
<b>Total Long-Term Debt</b>					<u>\$18,962,010</u>	<u>\$ —</u>	<u>\$2,457,793</u>	<u>\$15,519,806</u>	<u>\$ 501,847</u>

#### General obligation bonds

General obligation bonds payable consist of serial and term bonds to be retired through calendar year 2045. Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,095,000	\$ 435,335	\$ 2,530,335
2022	1,215,000	386,625	1,601,625
2023	1,245,000	360,479	1,605,479
2024	1,230,000	333,707	1,563,707
2025	1,185,000	304,932	1,489,932
2026	1,090,000	277,007	1,367,007
2027	635,000	251,333	886,333
2028	660,000	233,557	893,557
2029	675,000	214,508	889,508
2030	465,000	194,689	659,689
2031	480,000	179,705	659,705
2032	490,000	164,240	654,240
2033	485,000	146,938	631,938
2034	430,000	129,744	559,744
2035	235,000	114,219	349,219
2036	245,000	105,994	350,994
2037	250,000	97,112	347,112
2038	260,000	88,050	348,050
2039	270,000	78,625	348,625
2040	280,000	68,837	348,837
2041	290,000	58,688	348,688
2042	305,000	47,812	352,812
2043	315,000	36,375	351,375
2044	325,000	24,562	349,562
2045	330,000	12,375	342,375
	<u>\$15,485,000</u>	<u>\$ 4,345,448</u>	<u>\$ 19,830,448</u>

#### 4. LONG-TERM DEBT (continued)

##### Temporary notes payable

Kansas statutes permit the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds or paid through other resources available to the City. Prior to the issuance of the temporary notes, the governing body must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. The following is a summary of changes in temporary notes payable of the City for the year ended December 31, 2020:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
<u>General Obligation Temporary Notes</u>									
2017-1	1.00-1.30	05-1-17	\$1,430,000	09-01-20	\$ 485,000	\$ -	\$ 485,000	\$ -	\$ 6,305
2020-1	1.00-1.30	07-01-20	1,205,000	07-01-23	-	1,205,000	-	1,205,000	-
					<u>\$ 485,000</u>	<u>\$ 1,205,000</u>	<u>\$485,000</u>	<u>\$ 1,205,000</u>	<u>\$ 6,305</u>

##### Capitalized lease obligations

The City has entered into lease purchase agreements for financing certain equipment and building facilities.

The annual requirements to amortize the capital lease obligations outstanding at December 31, 2020, including interest payments, are as follows:

##### Year ending December 31,

2021	\$ 19,320
2022	8,000
2023	<u>8,000</u>
Total minimum lease payments	35,320
Less amounts representing interest	<u>(514)</u>
Present value of net minimum lease payments	<u>\$ 34,806</u>

##### Loan Agreement

In November, 2016 the City approved a loan agreement with the Kansas Department of Health and Environment for the purpose of financing a wastewater improvement project. The project was completed in February 2020 and the final loan amount was \$1,290,871. The balance due on the loan at December 31, 2020 was \$1,163,679.

**4. LONG-TERM DEBT (continued)**

In September, 2020 the City approved to submit a loan agreement with the Kansas Department of Health and Environment for the purpose of financing water meters, water system advanced metering infrastructure and rehabilitation of the state street water tower. The loan is for an amount not to exceed \$1,225,000.

**5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

**Other Post Employment Benefits**

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and their eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid entirely by the insured and there is no cost to the City under this program.

**6. PURCHASE COMMITMENTS**

The City purchases its water supply from the City of El Dorado, Kansas. A forty-year contract, effective January 1, 1990, obligates the City of Augusta to purchase a minimum of five hundred million gallons annually from the City of El Dorado at a specified price. The contract allows the two cities to review and modify the price per thousand gallons every five years, under a specified formula set out in the contract.

**7. COMMITMENTS AND CONTINGENCIES**

**Grant Programs**

The City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. It is management's opinion that any liability for reimbursement, which may arise as the result of these audits, would not be material to the City's financial statement.

**8 RECLASSIFICATIONS AND COMPARATIVE DATA**

The amounts shown for 2019 in the accompanying financial statement are included, where practicable, only to provide a basis for comparison with 2020 and are not intended to present all information necessary for a fair presentation in accordance with the statutory basis of presentation. Certain amounts for 2019 have been reclassified to conform to the presentation of similar amounts for 2020.

## 9. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2020 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 652,600	\$ 2,468,170
Employee Benefits	100,000	205,717
Special Park	20,000	-
Street Sales Tax	676,772	-
Water Sales Tax	1,218,189	350,000
Capital Improvements	580,709	483,000
Health Insurance Reserve	205,717	-
Equipment Reserve	300,000	-
Bond and Interest Fund	1,000	-
Lions Club Project	2,500	-
Airport	-	58,498
Pride and Progress	483,000	-
South Ohio Street	9,977	-
Airport Hangar Drive	8,498	-
7 <sup>th</sup> Street Geometric Project	-	9,977
A/P Fly In Donations	50,000	-
Electric Utility	-	1,573,600
Water Utility	-	235,000
Refuse	-	127,000
Wastewater Treatment Plant	-	25,000
Electric Principal and Interest	490,000	-
Water Bonds Principal and Interest	585,000	-
Wastewater Reserve	25,000	-
Sanitation Bond and Interest	<u>127,000</u>	<u>-</u>
	<u>\$ 5,535,962</u>	<u>\$ 5,535,962</u>

## 10. CAPITAL PROJECT AUTHORIZATIONS

At December 31, 2020 capital project authorizations compared with project expenditures from inception are as follows:

	<u>Project authorizations</u>	<u>Expenditures Project inception To December 31, 2020</u>
Santa Fe Lake Capital Improvement	\$ 28,200	\$ 27,503
Dam Spillway	1,882,582	1,310,584
Depot Project	899,826	881,671
Marsh Donations – ADOPS	4,875	2,413
Public Works Building Project	480,000	81,305
South Ohio Street	2,316,837	2,316,837
Corp Levee	5,400,000	5,333,551
KLINK 2014 / 2015	496,110	429,736
Airport Improvement Project	362,854	362,854
Sales Tax Waterline Improvement	20,000,000	2,488,657
Lions Club Project	7,500	6,960
7 <sup>th</sup> Street Geometric Project	170,000	160,401
Comprehensive Plan	100,000	100,000
Entrance Sign Project	20,000	–
Disc Golf Project	8,850	8,850
Gavin Park Remodel Project	38,500	38,500
Pride and Progress	5,121,564	4,446,020
Sewer CDBG Project	1,790,871	1,789,371
Website Design	20,000	20,000
Scattering Garden Project	7,500	–
Wayfinding Signs Project	12,300	–
APPCON Temporary Notes	60,000	59,260
Sparks Funding Project	188,780	178,780
KDHE Water Loan	1,225,000	64,000

**CITY OF AUGUSTA, KANSAS**

Schedule -1-

**Summary of Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2020**

Department	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance favorable (unfavorable)
General Fund	\$ 6,521,810	\$ -	\$ 6,521,810	\$ 6,147,682	\$ 374,128
Special Purpose Funds:					
Industrial Development	438,419	-	438,419	438,000	419
Library Employee Benefits	96,875	-	96,875	96,875	-
Library	313,280	-	313,280	313,280	-
Cemetery Endowment	55,000	-	55,000	42,182	12,818
Employee Benefits	1,719,929	-	1,719,929	1,599,859	120,070
Special City-County Highway	607,275	-	607,275	550,921	56,354
Special Alcohol	24,500	-	24,500	24,500	-
Convention and Visitors Bureau	18,500	-	18,500	3,328	15,172
Emergency Communications	-	-	-	-	-
Emergency Communications 2012	49,000	-	49,000	45,116	3,884
Special Park	57,500	-	57,500	39,710	17,790
Bond and Interest Fund:					
Bond and Interest	555,700	-	555,700	554,125	1,575
Business Funds:					
Electric Utility	10,470,850	-	10,470,850	9,251,597	1,219,253
Water Utility	2,234,850	-	2,234,850	1,949,677	285,173
Refuse	994,900	-	994,900	846,983	147,917
Wastewater Treatment	642,150	-	642,150	456,131	186,019
Wastewater Treatment Plant	1,246,228	-	1,246,228	885,300	360,928
Airport	521,125	-	521,125	474,782	46,343
	<u>\$ 26,567,891</u>	<u>\$ -</u>	<u>\$ 26,567,891</u>	<u>\$ 23,720,048</u>	<u>\$ 2,847,843</u>

## CITY OF AUGUSTA, KANSAS

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)

GENERAL FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	Actual	Budget	
Cash Receipts:				
Property Taxes	\$ 1,228,449	\$ 1,475,812	\$ 1,541,577	\$ (65,765)
Delinquent Property Taxes	38,162	44,743	33,000	11,743
Motor Vehicle Taxes	241,198	190,010	187,785	2,225
Franchise Fees	233,901	215,011	218,000	(2,989)
Airport Sales	21,598	1,900	2,500	(600)
Alcoholic Beverages	15,655	13,073	–	13,073
Other Taxes	–	–	12,000	(12,000)
Licenses and Permits	85,814	89,652	77,650	12,002
Highway–Streets	28,692	35,865	21,500	14,365
Fines and Forfeitures	149,426	140,683	230,000	(89,317)
Reimbursed Expenditures	5,363	17,780	–	17,780
County Fire Contribution	53,762	80,576	65,000	15,576
Local Sales Tax	2,541,638	2,677,087	2,220,000	457,087
Cemetery Sales and Services	47,305	55,670	34,000	21,670
Lakes, Boating and Camping	177,454	379,587	125,000	254,587
Swimming Pool	27,053	16,706	23,000	(6,294)
COPS FAST Grant	28,381	38,594	30,000	8,594
Animal Control	1,814	1,547	–	1,547
Miscellaneous	3,111	3,054	1,000	2,054
Interest Income	97,142	22,272	4,000	18,272
Transfers from Other Funds	562,157	652,600	561,800	90,800
Total Cash Receipts	<u>5,588,075</u>	<u>6,152,222</u>	<u>\$ 5,387,812</u>	<u>\$ 764,410</u>

## CITY OF AUGUSTA, KANSAS

**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)**

### GENERAL FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	Actual	Budget	
Expenditures:				
Administration	\$ 388,481	\$ 362,703	\$ 1,251,255	\$ 888,552
City Clerk	138,862	136,131	142,655	6,524
Police and Fire	1,782,434	1,853,277	1,958,400	105,123
Community Development	263,631	320,137	269,260	(50,877)
Public Works	158,554	183,335	188,670	5,335
Court	103,693	108,927	119,200	10,273
Parks	242,121	251,825	280,350	28,525
Santa Fe Lake	191,826	216,064	210,800	(5,264)
Swimming Pool	134,638	91,522	122,000	30,478
Cemetery	106,058	81,871	127,170	45,299
Animal Control	64,634	70,220	72,550	2,330
Other	3,500	3,500	3,500	-
Transfers to Other Funds	2,033,311	2,468,170	1,776,000	(692,170)
Total Expenditures	<u>5,611,743</u>	<u>6,147,682</u>	<u>\$ 6,521,810</u>	<u>\$ 374,128</u>
Cash Receipts Over (Under)				
Expenditures	(23,668)	4,540		
Unencumbered Cash, Beginning	<u>1,298,021</u>	<u>1,274,353</u>	<u>\$ 1,133,998</u>	<u>\$ 140,355</u>
Unencumbered Cash, Ending	<u>\$ 1,274,353</u>	<u>\$ 1,278,893</u>		



## CITY OF AUGUSTA, KANSAS

**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)**

### INDUSTRIAL DEVELOPMENT FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
CDBG Loan Repayments	\$       –	\$    29,507	\$       –	\$    29,507
Expenditures:				
CDBG Loans	–	438,000	\$   438,419	\$       419
Expenditures Over Cash Receipts	–	(408,493)		
Unencumbered Cash, Beginning	438,419	438,419		
Unencumbered Cash, Ending	\$   438,419	\$    29,926		

## CITY OF AUGUSTA, KANSAS

**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)**

### LIBRARY EMPLOYEE BENEFITS FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
Property Taxes	\$ 72,875	\$ 79,273	\$ 82,810	\$ (3,537)
Delinquent Property Taxes	1,869	2,387	1,980	407
Motor Vehicle Taxes	11,497	11,265	–	11,265
Total Cash Receipts	86,241	92,925	\$ 84,790	\$ 8,135
Expenditures:				
Appropriations	83,800	96,875	\$ 86,890	\$ (9,985)
Cash Receipts Over (Under) Expenditures	2,441	(3,950)		
Unencumbered Cash, Beginning	4,135	6,576	\$ 2,100	\$ 4,476
Unencumbered Cash, Ending	\$ 6,576	\$ 2,626		

## CITY OF AUGUSTA, KANSAS

### 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)

#### LIBRARY FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
Property Taxes	\$ 252,867	\$ 270,302	\$ 282,280	\$ (11,978)
Delinquent Property Taxes	6,648	8,016	1,000	7,016
Motor Vehicle Taxes	36,644	39,081	30,000	9,081
Total Cash Receipts	296,159	317,399	\$ 313,280	\$ 4,119
Expenditures:				
Appropriations	296,159	313,280	\$ 313,280	\$ 0
Cash Receipts Over Expenditures	–	4,119		
Unencumbered Cash, Beginning	447	447	\$ –	\$ 447
Unencumbered Cash, Ending	\$ 447	\$ 4,566		

## CITY OF AUGUSTA, KANSAS

**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)**

### CEMETERY ENDOWMENT FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Endowment	\$ 9,600	\$ 14,400	\$ 5,000	\$ 9,400
Interest Income	1,452	256	–	256
Total Cash Receipts	<u>11,052</u>	<u>14,656</u>	<u>\$ 5,000</u>	<u>\$ 9,656</u>
Expenditures:				
Contractual Services	–	–	\$ 10,000	\$ 10,000
Capital Outlay	4,300	42,182	–	49,500
Transfers out	–	–	–	–
Total Expenditures	<u>4,300</u>	<u>42,182</u>	<u>\$ 10,000</u>	<u>\$ 59,500</u>
Cash Receipts Over (Under) Expenditures	6,752	(27,526)		
Unencumbered Cash, Beginning	<u>89,059</u>	<u>95,811</u>		
Unencumbered Cash, Ending	<u>\$ 95,811</u>	<u>\$ 68,285</u>		

## CITY OF AUGUSTA, KANSAS

**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)**

### EMPLOYEE BENEFITS FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
<b>Cash Receipts:</b>				
Property Taxes	\$ 1,259,426	\$ 1,207,855	\$ 1,261,440	\$ (53,585)
Delinquent Property Taxes	28,088	36,221	22,000	14,221
Motor Vehicle Taxes	156,410	194,587	192,560	2,027
Dividend Income	10,000	10,000	10,000	–
Grants	14,502	19,027	15,000	4,027
Interest Income	–	–	–	–
Refund of Expenditure	3,766	330	–	330
Transfers from Other Funds	120,000	100,000	100,000	–
<b>Total Cash Receipts</b>	<u>1,592,192</u>	<u>1,568,020</u>	<u>\$ 1,601,000</u>	<u>\$ (32,980)</u>
<b>Expenditures:</b>				
Employee Benefits Paid	1,330,081	1,394,142	\$ 1,719,929	\$ 325,787
Transfers to Other Funds	100,000	205,717	–	(205,717)
<b>Total Expenditures</b>	<u>1,430,081</u>	<u>1,599,859</u>	<u>\$ 1,719,929</u>	<u>\$ 120,070</u>
Cash Receipts Over (Under) Expenditures	162,111	(31,839)		
Unencumbered Cash, Beginning	37,297	199,408	\$ 118,929	\$ 80,479
<b>Unencumbered Cash, Ending</b>	<u>\$ 199,408</u>	<u>\$ 167,569</u>		

## CITY OF AUGUSTA, KANSAS

**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)**

### SPECIAL CITY - COUNTY HIGHWAY FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020 Actual	2020 Budget	
<b>Cash Receipts:</b>				
Special Gasoline Tax	\$ 256,508	\$ 243,078	\$ 240,000	\$ 3,078
Gasoline Tax - County	39,062	37,403	38,000	(597)
Interest Income	5,000	10,000	5,000	5,000
Sale of Property	725	-	-	0
Reimbursed Expenditures	7,419	8,161	2,000	6,161
<b>Total Cash Receipts</b>	<b>308,714</b>	<b>298,642</b>	<b>\$ 285,000</b>	<b>\$ 13,642</b>
<b>Expenditures:</b>				
Personnel Services	142,083	149,740	\$ 153,375	\$ 3,635
Contractual Services	39,563	34,188	49,100	14,912
Commodities	93,850	89,340	113,800	24,460
Capital Outlay	-	277,653	291,000	13,347
Transfers to Other Funds	-	-	-	-
<b>Total Expenditures</b>	<b>275,496</b>	<b>550,921</b>	<b>\$ 607,275</b>	<b>\$ 56,354</b>
<b>Cash Receipts Over</b>				
(Under) Expenditures	33,218	(252,279)		
Unencumbered Cash, Beginning	468,757	501,975		
<b>Unencumbered Cash, Ending</b>	<b>\$ 501,975</b>	<b>\$ 249,696</b>		

## CITY OF AUGUSTA, KANSAS

**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)**

### SPECIAL ALCOHOL FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
Liquor Tax	\$ 12,155	\$ 9,798	\$ 13,000	\$ (3,202)
Expenditures:				
Contractual Services	999	1,500	\$ 4,500	\$ 3,000
Other Commodities	24,500	23,000	20,000	(3,000)
Total Expenditures	25,499	24,500	\$ 24,500	\$ –
Expenditures Over Cash Receipts	(13,344)	(14,702)		
Unencumbered Cash, Beginning	41,904	28,560		
Unencumbered Cash, Ending	\$ 28,560	\$ 13,858		

## CITY OF AUGUSTA, KANSAS

### 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)

#### CONVENTION AND VISITORS BUREAU FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
Guest Tax	\$ 10,103	\$ 8,902	\$ 10,000	\$ (1,098)
Building Rent	7,210	3,950	5,000	(1,050)
Total Cash Receipts	17,313	12,852	\$ 15,000	\$ (2,148)
Expenditures:				
Contractual Services	9,884	3,328	\$ 16,300	\$ 12,972
Commodities	–	–	2,200	2,200
Capital Outlay	–	–	–	–
Transfers Out	–	–	–	–
Total Expenditures	9,884	3,328	\$ 18,500	\$ 15,172
Cash Receipts Over Expenditures	7,429	9,524		
Unencumbered Cash, Beginning	44,034	51,463		
Unencumbered Cash, Ending	\$ 51,463	\$ 60,987		



## CITY OF AUGUSTA, KANSAS

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)

### EMERGENCY COMMUNICATIONS FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
911 Wireless	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Contractual Services	-	-	-	10,600
Capital Outlay	25,569	-	-	-
Total Expenditures	25,569	-	\$ -	\$ 10,600
Expenditures Over Cash Receipts	(25,569)	-		
Unencumbered Cash, Beginning	45,651	20,082		
Unencumbered Cash, Ending	\$ 20,082	\$ 20,082		

## CITY OF AUGUSTA, KANSAS

### 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)

#### EMERGENCY COMMUNICATIONS 2012 FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
E-911	\$ 36,295	\$ 36,673	\$ 35,000	\$ 1,673
Expenditures:				
Contractual Services	31,960	27,116	\$ 43,000	\$ 15,884
Commodities	–	–	6,000	6,000
Capital Outlay	–	18,000	–	(18,000)
Total Expenditures	31,960	45,116	\$ 49,000	\$ 3,884
Cash Receipts Over (Under) Expenditures	4,335	(8,443)		
Unencumbered Cash, Beginning	120,465	124,800		
Unencumbered Cash, Ending	\$ 124,800	\$ 116,357		

## CITY OF AUGUSTA, KANSAS

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)

### SPECIAL PARK FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2020			
	2019 Actual	Actual	Budget	
Cash Receipts:				
Liquor Tax	\$ 12,155	\$ 10,093	\$ 13,000	\$ (2,907)
Donations	–	–	–	–
Concessions	–	3,982	–	3,982
Fishing Permits	12,480	16,250	10,000	–
Dividends	5,000	–	5,000	–
Interest	–	–	–	–
Building Rent	95	70	250	(180)
Reimbursed Expenditures	–	1,536	–	1,536
Transfers from Other Funds	20,000	20,000	20,000	–
	49,730	51,931	\$ 48,250	\$ 2,431
Total Cash Receipts				
Expenditures:				
Contractual Services	10,169	8,281	\$ 10,000	\$ 1,719
Commodities	18,778	14,357	37,500	23,143
Capital Outlay	73,277	17,072	10,000	(7,072)
	102,224	39,710	\$ 57,500	\$ 17,790
Total Expenditures				
Cash Receipts Over (Under) Expenditures	(52,494)	12,221		
Unencumbered Cash, Beginning	137,006	84,512		
Unencumbered Cash, Ending	\$ 84,512	\$ 96,733		

# CITY OF AUGUSTA, KANSAS

## 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)

### STREET SALES TAX FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Temporary Note Proceeds	\$       —	\$ 1,209,146
Reimbursed Expenditures	22,833	469
Transfers from Other Funds	635,410	676,772
Total Cash Receipts	658,243	1,886,387
Expenditures:		
Cost of Issuance	—	25,134
Engineering Fees	149,060	201,400
Construction	44,969	1,131,652
Street Maintenance	47,494	187,802
Debt Service	491,825	491,305
Transfers to Other Funds	—	—
Total Expenditures	733,348	2,037,293
Expenditures Over Cash Receipts	(75,105)	(150,906)
Unencumbered Cash, Beginning	1,432,505	1,357,400
Unencumbered Cash, Ending	\$ 1,357,400	\$ 1,206,494

**CITY OF AUGUSTA, KANSAS****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)****WATER SALES TAX FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$ 1,143,737	\$ 1,218,189
Expenditures:		
Engineering Fees	115,400	-
Transfers Out	<u>          -</u>	<u>350,000</u>
Total Expenditures	<u>115,400</u>	<u>350,000</u>
Cash Receipts Over Expenditures	1,028,337	868,189
Unencumbered Cash, Beginning	<u>3,829,844</u>	<u>4,858,181</u>
Unencumbered Cash, Ending	<u><u>\$ 4,858,181</u></u>	<u><u>\$ 5,726,370</u></u>

## CITY OF AUGUSTA, KANSAS

### 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)

#### CAPITAL IMPROVEMENTS FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Bond Proceeds	\$ 58,619	\$ 75,318
Transfers from Other Funds	564,164	580,709
Total Cash Receipts	622,783	656,027
Expenditures:		
Capital Outlay	127,358	166,382
Transfers to Other Funds	481,000	483,000
Total Expenditures	608,358	649,382
Cash Receipts Over Expenditures	14,425	6,645
Unencumbered Cash, Beginning	307,561	321,986
Unencumbered Cash, Ending	\$ 321,986	\$ 328,631

**CITY OF AUGUSTA, KANSAS****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)****EMPLOYEE INSURANCE FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Flex Plan	<u>\$ 57,015</u>	<u>\$ 49,337</u>
Expenditures:		
Health Insurance	47,892	53,343
Health Insurance Administration Fee	<u>1,832</u>	<u>1,795</u>
Total Expenditures	<u>49,724</u>	<u>55,138</u>
Cash Receipts Over (Under) Expenditures	7,291	(5,801)
Unencumbered Cash, Beginning	<u>6,687</u>	<u>13,978</u>
Unencumbered Cash, Ending	<u><u>\$ 13,978</u></u>	<u><u>\$ 8,177</u></u>

**CITY OF AUGUSTA, KANSAS****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)****HEALTH INSURANCE RESERVE FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Employee Premiums	\$ 102,212	\$ 105,417
Employer Premiums	1,077,133	1,057,244
Transfers form Other Funds	<u>100,000</u>	<u>205,717</u>
Total Cash Receipts	1,279,345	1,368,378
Expenditures:		
Health Insurance	<u>1,101,981</u>	<u>1,059,236</u>
Cash Receipts Over Expenditures	177,364	309,142
Unencumbered Cash, Beginning	<u>575,249</u>	<u>752,613</u>
Unencumbered Cash, Ending	<u><u>\$ 752,613</u></u>	<u><u>\$ 1,061,755</u></u>



## CITY OF AUGUSTA, KANSAS

### 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)

#### DRUG REIMBURSEMENT FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Miscellaneous	\$ -	\$ 649
Transfers from Other Funds	1,224	-
	1,224	-
Total Cash Receipts	1,224	649
Expenditures:		
Contractual Services	2,700	-
	2,700	-
Total Expenditures	2,700	-
Cash Receipts Over (Under) Expenditures	(1,476)	649
Unencumbered Cash, Beginning	1,552	76
	1,552	76
Unencumbered Cash, Ending	\$ 76	\$ 725

**CITY OF AUGUSTA, KANSAS****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)****STATE SEIZURE FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Donations	\$       -	\$       -
Expenditures:		
Capital Outlay	5,905	-
Transfers To Other Funds	<u>1,224</u>	<u>-</u>
Total Expenditures	<u>7,129</u>	<u>-</u>
Expenditures Over Cash Receipts	(7,129)	-
Unencumbered Cash, Beginning	<u>7,308</u>	<u>179</u>
Unencumbered Cash, Ending	<u>\$       179</u>	<u>\$       179</u>

## CITY OF AUGUSTA, KANSAS

### 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)

#### E-COMM / AUGUSTA PROGRESS INC. LOAN

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Loan Payments	\$ 23,277	\$ 21,882
Administrative Fees	357	-
	23,634	21,882
Total Cash Receipts	23,634	21,882
Expenditures:		
Loan Payment Distribution	23,277	21,882
Transfers To Other Funds	357	-
	23,634	21,882
Total Expenditures	23,634	21,882
Expenditures Over Cash Receipts	-	-
Unencumbered Cash, Beginning	305	305
Unencumbered Cash, Ending	\$ 305	\$ 305

**CITY OF AUGUSTA, KANSAS**

**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)**

**DALTON PALMER PARK FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Donations	\$ 6,000	\$ -
Expenditures:		
Capital Outlay	<u>82,634</u>	<u>189</u>
Expenditures Over Cash Receipts	(76,634)	(189)
Prior Year Cancelled Encumbrances	-	75,000
Unencumbered Cash, Beginning	<u>1,895</u>	<u>(74,739)</u>
Unencumbered Cash (Deficit), Ending	<u>\$ (74,739) *</u>	<u>\$ 72</u>

\* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

**CITY OF AUGUSTA, KANSAS****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)****AIRPORT HANGER DRIVE FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Grants	\$       —	\$     76,500
Transfers form Other Funds	—	8,498
	<u>          </u>	<u>          </u>
Total Cash Receipts	—	84,998
Expenditures:		
Capital Outlay	84,998	—
	<u>          </u>	<u>          </u>
Cash Receipts Over (Under) Expenditures	(84,998)	84,998
Unencumbered Cash, Beginning	—	(84,998)
	<u>          </u>	<u>          </u>
Unencumbered Cash (Deficit), Ending	<u>\$   (84,998) *</u>	<u>\$           —</u>

\* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

**CITY OF AUGUSTA, KANSAS****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)****EQUIPMENT RESERVE FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Interest	\$       —	\$     70,823
Transfers form Other Funds	—	300,000
	<hr/>	<hr/>
Total Cash Receipts	—	370,823
Expenditures:		
Commodities	—	73,127
Capital Outlay	—	43,459
	<hr/>	<hr/>
Total Expenditures	—	116,586
Cash Receipts Over Expenditures	—	254,237
Unencumbered Cash, Beginning	—	—
	<hr/>	<hr/>
Unencumbered Cash, Ending	<u>\$       —</u>	<u>\$    254,237</u>

**CITY OF AUGUSTA, KANSAS**

**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)**

**CDBG-GV FUNDING FUND**

	Year ended December 31,	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Grants	<u>\$ -</u>	<u>\$ 80,000</u>
Total Cash Receipts	-	80,000
Expenditures:		
Grant Distribution	<u>-</u>	<u>80,000</u>
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# CITY OF AUGUSTA, KANSAS

## 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)

### 2019 BONDS FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Bond Proceeds	\$ 2,403,652	\$ -
Transfer from Other Funds	96,178	-
	2,499,830	-
Total Cash Receipts	2,499,830	-
Expenditures:		
Cost of Issuance	56,218	-
Debt Service	2,430,329	-
Underwriters Discount	13,283	-
	2,499,830	-
Total Expenditures	2,499,830	-
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -



## CITY OF AUGUSTA, KANSAS

**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)**

### BOND AND INTEREST FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
		Actual	Budget	
Cash Receipts:				
Property Taxes	\$ 315,293	\$ 268,308	\$ 280,210	\$ (11,902)
Delinquent Taxes	7,166	9,399	4,000	5,399
Motor Vehicle Taxes	48,241	48,737	48,200	537
Special Assessments	367,434	211,465	140,000	71,465
Transfers from Other Funds	1,000	1,000	1,000	–
Total Cash Receipts	739,134	538,909	\$ 473,410	\$ 65,499
Expenditures:				
Contractual Services	–	–	\$ 4,700	\$ 4,700
Transfer to Other Funds	59,578	–	–	–
Debt Service	624,255	554,125	551,000	(3,125)
Total Expenditures	683,833	554,125	\$ 551,000	\$ (3,125)
Cash Receipts Over (Under)				
Expenditures	55,301	(15,216)		
Unencumbered Cash, Beginning	61,089	116,390	\$ 82,290	\$ 34,100
Unencumbered Cash, Ending	\$ 116,390	\$ 101,174		

# CITY OF AUGUSTA, KANSAS

## 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)

### DAM SPILLWAY

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Bond Proceeds	\$ -	\$ -
Expenditures:		
Capital Outlay	-	-
Contractual Services	11,828	-
Total Expenditures	11,828	-
Expenditures Over Cash Receipts	(11,828)	-
Unencumbered Cash, Beginning	86,623	74,795
Unencumbered Cash, Ending	\$ 74,795	\$ 74,795

CITY OF AUGUSTA, KANSAS

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)

DEPOT

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Grants	\$ -	\$ -
Transfers from Other Funds	-	-
Total Cash Receipts	-	-
Expenditures:		
Contractual Services	-	-
Transfers to Other Funds	44,049	-
Total Expenditures	44,049	-
Expenditures Over Cash Receipts	(44,049)	-
Unencumbered Cash, Beginning	44,049	-
Unencumbered Cash, Ending	\$ -	\$ -

**CITY OF AUGUSTA, KANSAS****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)****MARSH DONATIONS – ADOPS**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Donations	\$       -	\$       -
Expenditures:		
Contractual Services	<u>          -</u>	<u>          -</u>
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	<u>      2,462</u>	<u>      2,462</u>
Unencumbered Cash, Ending	<u><u>      \$ 2,462</u></u>	<u><u>      \$ 2,462</u></u>

**CITY OF AUGUSTA, KANSAS****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)****SOUTH OHIO STREET**

	Year ended December 31,	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$ 1,000	\$ 9,977
Interest Income	<u>          -</u>	<u>          -</u>
Total Cash Receipts	1,000	9,977
Expenditures:		
Capital Outlay	<u>10,977</u>	<u>          -</u>
Cash Receipts Over (Under)		
Expenditures	(9,977)	9,977
Unencumbered Cash, Beginning	<u>          -</u>	<u>(9,977)</u>
Unencumbered Cash (Deficit), Ending	<u>\$ (9,977) *</u>	<u>\$           -</u>

\* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

# CITY OF AUGUSTA, KANSAS

## 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)

### CORP LEVEE FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Bond Proceeds	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures:		
Professional Services	-	5,985
Commodities	-	8,356
Capital Outlay	44,205	22,163
Transfers to Other Funds	-	-
Total Expenditures	44,205	36,504
Expenditures Over Cash Receipts	(44,205)	(36,504)
Unencumbered Cash, Beginning	96,961	52,756
Unencumbered Cash, Ending	\$ 52,756	\$ 16,252

**CITY OF AUGUSTA, KANSAS**

**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)**

**KLINK 2014 / 2015 FUND**

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Transfers from Other Funds	\$ -	\$ -
Expenditures:		
Capital Outlay	-	-
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	291	291
Unencumbered Cash, Ending	\$ 291	\$ 291

**CITY OF AUGUSTA, KANSAS****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)****AIRPORT IMPROVEMENT PROJECT FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$           -	\$           -
Grants	<u>31,447</u>	<u>          -</u>
Total Cash Receipts	31,447	-
Expenditures:		
Professional Services	<u>52,663</u>	<u>22,219</u>
Expenditures Over Cash Receipts	(21,216)	(22,219)
Prior Year Cancelled Encumbrances	-	6,447
Unencumbered Cash, Beginning	<u>20,111</u>	<u>(1,105)</u>
Unencumbered Cash (Deficit), Ending	<u>\$   (1,105) *</u>	<u>\$   (16,877)</u>

\* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.



**CITY OF AUGUSTA, KANSAS****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)****SALES TAX WATERLINE IMPROVEMENTS FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Bond Proceeds	\$       -	\$       -
Expenditures:		
Professional Services	<u>          -</u>	<u>          -</u>
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	<u>3,586,917</u>	<u>3,586,917</u>
Unencumbered Cash, Ending	<u><u>\$ 3,586,917</u></u>	<u><u>\$ 3,586,917</u></u>

**CITY OF AUGUSTA, KANSAS****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)****LIONS CLUB PROJECT FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$       -	\$     2,500
Expenditures:		
Contractual Services	<u>          456</u>	<u>          -</u>
Cash Receipts Over (Under) Expenditures	(456)	2,500
Unencumbered Cash, Beginning	<u>          996</u>	<u>          540</u>
Unencumbered Cash, Ending	<u><u>          \$ 540</u></u>	<u><u>          \$ 3,040</u></u>

# CITY OF AUGUSTA, KANSAS

## 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)

### 7th STREET GEOMETRIC PROJECT FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Bond Proceeds	\$ 60,690	\$ -
Expenditures:		
Transfer to Other Funds	1,000	9,977
Cash Receipts Over (Under) Expenditures	59,690	(9,977)
Unencumbered Cash, Beginning	9,599	69,289
Unencumbered Cash, Ending	\$ 69,289	\$ 59,312

# CITY OF AUGUSTA, KANSAS

## 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)

### ENTRANCE SIGN PROJECT FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Transfers from Other Funds	\$ -	\$ -
Expenditures:		
Capital Outlay	-	-
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	20,000	20,000
Unencumbered Cash, Ending	\$ 20,000	\$ 20,000

# CITY OF AUGUSTA, KANSAS

## 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)

### DISC GOLF PROJECT FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Donations	\$ -	\$ -
Expenditures:		
Capital Outlay	-	-
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	645	645
Unencumbered Cash, Ending	\$ 645	\$ 645

**CITY OF AUGUSTA, KANSAS****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)****PRIDE AND PROGRESS FUND**

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Transfers from Other Funds	\$ 530,049	\$ 483,000
Miscellaneous	75,000	-
Total Cash Receipts	<u>605,049</u>	<u>483,000</u>
Expenditures:		
Capital Outlay	247,077	1,698,821
Principal	410,000	420,000
Interest	70,300	62,100
Total Expenditures	<u>727,377</u>	<u>2,180,921</u>
Expenditures Over Cash Receipts	(122,328)	(1,697,921)
Unencumbered Cash, Beginning	<u>2,783,202</u>	<u>2,660,874</u>
Unencumbered Cash, Ending	<u>\$ 2,660,874</u>	<u>\$ 962,953</u>

## CITY OF AUGUSTA, KANSAS

### 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)

#### SEWER CDBG PROJECT FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Grants	\$ 2,000	\$ -
Loan Proceeds	280,433	184,791
Total Cash Receipts	282,433	184,791
Expenditures:		
Capital Outlay	250,465	7,500
Cash Receipts Over Expenditures	31,968	177,291
Unencumbered Cash, Beginning	(213,672)	(173,791)
Cancellation of Prior Year Encumbrances	7,913	-
Unencumbered Cash (Deficit), Ending	\$ (173,791) *	\$ 3,500 *

\* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

# CITY OF AUGUSTA, KANSAS

## 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)

### SCATTERING GARDEN PROJECT

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Transfers from Other Funds	\$ -	\$ -
Expenditures:		
Contractual Services	-	-
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	7,500	7,500
Unencumbered Cash, Ending	\$ 7,500	\$ 7,500



**CITY OF AUGUSTA, KANSAS****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)****WAYFINDING SIGNS PROJECT FUND**

	Year ended December 31,	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$       -	\$       -
Expenditures:		
Contractual Services	<u>          -</u>	<u>          -</u>
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	<u>12,300</u>	<u>12,300</u>
Unencumbered Cash, Ending	<u><u>\$ 12,300</u></u>	<u><u>\$ 12,300</u></u>

## CITY OF AUGUSTA, KANSAS

### 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)

#### STORM WATER PROJECT FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Interest	\$ 56,000	\$ -
Expenditures:		
Professional Services	-	51,500
Cash Receipts Over (Under)		
Expenditures	56,000	(51,500)
Unencumbered Cash, Beginning	-	56,000
Unencumbered Cash, Ending	\$ 56,000	\$ 4,500

**CITY OF AUGUSTA, KANSAS****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)****APPCON TEMPORARY NOTES PROJECT FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$       —	\$       —
Expenditures:		
Cost of Issuance	6,142	—
Capital Outlay	<u>(120)</u>	<u>—</u>
Total Expenditures	<u>6,022</u>	<u>—</u>
Expenditures Over Cash Receipts	(6,022)	—
Unencumbered Cash, Beginning	<u>6,762</u>	<u>740</u>
Unencumbered Cash, Ending	<u>\$       740</u>	<u>\$       740</u>

# CITY OF AUGUSTA, KANSAS

## 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)

### A/P FLY IN DONATIONS FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Grants	\$ -	\$ -
Transfers form Other Funds	-	50,000
Total Cash Receipts	-	50,000
Expenditures:		
Capital Outlay	-	-
Cash Receipts Over Expenditures	-	50,000
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 50,000

**CITY OF AUGUSTA, KANSAS****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)****SPARKS FUNDING PROJECT FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Grants	\$ -	\$ 188,780
Expenditures:		
Capital Projects	-	<u>178,780</u>
Cash Receipts Over Expenditures	-	10,000
Unencumbered Cash, Beginning	-	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 10,000</u>

**CITY OF AUGUSTA, KANSAS****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)****KDHE WATER LOAN FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$       -	\$       -
Expenditures:		
Professional Services	-	<u>64,700</u>
Expenditures Over Cash Receipts	-	(64,700)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$       -</u>	<u>\$     (64,700)</u>

## CITY OF AUGUSTA, KANSAS

### 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)

#### ELECTRIC UTILITY FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
Sales and Fees	\$ 9,056,643	\$ 8,565,961	\$ 8,882,000	\$ (316,039)
Refunds and Miscellaneous	342,351	240,997	136,800	104,197
Electric Fuel Adjustment	112,082	138,166	400,000	(261,834)
Total Cash Receipts	<u>9,511,076</u>	<u>8,945,124</u>	<u>\$ 9,418,800</u>	<u>\$ (473,676)</u>
Expenditures:				
Personnel Services	1,445,560	1,571,115	\$ 1,740,600	\$ 169,485
Contractual Services	5,990,872	5,695,178	6,727,500	1,032,322
Commodities	290,236	235,016	344,950	109,934
Capital Outlay	9,570	176,688	185,000	8,312
Transfers to Other Funds	1,502,800	1,573,600	1,482,800	(90,800)
Total Expenditures	<u>9,239,038</u>	<u>9,251,597</u>	<u>\$ 10,480,850</u>	<u>\$ 1,229,253</u>
Cash Receipts Over (Under) Expenditures	272,038	(306,473)		
Unencumbered Cash, Beginning	<u>2,410,567</u>	<u>2,682,605</u>		
Unencumbered Cash, Ending	<u>\$ 2,682,605</u>	<u>\$ 2,376,132</u>		

## CITY OF AUGUSTA, KANSAS

**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)**

### WATER UTILITY FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
<b>Cash Receipts:</b>				
Water Sales	\$ 1,981,333	\$ 2,062,119	\$ 2,067,200	\$ (5,081)
Installation Fees	5,400	12,882	–	12,882
Reimbursed Expenditures	770	–	1,000	(1,000)
Dividends	10,085	10,000	10,000	–
Miscellaneous	10,834	7,028	2,000	5,028
<b>Total Cash Receipts</b>	<b>2,008,422</b>	<b>2,092,029</b>	<b>\$ 2,080,200</b>	<b>\$ 11,829</b>
<b>Expenditures:</b>				
Personnel Services	486,637	555,313	\$ 640,525	\$ 85,212
Contractual Services	604,945	584,773	731,575	146,802
Commodities	230,147	250,697	271,050	20,353
Capital Outlay	240,561	323,894	341,700	17,806
Transfers to Other Funds	625,600	235,000	250,000	15,000
<b>Total Expenditures</b>	<b>2,187,890</b>	<b>1,949,677</b>	<b>\$ 2,234,850</b>	<b>\$ 285,173</b>
<b>Cash Receipts Over</b>				
(Under) Expenditures	(179,468)	142,352		
Unencumbered Cash, Beginning	581,377	401,909		
<b>Unencumbered Cash, Ending</b>	<b>\$ 401,909</b>	<b>\$ 544,261</b>		



## CITY OF AUGUSTA, KANSAS

### 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)

#### REFUSE FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2020			
	2019 Actual	Actual	Budget	
Cash Receipts:				
Service Fees	\$ 667,839	\$ 685,778	\$ 875,000	\$ (189,222)
Dumpster Rental	233,844	242,660	10,000	232,660
Refuse Trash Bags	1,180	944	1,500	(556)
Reimbursed Expenditures	2,161	988	1,000	(12)
Commercial Compost Payment	736	633	500	133
Sale of Scrap	715	4,849	2,000	2,849
Sales Tax	100	80	100	(20)
	<u>906,575</u>	<u>935,932</u>	<u>\$ 890,100</u>	<u>\$ 45,832</u>
Expenditures:				
Personnel Services	395,233	403,658	\$ 498,150	\$ 94,492
Contractual Services	199,496	220,787	245,550	24,763
Commodities	87,468	62,987	89,200	26,213
Capital Outlay	19,503	32,551	35,000	2,449
Transfers to Other Funds	134,000	127,000	127,000	-
	<u>835,700</u>	<u>846,983</u>	<u>\$ 994,900</u>	<u>\$ 147,917</u>
Cash Receipts Over Expenditures	70,875	88,949		
Unencumbered Cash, Beginning	<u>573,372</u>	<u>644,247</u>		
Unencumbered Cash, Ending	<u>\$ 644,247</u>	<u>\$ 733,196</u>		

## CITY OF AUGUSTA, KANSAS

### 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)

#### WASTEWATER TREATMENT FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	Actual	Budget	
<b>Cash Receipts:</b>				
Service Fees	\$ 591,439	\$ 593,102	\$ 585,500	\$ 7,602
Reimbursed Expenditures	570	223	–	223
Interest	1,000	1,000	1,000	–
Dividends	–	–	–	–
Miscellaneous	–	–	100	(100)
<b>Total Cash Receipts</b>	<b>593,009</b>	<b>594,325</b>	<b>\$ 586,600</b>	<b>\$ 7,725</b>
<b>Expenditures:</b>				
Personnel Services	330,830	278,012	\$ 410,450	\$ 132,438
Contractual Services	138,504	114,220	138,100	23,880
Commodities	44,323	38,916	93,600	54,684
Capital Outlay	24,163	24,983	–	(24,983)
Transfers to Other Funds	–	–	–	–
<b>Total Expenditures</b>	<b>537,820</b>	<b>456,131</b>	<b>\$ 642,150</b>	<b>\$ 186,019</b>
Cash Receipts Over Expenditures	55,189	138,194		
Unencumbered Cash, Beginning	376,724	431,913		
Unencumbered Cash, Ending	<b>\$ 431,913</b>	<b>\$ 570,107</b>		

## CITY OF AUGUSTA, KANSAS

### 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)

#### WASTEWATER TREATMENT PLANT FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	Actual	Budget	
Cash Receipts:				
Service Fees	\$ 754,086	\$ 742,374	\$ 765,000	\$ (22,626)
Dividends	-	-	-	-
Total Cash Receipts	<u>754,086</u>	<u>742,374</u>	<u>\$ 765,000</u>	<u>\$ (22,626)</u>
Expenditures:				
Contractual Services	38,647	32,013	\$ 45,000	\$ 12,987
Commodities	-	-	-	-
Capital Outlay	-	163,507	172,500	8,993
Debt Service	653,903	664,780	697,000	32,220
Transfers to Other Funds	25,000	25,000	-	(25,000)
Total Expenditures	<u>717,550</u>	<u>885,300</u>	<u>\$ 914,500</u>	<u>\$ 29,200</u>
Cash Receipts Over (Under) Expenditures	36,536	(142,926)		
Unencumbered Cash, Beginning	<u>230,871</u>	<u>267,407</u>		
Unencumbered Cash, Ending	<u>\$ 267,407</u>	<u>\$ 124,481</u>		

# CITY OF AUGUSTA, KANSAS

## 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)

### AIRPORT

	Year ended December 31,			Variance favorable (unfavorable)
	2019 Actual	2020		
	Actual	Actual	Budget	
Cash Receipts:				
Fuel Sales	\$ 283,512	\$ 228,546	\$ 192,000	\$ 36,546
Rental Fees	193,854	186,743	199,700	(12,957)
Dividends	5,000	5,000	5,000	-
Miscellaneous	7,028	2,972	3,450	(478)
Sale of Property	-	-	-	-
Transfers from Other Funds	-	-	-	-
<b>Total Cash Receipts</b>	<b>489,394</b>	<b>423,261</b>	<b>\$ 400,150</b>	<b>\$ 23,111</b>
Expenditures:				
Personnel Services	166,071	129,374	\$ 186,175	\$ 56,801
Contractual Services	111,195	98,207	108,500	10,293
Commodities	176,605	173,482	161,150	(12,332)
Capital Outlay	26,259	15,221	65,300	50,079
Transfers to Other Funds	-	58,498	-	(58,498)
<b>Total Expenditures</b>	<b>480,130</b>	<b>474,782</b>	<b>\$ 521,125</b>	<b>\$ 46,343</b>
Cash Receipts Over (Under) Expenditures	9,264	(51,521)		
Unencumbered Cash, Beginning	338,859	348,123		
Unencumbered Cash, Ending	<b>\$ 348,123</b>	<b>\$ 296,602</b>		

# CITY OF AUGUSTA, KANSAS

## 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)

### ELECTRIC PRINCIPAL AND INTEREST FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Interest	\$ 1,400	\$ 475
Transfers from Other Funds	490,000	490,000
Total Cash Receipts	491,400	490,475
Expenditures:		
Principal	490,000	500,000
Interest and Commissions	45,794	31,094
Total Expenditures	535,794	531,094
Expenditures Over Cash Receipts	(44,394)	(40,619)
Unencumbered Cash, Beginning	140,850	96,456
Unencumbered Cash, Ending	\$ 96,456	\$ 55,837

# CITY OF AUGUSTA, KANSAS

## 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)

### ELECTRIC RESERVE FUND

	Year ended December 31,	
	2020	2019
Cash Receipts:		
Transfers From Other Funds	\$ -	\$ -
Expenditures:		
Capital Outlay	257,000	252,556
Expenditures Over Cash Receipts	(257,000)	(252,556)
Unencumbered Cash, Beginning	1,572,839	1,315,839
Unencumbered Cash, Ending	\$ 1,315,839	\$ 1,063,283

**CITY OF AUGUSTA, KANSAS**

**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)**

**WATER BONDS RESERVE FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts	\$ -	\$ -
Expenditures:		
Transfers to Other Funds	<u>461,000</u>	<u>-</u>
Expenditures Over Cash Receipts	(461,000)	-
Unencumbered Cash, Beginning	<u>461,000</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## CITY OF AUGUSTA, KANSAS

### 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)

#### WATER BONDS PRINCIPAL AND INTEREST FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Interest	\$ 1,501	\$ 1,500
Transfers from Other Funds	1,050,000	585,000
Total Cash Receipts	1,051,501	586,500
Expenditures:		
Principal	950,000	335,000
Interest	263,887	250,231
Total Expenditures	1,213,887	585,231
Cash Receipts Over (Under)		
Expenditures	(162,386)	1,269
Unencumbered Cash, Beginning	200,569	38,183
Unencumbered Cash, Ending	\$ 38,183	\$ 39,452



**CITY OF AUGUSTA, KANSAS**

**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)**

**WATER REVENUE BOND DEPRECIATION AND REPLACEMENT RESERVE FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers From Other Funds	\$       -	\$       -
Expenditures:		
Capital Outlay	<u>          -</u>	<u>          -</u>
Cash Receipts Over Expenditures	-	-
Unencumbered Cash, Beginning	<u>25,000</u>	<u>25,000</u>
Unencumbered Cash, Ending	<u><u>\$ 25,000</u></u>	<u><u>\$ 25,000</u></u>

## CITY OF AUGUSTA, KANSAS

### 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)

#### WASTEWATER RESERVE FUND

	Year ended December 31,	
	2019	2020
Cash Receipts:		
Transfers From Other Funds	\$ 25,000	\$ 25,000
Expenditures:		
Capital Outlay	199,570	23,508
Cash Receipts Over (Under)		
Expenditures	(174,570)	1,492
Unencumbered Cash, Beginning	294,560	119,990
Unencumbered Cash, Ending	\$ 119,990	\$ 121,482

**CITY OF AUGUSTA, KANSAS****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)****SANITATION BOND AND INTEREST FUND**

	<u>Year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Cash Receipts:		
Transfers from Other Funds	\$ 129,000	\$ 127,000
Miscellaneous	-	-
	<u>129,000</u>	<u>127,000</u>
Total Cash Receipts		
Expenditures:		
Principal	110,000	110,000
Interest	18,600	16,400
	<u>128,600</u>	<u>126,400</u>
Total Expenditures		
Cash Receipts Over Expenditures	400	600
Unencumbered Cash, Beginning	<u>6,347</u>	<u>6,747</u>
Unencumbered Cash, Ending	<u>\$ 6,747</u>	<u>\$ 7,347</u>

**CITY OF AUGUSTA, KANSAS**

**Schedule of Receipts and Disbursement  
Regulatory Basis  
For the Year Ended December 31, 2020**

**AGENCY FUNDS**

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Sales Tax Fund	\$ 26,800	\$ 235,534	\$ 227,416	\$ 34,918
CID Guest Tax	30,219	38,293	59,367	9,145
Donations Fund	135	7	15	127
Payroll Clearing	14,590	2,495,797	2,454,959	55,428
Mausoleum Fund	3,423	4	-	3,427
Totals	<u>\$ 75,167</u>	<u>\$ 2,769,635</u>	<u>\$ 2,741,757</u>	<u>\$ 103,045</u>

*APPENDIX C*

**SUMMARY OF 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. 10-620 *et seq.* and K.S.A. 10-427 *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 Purchase Agreement”** means the Bond Purchase Agreement between the Issuer and the Purchaser.

**“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 Treasurer of the State of Kansas, Topeka, Kansas, and its successors and assigns.

**“Bond Resolution”** means, jointly, the ordinance passed and 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 Augusta, Kansas.

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

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

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

“**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 October 21, 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.

“**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 October 21, 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.

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

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

**“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.

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

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

**“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 Treasurer of the State of Kansas, Topeka, Kansas, and any successors and assigns.

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

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

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

**“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, collectively, the Series 2014-A Bonds maturing in the years 2023 to 2034, inclusive, in the aggregate principal amount of \$2,030,000, and the Series 2015-A Bonds maturing in the years 2024 to 2045, including scheduled mandatory redemptions, in the aggregate principal amount of \$5,480,000.

**“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, for the Series 2014-A Bonds, September 1, 2022, and, for the Series 2015-A Bonds, September 1, 2023.

**“Refunded Bonds Resolution”** means the 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 2014-A Bonds”** means the Issuer's General Obligation Bonds, Series 2014-A.

**“Series 2015-A Bonds”** means the Issuer's General Obligation Bonds, Series 2015-A.

**“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.

**“Verification Report”** means the verification report relating to the Bonds and the Refunded Bonds as referenced in the Escrow Agreement.

**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).

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) Costs of Issuance Account.

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

(a) All accrued interest and premium, if any, received from the sale of the Bonds shall be deposited in the Debt Service Account.

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

(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 30 days prior to the first Interest Payment Date, shall be transferred to the Compliance 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.

***Verification of Certified Public Accountant.*** Prior to or concurrently with the issuance and delivery of the Bonds and the creation of the Escrow Fund, the Issuer shall obtain a Verification Report from an independent certified public

accountant that such accountant has verified the accuracy of the calculations that demonstrate that the money and obligations required to be deposited with the Escrow Agent pursuant to the Bond Resolution and the Escrow Agreement, together with the earnings to accrue thereon, will be sufficient for the timely payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds in accordance with the Escrow Agreement.

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

**Levy and Collection of Annual Tax.** The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

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

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

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to conform the Bond Resolution to future applicable law concerning the Bonds, 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 any 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 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.

**Verification Report.** A firm of independent certified public accountants has verified the mathematical computations which demonstrate that the cash held in the Escrow Fund, together with the maturing Escrowed Securities and interest to accrue thereon, will be sufficient to pay all principal of, redemption premium, if any, and interest on the Refunded Bonds on the respective Bond Payment Dates and the Refunded Bonds Redemption Date.

**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 either the Bonds or the Refunded Bonds to become included in gross income for purposes of federal income taxation under then existing law.

**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. The Escrow Agent shall notify the Rating Agency in writing prior to the execution of any such amendment.

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*APPENDIX D*

**FORM OF DISCLOSURE UNDERTAKING**

## EXHIBIT D

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of October 21, 2021 (the “Continuing Disclosure Undertaking”), is executed and delivered by **CITY OF AUGUSTA** (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 passed and a Resolution adopted by the governing body of the Issuer (jointly, the “Bond Resolution”).

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

The Issuer covenants and agrees as follows:

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

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

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

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

“**CAFR**” means the Issuer's Comprehensive Annual Financial Report, if any.

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

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

“**Financial Obligation**” means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

“**Participating Underwriter**” means any of the original underwriter(s) of the 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 the last day of the tenth month after 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 last day of the tenth month after the end of the Issuer's new fiscal year.

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

**Section 3. Reporting of Material Events.** Not later than 10 Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the 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 AUGUSTA, KANSAS**

(SEAL)

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Mayor

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Clerk

***EXHIBIT A***

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

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

- Assessed Valuation
- Tax Collection Record
- Major Taxpayers
- Current Indebtedness of the Issuer\*
- Overlapping Indebtedness

\* This Operating Data is also available in the Issuer's financial information portion of its Annual Report, and includes General Obligation Bonds, General Obligation Temporary Notes, Lease Obligations and State Loans.