PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY ONLY

AG INSURED RATING: S&P "AA" / Stable
UNDERLYING RATING: S&P "BBB " / Stable
See "Ratings" herein

In the opinion of Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is: (a) excluded from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The interest on the Series 2026 Bonds is exempt from income taxation by the State of Kansas. The Series 2026 Bonds are ***not*** *"qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). See "TAX MATTERS – Opinion of Bond Counsel" herein*

$19,270,000*
CITY OF PRATT, KANSAS
ELECTRIC UTILITY SYSTEM REVENUE BONDS
SERIES 2026

Dated: August 27, 2026 **Due: November 1, As shown on the inside cover**

The Electric Utility System Revenue Bonds, Series 2026 (the "Series 2026 Bonds") will be issued by the City of Pratt, Kansas (the "Issuer" or "City"), 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 Series 2026 Bonds. Purchases of the Series 2026 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 Series 2026 Bonds purchased. So long as Cede & Co. is the registered owner of the Series 2026 Bonds, as nominee of DTC, references herein to the Series 2026 Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Series 2026 Bonds. Principal will be payable annually on November 1, beginning in 2027, and semiannual interest will be payable on May 1 and November 1, beginning on May 1, 2027 (the "Interest Payment Dates"). Principal will be payable upon presentation and surrender of the Series 2026 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 Series 2026 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 Series 2026 Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Series 2026 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 Series 2026 Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues derived by the Issuer from the operation of the Electric Utility System (the "System"). **THE SERIES 2026 BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER, NOR SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION, LIMITATION OR RESTRICTION, AND THE TAXING POWER OF THE ISSUER IS NOT PLEDGED TO THE PAYMENT OF THE SERIES 2026 BONDS, EITHER AS TO PRINCIPAL OR INTEREST**. See "THE SERIES 2026 BONDS – Security for the Series 2026 Bonds" herein. Under the Bond Resolution, Additional Bonds and Additional Obligations may be issued by the Issuer on a parity with the Series 2026 Bonds (the Series 2026 Bonds and any Additional Bonds shall hereinafter be referred collectively as the "Bonds").

The proceeds of the Series 2026 Bonds will be used to repair, alter, extend, reconstruct, enlarge or improve the System, as further described herein.

The payment of the principal of, redemption premium, if any, and interest on the Series 2026 Bonds is subject to certain risk factors and investment considerations as described under the caption "RISK FACTORS AND INVESTMENT CONSIDERATIONS" herein.

The Series 2026 Bonds are subject to optional redemption prior to maturity. The Term Bonds are subject to mandatory redemption. See "THE SERIES 2026 BONDS – Redemption Provisions" herein.

The date of this Preliminary Official Statement is July 30, 2026.

* Preliminary, subject to change

The scheduled payment of principal of and interest on the Series 2026 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2026 Bonds by **ASSURED GUARANTY INC. ("AG").**

MATURITY SCHEDULE LISTED ON INSIDE COVER PAGE

The Series 2026 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 Shawn Lautz, Esq., Pratt, Kansas, counsel for the Issuer. Certain legal matters will be passed on for the underwriter by Quarles & Brady LLP, Milwaukee, Wisconsin. It is expected that the Series 2026 Bonds will be available for delivery through the facilities of DTC on August 27, 2026.

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 D – SUMMARY OF FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

$19,270,000*
CITY OF PRATT, KANSAS
ELECTRIC UTILITY SYSTEM REVENUE BONDS
SERIES 2026

MATURITY SCHEDULE

SERIAL BONDS

Stated Maturity	Principal Amount*	Annual Rate of Interest	Yield	Price	CUSIP [(1)] Base: [ ]
11/01/2027	$ 225,000	___%	___%	___%	
11/01/2028	435,000	___%	___%	___%	
11/01/2029	480,000	___%	___%	___%	
11/01/2030	530,000	___%	___%	___%	
11/01/2031	580,000	___%	___%	___%	
11/01/2032	630,000	___%	___%	___%	
11/01/2033	685,000	___%	___%	___%	
11/01/2034	745,000	___%	___%	___%	
11/01/2035	805,000	___%	___%	___%	
11/01/2036	870,000	___%	___%	___%	
11/01/2037	940,000	___%	___%	___%	
11/01/2038	1,015,000	___%	___%	___%	
11/01/2039	1,090,000	___%	___%	___%	
11/01/2040	1,170,000	___%	___%	___%	
11/01/2041	1,255,000	___%	___%	___%	
11/01/2042	1,345,000	___%	___%	___%	
11/01/2043	1,445,000	___%	___%	___%	
11/01/2044	1,550,000	___%	___%	___%	
11/01/2045	1,660,000	___%	___%	___%	
11/01/2046	1,815,000	___%	___%	___%	

* *Preliminary, subject to change*

(All plus accrued interest, if any)

[(1)] *CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and is included solely for the convenience of the Owners of the Series 2026 Bonds. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.*

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THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SERIES 2026 BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2026 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 SERIES 2026 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 OFFICIAL STATEMENT SHOULD BE CONSIDERED IN ITS ENTIRETY. NO ONE FACTOR SHOULD BE CONSIDERED MORE OR LESS IMPORTMENT THAN ANY OTHER BY REASON OF ITS POSITION IN THIS OFFICIAL STATEMENT. WHERE STATUTES, ORDINANCES, REPORTS OR OTHER DOCUMENTS ARE REFERRED TO IN THIS OFFICIAL STATEMENT, REFERENCE SHOULD BE MADE TO THOSE DOCUMENTS FOR MORE COMPLETE INFORMATION REGARDING THEIR SUBJECT MATTER.

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.

ASSURED GUARANTY INC. ("AG") MAKES NO REPRESENTATION REGARDING THE SERIES 2026 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2026 BONDS. IN ADDITION, AG HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AG SUPPLIED BY AG AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND "APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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CITY OF PRATT, KANSAS
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P.O. Box 807
Pratt, Kansas 67124
(620) 672-6446

GOVERNING BODY

Kyle Farmer, Mayor
Jeanette Siemens, Vice Mayor / Commissioner
Doug Meyer, Commissioner
Monte Hostetler, Commissioner
Brad Blankenship, Commissioner

CITY MANAGER
Regina Goff

CLERK
Brianna Garten

DIRECTOR OF ELECTRIC UTILITIES
James Huber

ISSUER'S INTERIM COUNSEL
Shawn Lautz, Esq.
Pratt, Kansas

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

UNDERWRITER
Stifel, Nicolaus & Company, Incorporated
Wichita, Kansas

UNDERWRITER'S COUNSEL
Quarles & Brady LLP
Milwaukee, Wisconsin

CERTIFIED PUBLIC ACCOUNTANTS
Adams Brown, LLC
Great Bend, 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 Series 2026 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 Series 2026 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 Series 2026 Bonds.

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OFFICIAL STATEMENT

$19,270,000*
CITY OF PRATT, KANSAS
ELECTRIC UTILITY SYSTEM REVENUE BONDS
SERIES 2026

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Pratt, Kansas (the "Issuer" or the "City"), the Issuer's electric utility system (the "System"), and the Issuer's Electric Utility System Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), dated August 27, 2026 (the "Dated Date").

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

The Issuer is a municipal corporation duly organized and existing under the laws of the State of Kansas (the "State"). Additional information regarding the Issuer is contained in ***APPENDIX A*** to this Official Statement, and additional information regarding the System is contained in ***APPENDIX B*** 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 Underwriter. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Except to the extent described under the section captioned "LEGAL MATTERS," Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in "***APPENDIX D*** – SUMMARY OF FINANCING DOCUMENTS."

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Series 2026 Bonds, the Issuer will enter into a continuing disclosure undertaking (the "Disclosure Undertaking"). The Issuer will covenant in the Disclosure Undertaking to annually provide certain financial information and operating data (collectively, the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. Pursuant to the Disclosure Undertaking, the Issuer has agreed to file its Annual Report with the national repository ("EMMA") not later than the October 1st immediately following the end of the Issuer's Fiscal Year, commencing with the year ended December 31, 2026. 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 Series 2026 Bonds. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Series 2026 Bonds. During the past five years, the Issuer has had no debt outstanding that was subject to the Rule.

For more information regarding the Disclosure Undertaking, see "***APPENDIX E*** – FORM OF DISCLOSURE UNDERTAKING."

Additional Information

Additional information regarding the Issuer or the Series 2026 Bonds may be obtained from the Clerk of the Issuer at the address set forth in the preface to this Official Statement, or from the Underwriter, Stifel, Nicolaus & Company, Incorporated, 8080 E. Central Ave., Suite 340, Wichita, Kansas 67206, Attn: Bret Shogren (316) 264-9351 or email at shogrenb@stifel.com.

THE SERIES 2026 BONDS

Authority for the Bonds

The Series 2026 Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq*., and K.S.A. 10-1201 *et seq*., as amended and supplemented from time to time (the "Act"), and an ordinance passed and a resolution adopted by the governing body of the Issuer (collectively the "Bond Resolution").

Security for the Series 2026 Bonds

The Series 2026 Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues derived from the operation of the System. THE SERIES 2026 BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER, NOR SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION, LIMITATION OR RESTRICTION, AND THE TAXING POWER OF THE ISSUER IS NOT PLEDGED TO THE PAYMENT OF THE SERIES 2026 BONDS, EITHER AS TO PRINCIPAL OR INTEREST.

The Series 2026 Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with any Parity Bonds and Parity Obligations. At issuance, the Series 2026 Bonds shall constitute the only Parity Bonds Outstanding.

The Issuer, in accordance with and subject to applicable legal requirements will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses of the System; (b) pay the Debt Service Requirements on the Series 2026 Bonds and any Additional Bonds (jointly, the "Bonds") as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the Issuer to have in each Fiscal Year, a Restricted Debt Service Coverage Ratio of not less than 1.00 on all Parity Bonds and Parity Obligations at the time Outstanding; (d) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.25 on all Parity Bonds and Parity Obligations at the time Outstanding; 1.10 on any Junior Lien Obligations at the time Outstanding, and 1.00 on all Subordinate Lien Bonds at the time Outstanding; and (e) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System as provided in the Bond Resolution.

Description of the Bonds

The Series 2026 Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2026 Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Bond Registrar

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

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 Series 2026 Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

Method and Place of Payment of the Bonds

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

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

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

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See "THE SERIES 2026 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 Series 2026 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 Series 2026 Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Series 2026 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 Series 2026 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 Series 2026 Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 Bond or Bonds for cancellation shall cause the delivery of the Series 2026 Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Bond Resolution.

Registration, Transfer and Exchange of Bonds

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

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

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

Mutilated, Lost, Stolen or Destroyed Bonds

If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such 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, 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 Series 2026 Bonds maturing on November 1 in the years 2037, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on November 1, 2036, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the 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 November 1 in each year, the following principal amounts of such [____] Term Bonds:

Principal Amount	**Year**
$	
	*

*Final Maturity

[(b) *2046 Term Bonds*.]The 2046 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 November 1 in each year, the following principal amounts of such 2046 Term Bonds:

Principal Amount	**Year**
$	
	2046*

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

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

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Series 2026 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2026 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 Series 2026 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 ELECTRIC UTILITY SYSTEM

The City provides electric, water and sewer utilities to its residents. The City operates its own electric generating and distribution system, generating electricity only when excess power above the firm energy contracts is determined not available. The City is a member Kansas Municipal Energy Agency ("KMEA"), through which it procures wholesale power using market purchases managed by its energy consultant, Tyr Energy. Through its membership in KMEA and relationship with Tyr Energy, the City has entered into several wholesale power purchase agreements over the years. The City purchases power through certain power purchase agreements with various parties, which is then transmitted by Sunflower Electric Power Corporation to the City. This allows the City to operate at the least costly method of providing electricity and offers protection against regional power outage.

The City provides electric power to approximately 4,119 customers, with a total of 4,385 meters, including approximately 284 customers located outside the City but within the City's electric service territory. The City purchases wholesale power through several power purchase agreements. This power is delivered to the City at 115 kilovolts via an interconnection, and stepped down to the City's two distribution voltages: 7,200V and 2,400V. The City owns and maintains about 150 miles of distribution lines, roughly divided equally among overhead and underground lines.

The City's Power Plant, located at 321 W. 10th, Pratt, Kansas, is on call to generate electricity above their firm energy agreements throughout the year when excess power is not available. The Power Plant allows the City the option of providing the least expensive electricity to its customers during this period. The Power Plant also generates in the event there is a loss of power to the City from the interconnection at any time of the year. The Power Plant houses two dual fuel (natural gas and diesel) internal combustion engines, each equipped with a generator. Nameplate capacity of each of the dual fuels is 7 megawatts ("MW"). They also house a 1964 GE 14 MW steam turbine and a 1954 1.5 MW Enterprise. The total generation capacity is 29 MW. The City is purchasing new generators from proceeds of the Series 2026 Bonds and will phase out older ones over time. As peak demand for the City can now approach 22.5 MW, the City was purchasing supplemental hydropower from the Grand River Dam Authority (Oklahoma) ("GRDA") to cover the demand. The agreement with GRDA expired at the end of April 2026 and the City chose not to renew it due to the higher cost. The City now purchase 85% from the market with the direction from Tyr Energy. This is estimated to save the City over $900,000 per year. The City also has a 6 MW PPA for Solar that sets on the City of Pratt's property from Kenyon Energy till 2034 with the option to purchase at fair market value.

The City's Electric Production Department operates the Power Plant. During the "off season," department employees maintain the units in top condition and assist other departments. This helps the City meet temporary increases in workloads without hiring additional employees.

The City's Electric Distribution Department is the department with responsibility for installing services to new customers, maintaining the existing system, reading meters, and connecting or disconnecting power to customers. Some overhead line extensions are contracted out, but the City's crew has undertaken several large underground extensions and large voltage conversion projects.

The City is responsible for maintaining primary and secondary electric lines, to and including the meter, except that in the case of overhead service, the customer must provide the roof mast and building conduit to the meter, and the wiring from the meter through the mast. Customer service and billing is conducted at the City Office at 619 S. Main, Pratt, Kansas 67124.

The Electric Production and Electric Distribution Departments are under the authority of the Pratt Governing Body, managed by the City Manager and the Electric Production and Electric Distribution Supervisors.

THE PROJECT

The proceeds of the Series 2026 Bonds will be used to repair, alter, extend, reconstruct, enlarge or improve the System by acquisition of and installation of diesel generators that will add approximately 15,000 kW in generating capacity and all other related improvements, including generation building, switchgear, power line upgrades, SCADA upgrades, design, engineering, and contingency (the "Project").

SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Series 2026 Bonds:

Sources of Funds:	
Principal Amount of the Series 2026 Bonds	$ 19,270,000.00*
[Original Issue Premium]	
[Original Issue Discount]	
Total	***$***
Uses of Funds:	
Deposit to Project Fund	$
Deposit to Debt Service Reserve Account-Reserve Policy Premium	
Deposit to Debt Service Reserve Fund	
Deposit to Costs of Issuance Account	
Underwriter's Discount	
Total	***$***

* *Preliminary, subject to change*

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE SERIES 2026 BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE SERIES 2026 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 SERIES 2026 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2026 BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE UNDERWRITER.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Series 2026 Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the Issuer in issuing the Series 2026 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 Series 2026 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.

Special Obligations

The Bonds are special, limited obligations of the Issuer payable solely from Net Revenues of the System. Neither the Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by, the Issuer, or any governmental subdivision, agency or instrumentality. The Bonds are not payable in any manner from tax revenues.

Debt Service Source

The Bonds are payable solely from the Net Revenues of the System. While the future ability of the Issuer to meet its obligations under the Bond Resolution are subject to conditions which may change in the future to an extent that presently cannot be determined. Thus, no assurance can be given that Revenues will be realized by the Issuer in amounts sufficient to pay the principal of and interest on the Series 2026 Bonds as they become due.

Debt Service Reserve Account

Pursuant to the Bond Resolution, proceeds of the Series 2026 Bonds or, alternatively, the municipal bond debt service reserve insurance policy delivered by the Bond Insurer (the "Reserve Policy"), in an amount equal to the Debt Service Reserve Requirement applicable to the Series 2026 Bonds (the "Debt Service Reserve Requirement-2026") will be deposited into the Debt Service Reserve Account.

The Debt Service Reserve Requirement-2026 may be funded in whole or in part by deposit to the Debt Service Reserve Subaccount-2026 of a Qualified Reserve Facility (which includes the municipal bond debt service reserve insurance policy issued by the Bond Insurer pursuant to the Reserve Policy). Any such Qualified Reserve Facility shall be valued at the maximum amount available to be drawn thereunder. Each Qualified Reserve Facility in the Debt Service Reserve Subaccount-2026 shall be payable (upon the giving of notice as required thereunder) on a pro rata basis with any other Qualified Reserve Facilities on deposit in the Debt Service Reserve Subaccount-2026 based on the available principal amount of such Qualified Reserve Facilities on any day on which moneys will be required to be withdrawn from the Debt Service Reserve Subaccount-2026 and applied to make up any deficiency in the Debt Service Account for the Series 2026 Bonds; provided, that prior to drawing on any Qualified Reserve Facility, any cash or Permitted Investments in the Debt Service Reserve Subaccount-2026 shall be applied to cure such deficiency. If a Qualified Reserve Facility is terminated or not renewed, then the Issuer must provide funds for deposit in the Debt Service Reserve Subaccount-2026 in an amount sufficient to satisfy the Debt Service Reserve Requirement in not more than 24 months from the date of termination or non-renewal.

Moneys in the Debt Service Reserve Account may be invested in Permitted Investments. Moneys, including such Permitted Investments, may be applied by the Issuer to prevent default in payment of the principal of and interest on the Parity Bonds in accordance with the Bond Resolution in the event funds on hand in the Debt Service Account are insufficient to provide funds for payments due on any Payment Date. In the event the Issuer is required to sell such Permitted Investments for such purpose, the price realized upon such sale may not equal the Debt Service Reserve Requirement.

In the event of a default by the Issuer under the Bond Resolution, moneys deposited in the Debt Service Reserve Account (other than amounts drawn under the Reserve Policy for the Series 2026 Bonds) may, under certain circumstances and ordinarily under the supervision of and under order of the courts, be applied for purposes other than payment of the Parity Bonds. Such purposes may include preservation of and security for the System, maintenance of insurance, payment of expenses incurred in attempting to operate the System and payment of other similar costs.

Restrictions on Mortgage or Sale of Electric Utility System

The Issuer has covenanted in the Bond Resolution that it will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the Issuer may dispose of certain assets in accordance with the Bond Resolution.

State and Federal Regulation

Under current Kansas law, the Issuer, as owner and operator of the System, has the exclusive right to serve retail customers within the Issuer's territorial service boundaries. The rates, fees and charges for electric service through the System as currently constructed and operated will be exempt from rate regulation by the Kansas Corporation Commission. Consequently, under current state law, Revenues should remain unaffected by federal legislation designed to encourage market competition. The precise nature and extent future governmental regulation and the resulting impact of such regulation on the operation and profitability of the System cannot now be determined. The Issuer has covenanted in the Bond Resolution to comply with all such governmental regulation.

Risk Factors Affecting the Electric Utility Industry

General

The electric utility industry has been, and in the future may be, affected by a number of actions which could impact the financial condition of any public electric power utility such as the Issuer and its System. Such factors include, among others: (i) effects of inflation on the operation and maintenance costs of an electric utility and its facilities or other increases in costs, (ii) changes from projected future load requirements and relative costs and availability of different fuels, (iii) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements, (iv) changes resulting from conservation and demand side management programs on the timing and use of electric energy, (v) changes that might result from a national energy policy and a renewable energy portfolio or other federal or state legislative changes, (vi) effects of competition from other suppliers of electricity (including increased competition resulting from mergers, acquisitions, and "strategic alliances" of competing electric (and gas) utilities and from competitors transmitting less expensive electricity from much greater distances over an interconnected system) and new methods of producing low cost electricity, (vii) increased competition from independent power producers and marketers and brokers, (viii) "self-generation" or "distributed generation" (such as microturbines, fuel cells, and solar installations) by certain industrial and commercial customers, (ix) inadequate risk management procedures and practices with respect to, among other things, the purchase and sale of energy and transmission capacity, (x) effects of possible manipulation of electric markets, (xi) effects on the integration and reliability of the power supply from the increased usage of renewables, (xii) potential repeal of certain federal statutes that would have the effect of increasing the competitiveness of many investor-owned utilities, (xiii) financial difficulties, including bankruptcy, of fuel suppliers and/or renewable energy suppliers, (xiv) changes in the electric market structure for neighboring electric grids, (xv) sudden and dramatic increases in the price of energy purchased on the open market that may occur in times of high peak demand in an area of the country experiencing such high peak demand, (xvi) effects of changes in the economy, population and demand of customers in the service areas of the Issuer and its System, (xvii) pandemics, (xviii) acts of terrorism or cyberterrorism, (xix) natural disasters or other physical calamities, including but not limited to, rising water levels, floods, drought, winter storms, and wildfires, and potential liabilities of electric utilities in connection therewith, (xx) changes in revenues due to unseasonable changes in the weather, and (xxi) adverse impacts to the market for insurance relating to natural disasters or other physical calamities, leading to higher costs or prohibitively expensive coverage, or limited or unavailability of coverage for certain types of risk. Public power utilities also are affected by factors related to their ability to issue tax-exempt obligations and restrictions on the ability to sell, to non-governmental entities, power and energy from generation projects that are financed with outstanding, tax-exempt debt. The Issuer and its System also could be adversely affected by technological or market developments that change the relative costs of the electric power and energy that the Issuer and its System provide to its customers in comparison with the costs of electric power and energy available in the region.

The Issuer cannot predict what effects these factors will have on the business, operations and financial condition of the Issuer and its System. Information on the electric utility industry is available from legislative and regulatory bodies and other sources in the public domain.

Extreme Weather

Extreme weather and related catastrophic events such as wildfires, floods, droughts, tornadoes, storms and other sudden or severe changes in climate conditions may cause, among other things, fluctuations in customer energy needs, physical damage to or a reduction in capabilities of utility facilities, interruptions in the ability to provide service, and impacts to operating costs and revenues that could affect the overall financial position of the Issuer and its System. The severe winter storm that impacted much of the continental United States from approximately February 12, 2021 through February 16, 2021 ("*Winter Storm Uri*") is an example of a climatic event that resulted in substantial effects on utilities and their customers, especially within the state of Kansas and on other utilities within the Midwest and southcentral states that were affected by abnormally high natural gas prices. This event significantly increased the February 2021 energy costs for the Issuer and its System. The Issuer utilized a variety of methods to mitigate the increased costs to its customers. As a result of Winter Storm Uri, the Issuer continues to focus its attention on extreme cold conditions and target solutions that will increase resilience and winterization of generation assets where necessary.

Cyber and Physical Security

Well-publicized cyberattacks on critical infrastructure targets demonstrate the vulnerability of certain U.S. infrastructure assets. Cyberattacks on the nation's electrical grid have occurred in the past and their effects are likely to become more intensive and may cause material damage. The Issuer and its System uses computer and network systems and technology to perform operations, including the storage, receipt and transmission of sensitive and confidential information. Consequently, it is possible that the Issuer and its System may be targeted by cyberattacks attempting to, among other things, disrupt such operations and gain access to such information. In addition to other potential ramifications, a cybersecurity breach may require the Issuer and its System to expend a substantial amount of money and time to resolve the breach, interrupt operations, or subject the Issuer and its System to legal action.

To mitigate such risks, the Issuer and its System have instituted various measures, controls, policies and procedures, including physical and technical security measures, cybersecurity related training for all employees, and the maintenance of insurance against cybersecurity incidents. The Issuer has no knowledge of any material cybersecurity breach of the Issuer's systems to date.

The Issuer owns generating assets for its System. The Issuer implements risk-informed solutions to meet the specific needs to secure each asset against potential physical attack. The Issuer continually monitor security of its System to ensure all assets are protected.

Federal Regulation of Transmission

Fundamental changes in the federal regulation of the electric utility industry were made by the Energy Policy Act of 1992 (the "*Energy Policy Act*") particularly in the area of transmission access. The purpose of these changes, in part, was to bring about increased competition in the electric utility industry. The Energy Policy Act authorized the Federal Energy Regulatory Commission ("FERC") – upon application by an electric utility, federal power marketing agency, or other power generator – to require a transmitting utility to provide transmission services to the applicant on a cost-of-service basis. Municipally-owned electric utilities are "transmitting utilities" for this purpose.

FERC has issued various rules on transmission access. While municipally-owned electric utilities are not subject to FERC jurisdiction under such orders, they may be denied transmission service by a FERC-jurisdictional utility if they do not offer comparable transmission services.

The Issuer does not own transmission facilities, but does receive power from other providers over transmission facilities that are subject to FERC rules regarding transmission access.

RTO-Operated Markets

In addition to coordinating wholesale transmission operations and services, regional transmission organizations ("RTOs") operate centralized markets for wholesale electricity products such as capacity, energy and ancillary services. By virtue of having generating resources located in the Southwest Power Pool, the Issuer is subject to the tariff provisions and business practices governing the operation of wholesale electricity markets in these RTOs. As a result, the Issuer's costs of securing power to meet its customers' needs are affected by the market and administrative mechanisms approved by FERC for use in setting prices for energy, capacity and ancillary services (as well as transmission service) in SPP.

The nature and operations of RTOs and RTO markets continue to evolve, and the Issuer cannot predict whether their existence will meet FERC's goal of reducing transmission congestion and costs and creating a competitive power market.

Federal Energy Policy and Regulation

Federal legislation and regulatory initiatives affecting the energy sector are subject to ongoing change and may have a material impact on the electric utility industry, including the Issuer and its System. From time to time, Congress and federal agencies, including the FERC, adopt or propose laws, regulations and policies addressing matters such as transmission access, wholesale power markets, reliability standards, environmental requirements, cybersecurity, and market oversight. Such actions may, among other things, alter the regulatory framework governing electric utilities, impose new compliance obligations, affect the economics of power generation and transmission, or modify market rules applicable to the purchase and sale of energy and capacity. In addition, federal initiatives may influence the development and enforcement of reliability standards for the bulk power system, including standards relating to system security, supply chain risks, extreme weather preparedness and operational resilience.

The scope, timing and impact of future federal legislative or regulatory actions cannot be predicted. Compliance with evolving requirements may result in increased costs, required capital expenditures, or operational changes for the Issuer and its System. There can be no assurance that such developments will not adversely affect the financial condition or operations of the System.

Climate Change and Possible Future Climate Change Legislation

General. From time to time various bills are introduced in Congress and in state legislatures and regulations are proposed by various agencies (both federal and State) that could, if enacted into law, impact the regulation of the electric industry.

At the federal level, climate change policy has been and remains a significant area of legislative and executive activity. Various administrations have taken differing approaches to climate change regulation, including participation in international climate agreements, the issuance of executive orders affecting energy policy and climate-related initiatives, and the adoption or reversal of clean energy incentives and environmental regulations. Changes in federal policy direction may affect the regulatory framework applicable to electric utilities, including the Issuer and its System.

The Issuer cannot predict at this time whether any laws or regulations will be repealed or amended, or whether any additional legislation or rules will be enacted at the state or federal level that will affect the System's operations, and if such laws are enacted, what the impact of such actions to the Issuer and its System might be in the future.

EPA Regulations.

There have been certain actions taken or there are ones under consideration regarding the regulation and control of greenhouse gases ("*GHGs*"), including CO2, that have the potential to impact the Issuer, the System and its assets.

Limitations on emissions of GHGs, including CO2, create significant exposure for electric fossil-fuel-fired generation facilities. The EPA has issued and periodically revised rules regulating CO2 emissions from various classes of electric generating units ("*EGUs*"), including emission guidelines for existing fossil-fuel generating units and new source performance standards for fossil fuel-fired combustion turbines. These regulations have evolved over time and may continue to be revised, imposing new or more stringent requirements on GHG emissions from power generation facilities.

Federal emission standards may include provisions addressing electric grid reliability, including extended compliance timeframes or delayed closures for generating units in certain circumstances. States may also have flexibility to accommodate plants that demonstrate a need for modified emission requirements or extended compliance timelines.

The Issuer monitors developments in federal emission regulations and will continue to comment on concerns and plan accordingly for evolving guidelines.

National Ambient Air Quality Standards.

The Clean Air Act requires that the EPA establish National Ambient Air Quality Standards ("*NAAQS*") for certain air pollutants. When a NAAQS has been established, each state must identify areas in its state that do not meet the EPA standard (known as "*non-attainment areas*") and develop regulatory measures in its state implementation plan to reduce or control the emissions of that air pollutant to meet the applicable standard and become an "*attainment area*." The EPA periodically reviews and may revise the NAAQS for various air pollutants, which may result in more stringent permitting processes for new sources of emissions and additional state restrictions on existing sources of emissions, such as power plants.

In addition, the EPA is authorized to impose cross-state air pollution rules that require states contributing to air pollution in downwind states to reduce emissions to facilitate compliance with NAAQS. Such rules have been subject to litigation and regulatory revision, and Kansas may be affected by current or future cross-state air pollution requirements.

It is unknown what changes will be made to NAAQS or cross-state air pollution rules, or what impact, if any, such changes will have on the Issuer and its System.

Mercury and Air Toxics Standards Rule.

The Clean Air Act provides for a comprehensive program for the control of hazardous air pollutants ("*HAPs*"), including mercury. The EPA has established and periodically revised the Mercury and Air Toxics Standards ("*MATS*") to reduce emissions of toxic air pollutants from coal- and oil-fired electric generating units. The MATS rule sets technology-based emission limitation standards based upon reductions available through maximum achievable control technology. Revisions to the MATS rule may impose more stringent emission limits and compliance requirements on existing coal- and oil-fired power plants.

The Issuer does not own any coal-fired assets that need any retrofits to comply with the new rule, but it may purchase energy from providers with plants that may require retrofits.

Internal Combustion Maximum Achievable Control Technology Rule.

The EPA has issued rules regulating hazardous air pollutant emissions from Compression Ignition Reciprocating Internal Combustion Engines ("*CI-RICE*"), including formaldehyde, with requirements varying based on engine size and horsepower. The Issuer does not currently have any units subject to this rule.

Risk Factors Specific to the System

Competition From Other Energy Sources. Competition from other energy sources such as natural gas could impact the ability of the System to meet its Debt Service Requirements by reducing the Net Revenues. Energy conservation practices may also affect the Net Revenues of the System.

Supply Agreement. The ability of the System to meet its Debt Service Requirements is contingent on the availability of a supply of power and energy from power purchase agreements entered into by the City, as amended and supplemented to date. See the section of this Official Statement entitled "APPENDIX B - INFORMATION CONCERNING THE ELECTRIC UTILITY SYSTEM – Power Purchase Agreements" for additional information concerning the power purchase agreements.

State Restructuring. Many states have enacted legislation and regulatory action to deregulate and restructure the electric utility industry within their boundaries. The public utility regulatory commissions in a number of states have issued comprehensive orders intended to provide retail competition. In the states that have enacted restructuring legislation, municipally-owned power systems are almost always allowed the option to engage in the competitive market in these state plans, but are not required to do so.

Across the country, state interest in restructuring is waning. The price shocks and resource emergencies in California brought on by that state's deregulation effort have cooled interest in moving forward. The Kansas legislature has not passed any restructuring legislation, and none is now pending. The issue has received some legislative study in the past, but since electric power costs are relatively lower in this State than in other states, the legislature was hesitant to act. The industry focus is now on reliability.

While there is no restructuring legislation currently pending in the State, and none is expected, there is no assurance that legislation will not be introduced or passed in the future which would have a material effect on the Issuer's ability to maintain its exclusive service territory or otherwise maintain exclusive control over the sale and distribution of electric power to its customers.

Taxation of Interest on the Series 2026 Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 2026 Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Series 2026 Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Series 2026 Bonds. Because the existence and continuation of the excludability of the interest on the Series 2026 Bonds depends upon events occurring after the date of issuance of the Series 2026 Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 2026 Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Series 2026 Bonds to become includable in gross income as of the date of issuance.

Premium on the Series 2026 Bonds

[The initial offering prices of certain maturities of the Series 2026 Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof.] Any person who purchases a Series 2026 Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Series 2026 Bonds are subject to redemption at par under the various circumstances described under "THE SERIES 2026 BONDS – Redemption Provisions."

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 Series 2026 Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Bond Resolution does not provide for the payment of any additional interest or penalty on the Series 2026 Bonds if the interest thereon becomes includable in gross income for Kansas income tax purposes.

Suitability of Investment

An investment in the Series 2026 Bonds involves a certain degree of risk. The interest rate borne by the Series 2026 Bonds (as compared to prevailing interest rates on more secure tax-exempt bonds such as those which constitute general obligations of fiscally sound municipalities) is intended to compensate the investor for assuming this element of risk. Furthermore, the tax-exempt feature of the Series 2026 Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Series 2026 Bonds are an appropriate investment.

Bond Insurance and Ratings of the Bond Insurer

If the Issuer fails to make payment of the principal of and interest on the Series 2026 Bonds when the same become due, any Owner of Series 2026 Bonds will have recourse against the Bond Insurer for such payments. The Bond Insurance Policy does not, however, insure payment of the principal of or interest on the Series 2026 Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium payable upon the redemption of the Series 2026 Bonds. Under no circumstances, including the situation in which interest on the Series 2026 Bonds becomes subject to federal taxation for any reason, can the maturities of the Series 2026 Bonds be accelerated except with the consent of the Bond Insurer. Furthermore, so long as the Bond Insurer performs its obligations under the Bond Insurance Policy, the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken under the Bond Resolution. If the Bond Insurer is unable to make payments of principal and interest on the Series 2026 Bonds as those payments become due, the Series 2026 Bonds are payable solely from sources pledged by the Issuer pursuant to the Bond Resolution. See "BOND INSURANCE" for further information concerning the Bond Insurer, the Bond Insurance Policy and any financial ratings assigned to bonds insured by the Bond Insurer.

A rating downgrade of the Bond Insurer by any rating agency may result in a rating downgrade of the Series 2026 Bonds. A rating downgrade of the Series 2026 Bonds could lower the price of the Series 2026 Bonds in the secondary market, and could affect the liquidity for the Series 2026 Bonds in the secondary market. Prospective purchasers of the Series 2026 Bonds are urged to check the websites of the rating agencies and the public announcements by the Bond Insurer for any future developments relating to the ratings of the Bond Insurer and the Series 2026 Bonds.

Market for the Series 2026 Bonds

Bond Rating. The Series 2026 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 affect on the market price of the Series 2026 Bonds.

Secondary Market

There is no assurance that a secondary market will develop for the purchase and sale of the Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 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.

Kansas Public Employees Retirement System

As described in "***APPENDIX A*** – FINANCIAL INFORMATION – Pension and Employee Retirement Plans," the Issuer participates in the Kansas Public Employees Retirement System ("KPERS"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERS administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen's Retirement System ("KP&F") and the Public Employees Retirement System – Local Group (the "Plan"). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERS' Valuation Report, the Local Group had an UAAL of approximately $2.173 billion in calendar year 2024.

Cybersecurity Risks

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

Natural Disasters, Terrorist or Cyber Attacks

The occurrence of a terrorist attack or cyber security breach in the Issuer, or natural disasters, such as fires, tornadoes, winter storms, extreme cold, earthquakes, floods or droughts, could damage the Issuer and its systems and infrastructure, and interrupt services or otherwise impair operations of the Issuer.

Public Impacts Resulting from Epidemics or Pandemics

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the local, State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment and debt service on the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2026 Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2026 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

On August 4, 2025, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At March 31, 2026:

- The policyholders' surplus of AG was approximately $3,158 million.

- The contingency reserve of AG was approximately $1,539 million.

- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,402 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2026 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100)Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Series 2026 Bonds or the advisability of investing in the Series 2026 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

BOND RATINGS

S&P is expected to assign an insured rating of "AA" (Stable Outlook) to the Series 2026 Bonds with the understanding that upon delivery of the Series 2026 Bonds, a policy insuring the payment when due of the principal of and interest on the Series 2026 Bonds will be issued by the Bond Insurer. In addition, S&P has assigned an underlying rating of "BBB" / Stable to the Series 2026 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 Series 2026 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 Series 2026 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 affect on the market price of the Series 2026 Bonds.

ELIGIBILITY TO SECURE THE DEPOSIT OF PUBLIC FUNDS

Pursuant to K.S.A. 9-1402, banks are allowed to hold revenue bonds of any municipal corporation or quasi-municipal corporation of the State of Kansas as security for the deposit of public funds if approved by the State Bank Commissioner. An application will be submitted to the State Bank Commissioner requesting that the Series 2026 Bonds be approved as security for deposit of public funds. No assurance can be given that the State Bank Commissioner will grant such application approval.

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 Series 2026 Bonds or the validity of said Series 2026 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 Series 2026 Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"), bond counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the matters appearing in the sections of this Official Statement captioned "THE SERIES 2026 BONDS," "LEGAL MATTERS," "TAX MATTERS," and "***APPENDIX D*** - SUMMARY OF FINANCING DOCUMENTS." Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Series 2026 Bonds. Certain legal matters have been passed on for the Issuer by Shawn Lautz, Esq., Pratt, Kansas

Quarles & Brady LLP has been retained by the Underwriter to serve as counsel to the Underwriter with respect to the Series 2026 Bonds. Although, as counsel to the Underwriter, Quarles & Brady LLP has assisted the Underwriter with certain matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2026 Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Series 2026 Bonds for any investor.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 Bonds.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Series 2026 Bonds:

Federal Tax Exemption. The interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Series 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2026 Bonds have **not** been designated as "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3).

Kansas Tax Exemption. The interest on the Series 2026 Bonds is exempt from income taxation by the State.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2026 Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 Bonds.

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2026 Bond over its issue price. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2026 Bond during any accrual period generally equals (1) the issue price of that Series 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 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 Series 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount, if any.

Original Issue Premium.

For federal income tax purposes, premium is the excess of the issue price of a Series 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Series 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2026 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2026 Bond, an owner of the Series 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2026 Bond. To the extent the Series 2026 Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Bonds, and to the proceeds paid on the sale of Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2026 Bonds should be aware that ownership of the Series 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

UNDERWRITING

The Series 2026 Bonds are being purchased for reoffering by Stifel, Nicolaus & Company, Incorporated, Wichita, Kansas (the "Underwriter" or "Stifel") at a price equal to the principal amount of the Series 2026 Bonds[, less an underwriting discount of $______][, plus an original issue premium of $__________][, less an original issue discount of $________].

The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2026 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2026 Bonds is subject to various conditions contained in the Bond Purchase Agreement. The Series 2026 Bonds will be offered to the public initially at the prices determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing the Series 2026 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.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and to persons and entities with relationships with the Issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

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 Series 2026 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 Series 2026 Bonds.

CITY OF PRATT, KANSAS

Kyle Farmer, Mayor

APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

The City of Pratt, Kansas (the "Issuer" or the "City") is the county seat of Pratt County, Kansas (the "County"), and is located approximately 78 miles west of Wichita, Kansas. The City encompasses approximately 7.83 square miles and has a current estimated population of 6,587.

Government and Organization of the Issuer

The City, founded in 1884, became a city of the second class in 1908.

The City operates under a Commission-City Manager form of government. The five members of the City Commission are elected to three-year terms, with terms expiring in alternating years. The City Manager is appointed by the Commission and is charged with the efficient and effective administration of the City.

Municipal Services and Utilities

The City provides electric, water, sewer and refuse service for its residents. Kansas Gas Service supplies natural gas for the City. AT&T, IdeaTek, SC Telecom and Cox Communications provide telephone and internet service.

The City has 14 sworn police officers and 17 volunteer fire fighters which provide continuous full-time protection to the City. The County operates an emergency ambulance service for the City and surrounding area.

Transportation and Communication Facilities

The City is served by U.S. Highway 281, Kansas Highway 61 and U.S. Highway 54. Rail service is provided by the Union Pacific Railroad. Parcel service is provided by United Parcel Service, Federal Express and United State Postal Service. The Pratt Regional Airport is an active airport in the City that is capable of handling private and corporate aircrafts. Regularly scheduled air service is available at Wichita Dwight D. Eisenhower National Airport, located 78 miles east of the City in Wichita, Kansas.

Educational Institutions and Facilities

Unified School District No. 382 operates one preschool, two elementary schools, one middle high school and one high school in the City and surrounding area with an estimated enrollment of approximately 1,203 students. In addition, there is one private elementary school located in the City, with an estimated enrollment of 49 students. Pratt Community College is in the City, providing a two-year curriculum. Barton Community College, Great Bend, Kansas, and Hutchinson Community College, Hutchinson, Kansas, are located within 55 miles of the City. Wichita State University, Friends University and Newman University, are located within approximately 80 miles of the City in Wichita, Kansas. Barclay College, Haviland, Kansas and Sterling College, Sterling, Kansas are approximately 20 and 60 miles, respectively, from the City.

Medical and Health Facilities

The Pratt Regional Medical Center (the "Medical Center") is a 35-bed acute healthcare and 51-bed rehabilitation and long-term care facility. The Medical Center provides ambulatory care, cardiac rehabilitation, emergency services, intensive care units, oncology and surgical services and speech language pathology. Other available services at the Medical Center include a pharmacy, laboratory services, occupational therapy and a home health agency. Also available in the community are several dentists, chiropractors and optometrists.

Recreational Facilities

Recreation facilities in and around the City include a movie theater, skating rink, two golf courses, a swimming pool, tennis courts, and 12 parks covering approximately 270 acres. Access to the Pratt County Lake offers fishing, camping and hiking. A four-diamond softball/baseball, track and football/soccer field complex is also available to an ever-increasing youth, and adult spring and summer ball program provided by the Pratt Recreation department. A large indoor sports facility is expected to start construction in Summer 2026, paid for by community donations.

ECONOMIC INFORMATION

Major Employers

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

	Major Employers	Product/Service	Number of Full- & Part-time Employees
1.	Pratt Regional Medical Center	Hospital	500
2.	USD 382 Pratt	Public Education	154
3.	Pratt Community College	College	146
4.	The County	Government	146
5.	Walmart	Retail Services	135
6.	The City	Government	111
7.	Southwest Truck Parts	Automotive	63
8.	BTI	Agriculture	52
9.	Ethanol Plant	Industrial	40
10.	Stanion Wholesale Electric	Electrical Distribution	37

Source: City Clerk

Labor Force

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

PRATT COUNTY

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	4,462	4,344	118	2.6%
2022	4,476	4,366	110	2.5%
2023	4,488	4,375	113	2.5%
2024	4,529	4,390	139	3.1%
2025	4,639	4,481	158	3.4%

STATE OF KANSAS

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	1,502,391	1,450,948	51,443	3.4%
2022	1,510,916	1,468,686	42,230	2.8%
2023	1,527,042	1,483,017	44,025	2.9%
2024	1,548,387	1,493,815	54,572	3.5%
2025	1,572,150	1,512,600	59,550	3.8%

The Kansas Department of Labor is reporting a preliminary 3.7% unemployment rate for the County and a 4.1% unemployment rate for the State for the month of June 2026.

Source: Kansas Department of Labor

Oil & Gas Production

The oil production (in number of barrels) and gas production (in cubic feet) for the County for the years listed is indicated in the following table:

Year	Oil Production (number of barrels)	Gas Production (thousand cubic feet)
2022	380,222	699,217
2023	372,430	644,775
2024	389,138	537,360
2025	317,886	468,644
2026 [1]	72,469	101,493

[1] *Through March 2026*

Source: Kansas Geological Survey

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.

	Number of Permits Issued		Total Valuation	
Year	Residential	Non-Residential	Residential	Non-Residential
2022	10	4	$ 1,109,500	$ 436,265
2023	16	7	2,227,827	12,601,677
2024	15	10	862,000	9,075,097
2025	16	3	1,172,210	5,800,000
2026 [1]	17	1	254,868	175,000

[1]Through May 15, 2026
Source: City Clerk

Financial and Banking Institutions

For the years listed, bank deposits of the County's banks are as follows:

Year	Total Bank Deposits
2021	$ 378,431,000
2022	408,707,000
2023	380,764,000
2024	411,616,000
2025	456,409,000

Source: FDIC

Population Trends

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

Year	City Population	County Population
2020	6,463	9,127
2021	6,573	9,181
2022	6,534	9,067
2023	6,546	9,082
2024	6,587	9,137

The median age of persons in the County and the State is 39.7 and 37.4, respectively, per the 2020 Census.

Source: Kansas Division of the Budget and Kansas Statistical Abstract

Personal Income Trends

County personal (in thousands of dollars) and per capita income and the State per capita income are listed for the years indicated, in the following table.

Year	Pratt County Personal Income	Pratt County Per Capita Income	State of Kansas Per Capita Income
2020	$ 485,010	$ 53,070	$ 55,231
2021	521,788	56,914	59,209
2022	503,086	55,406	61,875
2023	539,573	59,248	63,513
2024	547,982	59,974	65,856

Source: U.S. Department of Commerce – Bureau of Economic Analysis

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The City follows a regulatory basis of accounting, designed to show compliance with the State of Kansas cash-basis and budget laws.

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 County 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 (or by July 1 for tax year 2024), 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 notify the county clerk by July 20 of the taxing subdivision’s intent to exceed the revenue neutral rate and provide to the county clerk the date, time and location of the related public hearing and the taxing subdivision’s proposed tax rate. The county clerk is required to provide notice of such intent to exceed the revenue neutral rate to each taxpayer with property in the taxing subdivision at least 10 days in advance of the public hearing. The notice must include the following information: (1) the heading "NOTICE OF PROPOSED PROPERTY TAX INCREASE AND PUBLIC HEARINGS"; (2) a statement that the notice contains estimates of the property tax and proposed property tax increases, actual taxes may increase or decrease from the estimates provided, the governing body will vote at a public hearing to exceed the revenue neutral rate, taxpayers may attend and comment at the hearing, and property tax statements will be issued after mill rates are finalized and taxes are calculated; (3) the appraised value and assessed value of the taxpayer's property for the current year and the previous year; (4) the amount of property tax of the taxing subdivision on the taxpayer's property from the previous year's tax statement; (5) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the revenue neutral rate of the taxing subdivision; (6) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the proposed tax rate provided by the taxing subdivision; (7) the difference between the amount of the current year's maximum tax and the previous year's tax, reflected in dollars and a percentage, for the taxing subdivision; (8) the date, time and location of the public hearing of the taxing subdivision; and (9) the difference between the current year's maximum tax and the estimated amount of property tax based on the revenue neutral rate of the taxing subdivision.

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 will 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 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. However, if a taxing subdivision does not comply with the notice and hearing requirements of the Revenue Neutral Tax Act because it did not intend to exceed its revenue neutral rate, but the final assessed valuation of such taxing subdivision used to calculate the actual levy is less than the estimated assessed valuation used to calculate the revenue neutral rate, such taxing subdivision is permitted to levy a tax rate that generates the same amount of property tax revenue as levied the prior year or less.

The City cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Series 2026 Bonds, or the general rating of the City. A change in the rating on the Series 2026 Bonds or a change in the general rating of the City may adversely impact the market price of the Series 2026 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 Adams Brown, LLC, Great Bend, 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, 2025 is attached hereto as ***APPENDIX C***.

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

Property Valuations

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The County Appraiser's office determines the fair market value of all taxable property within the 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 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

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

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

Estimated Actual Valuation

Based on appraised values provided by the County Clerk's Office, the following table provides estimated actual valuation for the City in the years indicated:

Year	Personal Property	Real Estate	State Assessed Utilities	Total
2021	$ 3,912,351	$ 279,873,680	$ 6,253,206	$ 290,039,237
2022	3,859,052	295,649,590	6,618,309	306,126,951
2023	4,139,095	315,287,150	6,567,485	325,993,730
2024	3,936,019	343,155,882	6,896,376	353,988,277
2025	4,050,471	364,823,860	6,823,203	375,697,534

Source: County Clerk

Assessed Valuation

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

Year	Real Property	Personal Property	Utilities	Motor Vehicle	Total Valuation
2021	$ 40,136,652	$ 816,386	$ 2,063,558	$ 6,895,046	$ 49,911,642
2022	42,196,811	794,746	2,184,042	6,939,667	52,115,266
2023	45,137,396	863,125	2,167,270	6,938,289	55,106,080
2024	48,514,335	817,873	2,275,804	7,867,039	59,475,051
2025	51,185,169	817,007	2,251,657	6,432,507	60,686,340

Source: County Clerk

Property Tax Levies and Collections

Tax Collections:

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

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

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

Tax Rates:

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

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:

Year	General Fund	Library Fund	Bond & Interest Fund	Misc. Fund	Total Levy
2021/22	45.453	3.999	1.238	1.461	52.151
2022/23	47.473	3.999	0.416	1.252	53.140
2023/24	47.864	3.997	0.000	1.252	53.113
2024/25	47.872	3.998	0.000	1.252	53.122
2025/26	47.888	3.999	0.000	1.252	53.139

Source: County Clerk

Aggregate Tax Levies:

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

Year	City of Pratt	Pratt Comm. College	Pratt County	USD #382	State
2021	52.151	37.691	52.406	49.860	1.5
2022	53.140	36.490	58.399	49.601	1.5
2023	53.113	38.485	58.379	54.466	1.5
2024	53.122	42.003	63.854	54.798	1.5
2025	53.139	39.700	65.825	54.798	1.5

Source: County Clerk

Tax Collection Record:

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

Year	Total Levy	Total Taxes Levied	Current Taxes Collected Amount	Current Taxes Collected Percentage
2021/22	52.151	$ 2,246,841	$2,238,096	99.61%
2022/23	53.140	2,402,567	2,383,566	99.21%
2023/24	53.113	2,561,344	2,523,558	98.52%
2024/25	53.122	2,745,683	2,671,651	97.30%
2025/26[1]	53.139	2,883,508	2,664,926	92.42%

[1] Through May 18, 2026

Source: County Clerk

Major Taxpayers:

The following table sets forth the ten largest taxpayers in the City for taxes levied in the most recent tax collection period:

	Taxpayer	Assessed Valuation	Taxes Paid	% of Total 2025 Assessed Valuation
1.	Kansas Gas Service	$ 1,456,935	$ 319,013	2.69%
2.	Walmart Inc.	938,775	205,556	1.73%
3.	Pratt Feeders Inc.	878,283	190,978	1.62%
4.	Grand Plains Skilled Nursing, LLC	738,913	161,621	1.36%
5.	Individual	726,611	158,928	1.34%
6.	Casey's Retail Company	561,328	122,910	1.03%
7.	Prime Hospitality LLC	496,018	108,609	0.91%
8.	S&S Lodging, LLC	466,761	102,203	0.86%
9.	Wisdom Hospitality, LLC	465,040	101,826	0.86%
10.	Ranger Energy LLC	462,200	101,204	0.85%

Source: County Clerk

Risk Management

The City is insured against the risks arising from general liability by Strong's Insurance (EMC) and employee medical coverage by Blue Cross Blue Shields and Freedom Claims Management, Inc.

History of Employment

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

Year	Total Full-Time Employees	Total Part-Time Employees	Total
2022	95	62	111
2023	109	45	154
2024	109	63	172
2025	118	69	187
2026	89	71	160

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 December 31, 2024, KPERS serves approximately 350,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

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

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

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

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

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

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERS to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling $1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. For more information about the Legislature's actions related to KPERS, please see the 2024 Valuation Report referenced below.

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 9.59% of the employee's gross salary for calendar year 2026. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2024 (the "2024 Valuation Report") the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately $2.173 billion at the end of 2024. The amount of the UAAL in 2024 changed from the previous year's amount due to the factors discussed in the 2024 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 2024 Valuation Report is available on the KPERS website at kpers.org/about/reports. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2024 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 2024 Valuation Report sets the employer contribution rate for the period beginning January 1, 2027, for the KPERS Local Group, and KPERS' actuaries identified that an employer contribution rate of 9.44% 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 2024 Valuation Report. The statutory contribution rate of employers currently equals the 2024 Valuation Report's actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

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

The Issuer allows retirees to remain on the Issuer's group health insurance plan, but retirees are responsible for payment of the full premiums. See Note 11 in Appendix C hereto. The Issuer has also entered into a Health Reimbursement Arrangement ("HRA"). The amount the Issur paid in HRA reimbursements was $154,654 for the year ended December 31, 2025. See Note 9 in Appendix C hereto.

DEBT STRUCTURE

Debt Summary

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

Debt Summary (As of August 27, 2026)		**City Debt**
Actual Valuation [1]	$	375,697,534
Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations (Including Motor Vehicle)	$	60,686,340
Outstanding General Obligation Debt including Temporary Notes	$	0
Direct Debt Per Capita (Population = 6,587)	$	0
Overlapping Debt	$	12,067,210
Direct and Overlapping Debt	$	12,067,210
Direct and Overlapping Debt Per Capita	$	1,832
Direct Debt as a Percentage of Assessed Valuation		0.00 %
Direct and Overlapping Debt as a Percentage of Assessed Valuation		19.88 %
Direct Debt as a Percentage of Actual Fair Market Value		0.00 %
Direct and Overlapping Debt as a Percentage of Actual Fair Market Value		3.21 %

[1] See "Property Valuations" infra

Source: City Clerk

GENERAL OBLIGATION BONDS

The City has no outstanding general obligation bonds at this time.

GENERAL OBLIGATION TEMPORARY NOTES

The City has no outstanding general obligation temporary notes at this time.

ELECTRIC UTILITY SYSTEM REVENUE BONDS

Description of Indebtedness	Dated Date	Final Maturity	Original Principal Amount	Amount Outstanding
Electric Utility System Revenue Bonds, Series 2026	08/27/26	11/01/46	$ 19,270,000[1]	$ 19,270,000[1]

[1]This issue. Preliminary, subject to change

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.

Description	Dated Date	Final Maturity	Original Amount	Amount Outstanding
2018 Street Sweeper	08/27/2018	08/27/2027	$ 230,000	$ 51,738
2023 Freightliner M-2 Sanitation Truck	04/02/2024	04/02/2029	229,258	126,348
2025 Spartan Firetruck	12/09/2025	12/09/2033	741,915	741,915
2025 Wastewater Vactor Combo Truck	02/24/2026	02/26/2036	528,056	528,056
Red-Skid Loader	01/25/2023	09/15/2027	73,305	17,733
Elec-Skid Loader	06/13/2023	03/15/2027	66,872	18,617
			Total	***$1,484,407***

State Loans

Description	Dated Date	Final Maturity	Original Amount	Amount Outstanding
KDHE Airport Waterline (2953)	05/08/2018	08/01/2039	$ 1,912,838	$ 1,060,427
KDHE Pollution Control (C20 1799-01)	10/02/2010	03/01/2032	4,385,168	1,014,663
KDHE Water Mainline (2528)	12/22/2008	08/01/2030	720,793	168,323
Low-Interest Electric Utility Loan	03/24/2021	03/01/2031	2,775,687	1,483,192
			Total	***$3,726,605***

Source: City Clerk

The Issuer has no record of default on the payment of any of its debt obligations.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness and the percent attributable (on the basis of assessed valuation) to the City as of June 30, 2025:

Taxing Jurisdiction	2025 Total Assessed Valuation	Outstanding General Obligation Indebtedness	Percent Applicable To Issuer	Amount Applicable To Issuer
Pratt County	$ 181,430,830	$ 130,000	33.45%	$ 43,485
U.S.D. No. 382 (Pratt)	100,280,273	22,225,000	54.10%	12,023,725
		Total		***$12,067,210***

Source: County Clerk

Future Indebtedness

The City may enter into a lease purchase agreement in the amount of approximately $2,000,000 to be supported with tourism revenues for a new sports facility, which may occur within the next 12 months. Other than the preceding, the City currently does not intend to issue additional debt in the next 12 months.

APPENDIX B

INFORMATION CONCERNING THE ELECTRIC UTILITY SYSTEM

History, Organization and Operation of the System

The Electric Utility System (the "System") was organized by the City of Pratt (the "City") in 1910. The City currently has approximately 4,119 System customers. The City is a member of Kansas Municipal Energy Agency ("KMEA"). Being a member of KMEA allows for purchase of wholesale power through many agencies, which offers a diverse portfolio of power options. This power is delivered to the City via an interconnection with the transmission grid. The City also has its own Power Plant, which provides local base load capacity to meet current peak loads throughout the City. The Power Plant generates electricity when there is a transmission disruption and whenever it can provide power more economically. The Electric Production Department operates and maintains multiple generating units. The Electric Distribution Department maintains over 150 miles of overhead and underground primary lines within the City and a small territory outside the City. The Electric Distribution Department also maintains the City's secondary system which includes service voltage lines up to and including each customer's meter. Maintaining streetlights and power systems for City-owned buildings, parks, and other facilities is an additional responsibility of this department. The Public Works Department is under the management of the Public Works Director and includes Streets, Parks, Electric Distribution, Electric Production (Power Plant) and Water/Sewer. The City's electric production system consists of eight dual-fuel (natural gas and diesel) internal combustion engines, each equipped with a generator. The Project being funded from proceeds of the Series 2026 Bonds includes the purchase and installation of new generators.

Capacity Factor and Peak Demand

The average capacity factor for the City's dual fuel combustion units over the past five years was 4.8% and during 2025 was 3%. Peak demand for the System for the past five years is set for in the table below:

PEAK DEMAND

Year	Peak Demand
2021	23.44 MW
2022	23.40 MW
2023	23.55 MW
2024	23.07 MW
2025	22.45 MW

Power Purchase Agreement

The City purchases power through certain power purchase agreements with various parties, which is then transmitted by Sunflower Electric Power Corporation to the City. Through its membership in KMEA, the City has entered into the wholesale power purchase agreement as set forth below:

WHOLESALE POWER PURCHASE AGREEMENT

Provider	Agreement Date	Effective Period	City's Quantity
Kenyon Solar	01/2019	January 2034	6 MW

Utility System Billings and Collections

The System bills customers monthly on an individual basis. All bills for utilities furnished by the utility billing department of the City to the customers are due and payable upon receipt. A bill shall be deemed delinquent if payment thereof is not received by the city clerk's office on or before the date stated on the bill, which date shall be within sixteen (16) to twenty (20) days from the date of the billing depending on the month. The City undertakes discontinuance measures if bills remain unpaid at the end of the month.

Rate Structure

The City's electric rate structure is reviewed annually as part of the budget process. Adjustments to electric rates may be considered and implemented during the review and adoption of the Comprehensive Fee Schedule to ensure rates remain adequate, equitable, and reflective of the City's operational and infrastructure needs.

As a condition to providing electrical service, where it is necessary to make an unusual extension or expansion of the existing distribution system to provide service that in the judgment of the city, revenues will not be adequate to justify the expansion under stated rate schedules, the City may require a minimum billing or demand charge sufficient to amortize the expansion.

Where industrial or small power customer facilities are seasonal or operate for only short periods with large demand, the City reserves the right to adjust demand or minimum billing to justify operating necessary reserve capacity to serve such loads.

The preceding service codes are not applicable to temporary, standby, supplementary, backup, resale, or shared services.

Subject to the foregoing, the rates for electric current furnished by the municipal electric system of the City are as follows:

2026 RATES EFFECTIVE JANUARY 1, 2026

Residential Service Rate Schedule:		
All Service Availability Charge	$ 24.00	per month
All kWh delivered	$ 0.15428	per kWh
ECA Charge (configured monthly) (only charged to delivered kWh)		per kWh
Residential Solar Metering 1- Delivered (Grandfathered rate before June 17, 2019)		
All Service Availability Charge	$ 24.00	per month
All kWh delivered	$ 0.15428	per kWh
ECA Charge (configured monthly) (only charged to delivered kWh)		per kWh
Residential Solar Metering 1- Received		
All kWh Received	$ 0.09516	per kWh
Residential Solar Metering 2 - Delivered (Rate after June 17, 2019)		
All Service Availability Charge	$ 24.00	per month
All kWh delivered	$ 0.15428	per kWh
ECA Charge (configured monthly) (only charged to delivered kWh)		per kWh
Residential Solar Metering 2 - Received		
All kWh Received	$ 0.04916	per kWh

The above rates are applicable to electric services supplied at one point of delivery through a single meter for single-family residential.

The type of service received is an alternating current, 60 hertz single-phase, 115 or 115/230 volts, or where available 3 phase, 3 wire 230 volt, or 3 phase, 4 wire, 115/230 volt service.

Small general service rate schedule: Demand less than 150 kW		
All Service Availability Charge	$ 30.00	per month
All kWh Charge	$ 0.17226	per kWh
ECA Charge (configured monthly)		per kWh

The above rate is applicable to electric service supplied at one point of delivery through a single meter and consumes a demand of less than 150 kW.

The type of service received is an alternating current, 60 hertz, single-phase, 115 or 115/230 volts, or where available 3 phase, 3 wire 230 volt, or 3 phase, 4 wire, 115/230 volt service.

Medium General Service Rate Schedule: Demand Greater than 150 kW, but less than 200 kW		
All Service Availability Charge	$ 35.00	per month
All kWh	$ 0.15943	per kWh
ECA Charge (configured monthly)		per kWh

The above rate is applicable to electric service supplied at one point of delivery through a single meter used for a demand greater than 150 kW, but less than 200 kW.

The type of service received is an alternating current, 60 hertz, at any standard system voltage required by the customer and available within the existing system capability.

Large General Service Rate Schedule: Demand over 200 kW		
All Service Availability Charge	$ 60.00	per month
All kWh	$ 0.13670	per kWh
ECA Charge (configured monthly)		per kWh

The above rate is applicable to electric service supplied at one point of delivery through a single meter and consumes a demand greater than 200 kW.

The type of service received is an alternating current, 60 hertz, at one standard system voltage as required by the customer within the capability of the existing system.

Wholesale for Resale Rate Schedule: Demand over 500kW and owns a distribution system:		
All Service Availability Charge	$ 240.00	per month
All kWh	$ 0.14165	per kWh
ECA Charge (configured monthly)		per kWh

The above rate is applicable to electric service supplied at one point of delivery through a single meter, consumes a demand greater than 500 kW, and owns a distribution system.

Application for Electric Service - Deposit and Fees:		
Electric Service Deposit	$ 200.00	minimum
Usage Fee for Utility Pole Lights:		
Residential Users	$ 6.00	per month
Commercial Users	$ 12.00	per month
Electric Service Tap Fees:		
Utility Connect Fee	$ 10.00	
Temporary Electric Tap Fee	$ 30.00	
Single Phase: 0-100 Amp	$ 125.00	
Single Phase: 101-200 Amp	$ 200.00	
Single Phase: 201-300 Amp	$ 500.00	
Single Phase: 301-400 Amp	$ 750.00	
All over 400 Amp:	$ 750.00	*Plus $1.00 per Amp
3 Phase: 100-399 Amp	$ 1,500.00	
3 Phase: 400-599 Amp	$ 2,000.00	
3 Phase: 600-799 Amp	$ 2,500.00	
3 Phase: 800-899 Amp	$ 3,000.00	
3 Phase: 900-999 Amp	$ 3,500.00	
3 Phase: 1000-1099 Amp	$ 4,000.00	
3 Phase: 1100-1199 Amp	$ 4,500.00	
3 Phase: 1200-1299 Amp	$ 5,000.00	
3 Phase: 1300-1399 Amp	$ 5,500.00	
3 Phase: 1400-1499 Amp	$ 6,000.00	
3 Phase: 1500-1599 Amp	$ 6,500.00	
3 Phase: 1600-1699 Amp	$ 7,000.00	

3 Phase: 1700-1799 Amp	$ 7,500.00	
3 Phase: 1800-1899 Amp	$ 8,000.00	
3 Phase: 1900-1999 Amp	$ 8,500.00	
3 Phase: 2000-2499 Amp	$ 9,000.00	
3 Phase: 2500-3999 Amp	$ 11,000.00	
3 Phrase: 4000-5499 Amp	$ 15,000.00	
3 Phase: 5500-6999 Amp	$ 17,000.00	
3 Phase: 7000 Amp and Greater	$ 25,000.00	
Customer-Owned Renewable Electric Generation Facility Interconnection Application Non-Refundable Processing Fee	$ 1,000.00	

Customers Outside of the City

For all users of electricity outside the three-mile jurisdictional limit of the city, their rates shall not be subject to the jurisdiction, regulation, supervision of the Kansas Corporation Commission, as provided in House Bill #2597 of the 2007 Session Laws of Kansas. The policies, procedures and standards for billing practices, delayed payment charges, security deposits, discontinuance of service, application of the cold weather rule and the policies, procedures and minimum standards for bill payment methods shall be those last approved by motion of the governing body.

Customer Usage

The following table sets forth electric sales figures for the System for the years set forth below:

	Residential			Commercial		
Year	Customers Served	Sales (KWH)	Revenue	Customers Served	Sales (KWH)	Revenue
2021	3,571	29,028,877	$3,986,618.98	739	43,199,936	$5,109,275.42
2022	3,585	30,953,836	$4,849,618.92	740	44,691,842	$6,170,103.46
2023	3,578	28,930,853	$5,460,769.06	740	42,111,680	$6,975,989.06
2024	3,575	29,096,637	$5,451,862.53	732	42,364,560	$7,121,100.00
2025	3,564	28,905,503	$5,529,689.90	731	43,839,597	$7,480,058.83

Top Customers

The following table sets forth the ten largest users of the System and the total revenue for 2025:

	Customer	Industry	Total Revenue	% of Total Revenue of System
1.	Pratt Regional Medical Center	Hospital	$ 1,108,715.60	8.60%
2.	Pratt Feeders	Agriculture	430,464.36	3.34%
3.	Wal-Mart Stores	Retail Services	377,363.77	2.93%
4.	Pratt Community College	College	365,906.62	2.84%
5.	City of Iuka	Government	243,400.24	2.84%
6.	Dillons Stores	Retail Services	216,560.31	1.68%
7.	USD 382	Public Education	149,200.71	1.16%
8.	Caseys General Store	Retail Services	140,412.17	1.09%
9.	Pratt Inn & Suites	Hospitality	119,529.09	0.93%
10.	McDonald's	Restaurant	115,732.14	0.90%

DEBT STRUCTURE OF THE SYSTEM

The following table sets forth the outstanding obligations of the System, including the Series 2026 Bonds:

ELECTRIC UTILITY SYSTEM REVENUE BONDS

Description of Indebtedness	Dated Date	Final Maturity	Original Principal Amount	Amount Outstanding
Electric Utility System Revenue Bonds, Series 2026	08/27/26	11/01/46	$ 19,270,000[1]	$ 19,270,000[1]

[1]Preliminary, subject to change

The City has also entered into a Low-Interest Electric Utility Loan with the State of Kansas, which is referenced in ***APPENDIX A***—Debt Structure—State Loans, and it has and intends to make payments on that loan obligation from System Revenues, but System Revenues are not pledged to such payments and there is no lien on the System or its Revenues in connection with such loan obligations. The City is, in fact, obligated to make payments on such loan from any available source.

FINANCIAL SUMMARY AND DEBT SERVICE COVERAGE

The financial information in the following table is derived from the annual financial statements of the City. Presented are the operating results of the System. All of the financial statements of the City were audited or compiled by a firm of certified public accountants. Neither the City nor its consultants have made any independent verification of the data contained in the financial statements of the City from which the information has been compiled and make no representation as to the correctness of the information presented. The presentation of this information has not been reviewed by the City's certified public accountants. No assurance can be given that operating results for future years will be comparable to operating results for prior fiscal years.

Audited financial statements for the City for the year ended December 31, 2025 are contained in ***APPENDIX C*** and are an integral part of this document and should be read in their entirety.

Electric Utility Fund

Set forth in the following table is a history of Gross Revenues, Operating Expenses and Net Revenue for the Electric Utility Fund as obtained from the information contained in the annual audits prepared by the City's certified public accountants:

ELECTRIC UTILITY FUND

	2025	2024	2023	2022
Receipts				
Electric Use Charges	$12,743,127	$12,689,429	$12,564,887	$10,965,767
Service Fees	815	1,040	5,535	6,670
Interest Income	0	37,467	20,272	53
Sale of Property	292,264	323,766	354,443	311,289
Federal Aid	0	138,878	0	0
Miscellaneous Income	86,465	222,074	521,095	157,120
Reimbursed Expenses	61,689	7,237	49,008	3,996
Total Receipts	$13,184,360	$13,419,891	$13,515,240	$11,444,895
Expenditures				
Management	$ 197,794	$ 205,388	$ 188,847	$ 200,078
Production	5,863,749	6,825,545	7,083,849	8,269,870
Distribution	1,515,375	1,335,156	1,367,912	1,410,371
Lease Payment	312,978	32,595	32,469	32,469
Transfers Out	3,309,500	2,128,500	2,128,500	1,438,575
Total Expenditures	$11,199,396	$10,527,184	$10,801,577	$11,351,363
Receipts Over (Under) Expenditures	$ 1,984,964	$ 2,892,707	$ 2,713,663	$ 93,532
Unencumbered Cash, Beginning	$ 5,724,174	$ 2,831,467	$ 117,804	$ 5
Prior Year Cancelled Encumbrance	9,471			24,267
Unencumbered Cash, Ending	$ 7,718,609	$ 5,724,174	$ 2,831,467	$ 117,804

Electric Reserve Fund

The City maintains an Electric Maintenance Reserve Fund separate from the Electric Utility Fund. Set forth in the following table is a history of the ending cash balance in the Electric Reserve Fund as obtained from the information contained in the annual audits prepared by the City's certified public accountants:

	2025	2024	2023	2022
Receipts				
Interest Income	$ 0	$ 3,038	$ 3,021	$ 729
Transfers In	50,000	50,000	50,000	50,000
Total Receipts	$50,000	$53,038	$53,021	$50,729
Total Expenditures	$0	$0	$0	0
Receipts Over (Under) Expenditures	$50,000	$53,038	$53,021	$50,729
Unencumbered Cash, Beginning	$319,814	$266,776	$213,755	$163,026
Unencumbered Cash, Ending	$369,814	$319,814	$266,776	$213,755

Projected Debt Service Coverage

The following table sets forth the projected revenues and expenses of the System and the debt service coverage on the Series 2026 Bonds:

City of Pratt, Kansas Electric Utility Revenue Bonds Debt Service Coverage Analysis											
Fiscal Year Ending (12/31)	Operating Revenue	Operating Expenses	Net Operating Revenues Available for Debt Service	Estimated Series 2026 Bond Debt Service	Debt Service Coverage Ratio from Annual Net Operating Revenues	Estimated Operating Transfers	Debt Service Coverage Ratio From Estimated Operating Revenues After Transfers	Ending Unencumbered Cash Balance - Electric Utility Fund	Debt Service Coverage Ratio from Ending Unencumbered Cash Balance	Excess Funds Available After Debt Service & Transfers	Days Cash on Hand After Debt Service & Transfers
2020	8,714,741.00	7,447,441.00	1,267,300.00			2,079,132.00		202,381.00			
2021	12,403,968.00	11,168,339.00	1,235,629.00			1,491,210.00		5.00			
2022	11,444,895.00	9,912,788.00	1,532,107.00			1,438,575.00		117,804.00			
2023	13,515,240.00	8,673,077.00	4,842,163.00			2,128,500.00		2,831,467.00			
2024	13,419,891.00	8,398,684.00	5,021,207.00			2,128,500.00		5,724,174.00			
2025	13,236,553.00	7,601,264.00	5,635,289.00			3,309,500.00		8,049,963.00			
2026	13,537,616.10	8,006,801.49	5,530,814.61			4,000,000.00		9,580,777.61			
2027	13,654,930.65	8,086,869.50	5,568,061.14	1,405,810.56	396%	3,250,000.00	165%	10,493,028.19	746%	9,087,217.63	410
2028	13,773,418.34	8,167,738.20	5,605,680.14	1,426,325.00	393%	3,250,000.00	165%	11,422,383.33	801%	9,996,058.33	446
2029	13,893,090.91	8,249,415.58	5,643,675.33	1,449,575.00	389%	3,250,000.00	165%	12,366,483.67	853%	10,916,908.67	483
2030	14,013,960.21	8,331,909.74	5,682,050.47	1,475,575.00	385%	3,250,000.00	165%	13,322,959.14	903%	11,847,384.14	519
2031	14,136,038.20	8,415,228.83	5,720,809.37	1,499,075.00	382%	3,250,000.00	165%	14,294,693.51	954%	12,795,618.51	554
2032	14,259,336.97	8,499,381.12	5,759,955.85	1,520,075.00	379%	3,250,000.00	165%	15,284,574.36	1006%	13,764,499.36	591
2033	14,383,868.73	8,584,374.93	5,799,493.80	1,543,575.00	376%	3,250,000.00	165%	16,290,493.15	1055%	14,746,918.15	627
2034	14,509,645.80	8,670,218.68	5,839,427.12	1,569,325.00	372%	3,250,000.00	165%	17,310,595.28	1103%	15,741,270.28	662
2035	14,636,680.65	8,756,920.87	5,879,759.78	1,592,075.00	369%	3,250,000.00	165%	18,348,280.06	1152%	16,756,205.06	698
2036	14,764,985.85	8,844,490.08	5,920,495.77	1,616,825.00	366%	3,250,000.00	165%	19,401,950.82	1200%	17,785,125.82	733
2037	14,894,574.09	8,932,934.98	5,961,639.11	1,643,325.00	363%	3,250,000.00	165%	20,470,264.94	1246%	18,826,939.94	769
2038	15,025,458.22	9,022,264.33	6,003,193.89	1,671,325.00	359%	3,250,000.00	165%	21,552,133.83	1290%	19,880,808.83	804
2039	15,157,651.19	9,112,486.97	6,045,164.22	1,695,575.00	357%	3,250,000.00	165%	22,651,723.05	1336%	20,956,148.05	839
2040	15,291,166.09	9,203,611.84	6,087,554.25	1,721,075.00	354%	3,250,000.00	165%	23,768,202.30	1381%	22,047,127.30	874
2041	15,426,016.14	9,295,647.96	6,130,368.18	1,747,575.00	351%	3,250,000.00	165%	24,900,995.49	1425%	23,153,420.49	909
2042	15,562,214.69	9,388,604.44	6,173,610.25	1,774,825.00	348%	3,250,000.00	165%	26,049,780.74	1468%	24,274,955.74	943
2043	15,699,775.23	9,482,490.48	6,217,284.74	1,800,850.00	345%	3,250,000.00	165%	27,216,215.48	1511%	25,415,365.48	978
2044	15,838,711.37	9,577,315.39	6,261,395.98	1,826,375.00	343%	3,250,000.00	165%	28,401,236.46	1555%	26,574,861.46	1,012
2045	15,979,036.87	9,673,088.54	6,305,948.33	1,851,125.00	341%	3,250,000.00	165%	29,606,059.79	1599%	27,754,934.79	1,047
2046	16,175,341.63	9,769,819.43	6,405,522.20	1,914,825.00	335%	3,250,000.00	165%	30,846,756.99	1611%	28,931,931.99	1,080
Total				**32,745,110.56**							

(1) The City implemented a utility rate increase effective January 1, 2023.
(2) The City had a public power purchase contract with the Grand River Dam Authority that expired in April 2026.
The City is estimating that it will receive approximately $948,800 in savings annually from eliminating this contract. Operating expenses shown incorporate these cost savings.
(3) Estimated Operating Revenues and Expenses are based upon averages of the City's FY2020-2025 year end values. Growth in revenues and expenditures are projected at 1.00% annually.
(4) Assumes the City will make $3,250,000 of transfer from the Electric Utility Fund annually. A portion of these transfers are made to a reserve account to be used for maintenance projects.
(5) Excludes funds held in the Electric Maintenance Reserve Fund of the City and the Debt Service Reserve Fund.

APPENDIX C

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS (FOR THE FISCAL YEAR ENDED 12/31/2025)

CITY OF PRATT, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2025

CITY OF PRATT, KANSAS
Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the City Commission
City of Pratt, Kansas
Pratt, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Pratt, Kansas**, as of and for the year ended December 31, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated August 4, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 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/accounts-reports/local-government/municipal-services/municipal-audits. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2025 (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 2024 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 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 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 2024 basic financial statement or to the 2024 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 2024 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, 2024, on the basis of accounting described in Note 1.

AdamsBrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

July 1, 2026

CITY OF PRATT, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

Funds		Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types								
General Fund	$	2,575,789	-	8,486,001	8,013,466	**3,048,324**	277,070	**3,325,394**
Special Purpose Funds								
Library Fund		10,515	-	222,267	222,267	**10,515**	-	**10,515**
Cemetery Fund		-	-	78,545	58,439	**20,106**	407	**20,513**
Noxious Weed Fund		21,733	-	20,642	15,222	**27,153**	134	**27,287**
Tort Liability Fund		406,057	-	19	-	**406,076**	-	**406,076**
Special Highway Fund		221,202	-	873,411	937,925	**156,688**	182,639	**339,327**
Convention and Tourism Fund		329,323	-	503,543	526,962	**305,904**	15,972	**321,876**
Fire Fighting Equipment Fund		47,589	-	770,511	761,147	**56,953**	-	**56,953**
Police 911 Fund		83,708	-	85,484	144,140	**25,052**	2,914	**27,966**
Special Police Fund		275,911	-	23,473	28,050	**271,334**	86,067	**357,401**
Employees Health Insurance Fund		5,315	-	2,160	-	**7,475**	-	**7,475**
Special Parks and Recreation Fund		97,149	-	16,218	26,560	**86,807**	-	**86,807**
Special Alcohol Fund		86,215	-	16,218	33,700	**68,733**	-	**68,733**
Capital Equipment Reserve Fund		2,264,612	6,779	1,161,803	1,062,642	**2,370,552**	-	**2,370,552**
Special Street Reserves Fund		64,776	-	-	8,000	**56,776**	117,499	**174,275**
Capital Improvement Fund		1,525,143	-	2,059,000	1,042,606	**2,541,537**	944,000	**3,485,537**
Fire Fighting Equipment Reserve Fund		39,274	-	42,500	-	**81,774**	-	**81,774**
ARPA Fund		19	-	-	19	**-**	-	**-**
Federal and State Grants Fund		(36,161)	-	402,287	374,592	**(8,466)**	350,000	**341,534**
Capital Project Fund								
Point Pavilion Project Fund		-	-	318,216	390,197	**(71,981)**	43,105	**(28,876)**
Bond and Interest Funds								
Pool Project Fund		2,909,262	-	-	1,471,955	**1,437,307**	-	**1,437,307**
Bond and Interest Fund		10,192	-	590	2,186	**8,596**	-	**8,596**
Business Funds								
Electric Utility Fund		5,724,174	9,471	13,184,360	11,199,396	**7,718,609**	245,762	**7,964,371**
Sanitation Fund		341,843	-	1,399,717	1,336,233	**405,327**	57,661	**462,988**
Wastewater Treatment Fund		261,181	-	1,080,416	1,084,621	**256,976**	33,727	**290,703**
Water Utility Fund		335,384	-	2,097,128	1,658,960	**773,552**	108,943	**882,495**
Electric Maintenance Reserve Fund		319,814	-	50,000	-	**369,814**	-	**369,814**
Electric Debt Service Fund		36,956	-	-	-	**36,956**	-	**36,956**
Wastewater Reserve Fund		3,545	-	-	-	**3,545**	-	**3,545**

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

CITY OF PRATT, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

Funds		Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Water Debt Service Fund	$	5,907	-	-	-	**5,907**	-	**5,907**
Water Reserve Fund		152,400	-	-	-	**152,400**	-	**152,400**
Water Debt Reserve Fund		5,538	-	-	-	**5,538**	-	**5,538**
Trust Funds								
Park Improvement Trust Fund		25,217	-	7,872	-	**33,089**	-	**33,089**
Cemetery Trust Fund		403,329	-	23,665	33,476	**393,518**	-	**393,518**
Recreation Trust Fund		44,258	-	63,853	16,276	**91,835**	-	**91,835**
Total Reporting Entity (Excluding Agency Funds)	$	18,597,169	16,250	32,989,899	30,449,037	**21,154,281**	2,465,900	**23,620,181**

Composition of Cash			
	Certificates of Deposit	$	**10,907,196**
	Checking Accounts		**10,517,945**
	Investments-KMIP		**2,405,146**
	Petty Cash		**1,250**
	Total Cash		**23,831,537**
	Agency Funds per Schedule 3		**(211,356)**
	Total Reporting Entity (Excluding Agency Funds)	$	**23,620,181**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Pratt, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity
The City is a municipal corporation governed by an elected five-member commission. This financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Airport Authority
The City's Airport Authority Board operates the City's airport. Bond issuances do not need to be approved by the City. Audited financial statements can be obtained by contacting the airport authority office.

Public Library
The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the library.

Land Bank
The Land Bank Board shall acquire, maintain, control, sell, transfer, and dispose of any property located within the City to help create low to mid income housing, remove blight, and promote and facilitate the investment and rehabilitation of aging housing stock. The Land Bank had no activity for 2025.

Basis of Presentation – Fund Accounting
The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2025.

Regulatory Basis Fund Types

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

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

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

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

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

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

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

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

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

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

NOTE 2 – BUDGETARY INFORMATION

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

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

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments this year.

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

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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Capital Equipment Reserve Fund, Special Street Reserves Fund, Capital Improvement Fund, Fire Fighting Equipment Reserve Fund, ARPA Fund, and Federal and State Grants Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Pratt, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

As of December 31, 2025, the City had the following investments and maturities.

		Investment Maturities (in Years)		
Investment Type	Cost	Less than 1	1-2	Rating
Kansas Municipal Investment Pool	$ 2,405,146	2,405,146	-	N/A

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 K.S.A. 9-1405. The City's allocation of investments as of December 31, 2025, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2025.

At December 31, 2025, the City's carrying amount of deposits was $21,426,391 and the bank balance was $21,622,300. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $8,108,092 was covered by federal depository insurance, $2,900,000 was collateralized with a letter of credit, and $10,614,208 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2025, the City had invested $2,405,146 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Pratt, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2025 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117	$	173,000
General Fund	Capital Improvement Fund	K.S.A. 12-1,118		747,000
General Fund	Cemetery Fund	Commission		35,000
Cemetery Fund	Capital Improvement Fund	K.S.A. 12-1,118		10,000
Cemetery Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117		10,000
Noxious Weed Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117		5,000
Special Highway Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117		40,138
Fire Fighting Equipment Fund	Fire Fighting Equipment Reserve Fund	K.S.A. 12-110b		42,500
Electric Utility Fund	General Fund	K.S.A. 12-825d		1,425,000
Electric Utility Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117		707,500
Electric Utility Fund	Capital Improvement Fund	K.S.A. 12-1,118		1,127,000
Electric Utility Fund	Electric Maintenance Reserve Fund	K.S.A. 12-825d		50,000
Sanitation Fund	General Fund	K.S.A. 12-825d		150,000
Sanitation Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117		40,000
Sanitation Fund	Capital Improvement Fund	K.S.A. 12-1,118		25,000
Wastewater Treatment Fund	General Fund	K.S.A. 12-825d		30,000
Wastewater Treatment Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117		75,000
Wastewater Treatment Fund	Capital Improvement Fund	K.S.A. 12-1,118		50,000
Water Utility Fund	Capital Equipment Reserve Fund	K.S.A. 12-1,117		111,165
Water Utility Fund	Capital Improvement Fund	K.S.A. 12-1,118		100,000
Bond and Interest Fund	General Fund	K.S.A. 10-117a		2,186
Capital Equipment Reserve Fund	General Fund	K.S.A. 12-1,118		95,000
Convention and Tourism Fund	Point Pavilion Project Fund	Commission		29,176
ARPA Fund	General Fund	Commission		19

NOTE 5 – CAPITAL PROJECTS

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

		Project Authorization	Expenditures to Date
Point Pavilion Project	$	10,332,938	390,196

NOTE 6 – LITIGATION

City of Pratt, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 7 – RISK MANAGEMENT

City of Pratt, Kansas is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

City of Pratt, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – HEALTH REIMBURSEMENT ARRANGEMENT

City of Pratt, Kansas has entered into a Health Reimbursement Arrangement (HRA). The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employee, their spouse or their dependents. The maximum allowance per year is $5,000 for employee only, $10,000 for employee and spouse, employee and children and employee and family. Of this amount, the employee is responsible for $1,400 for employee only and $2,800 for employee and spouse, employee and children and employee and family. The City is responsible for the difference. The amount the City paid in HRA reimbursements was $154,564 for the year ended December 31, 2025.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $548,835 for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $4,537,875. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

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

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

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2025.

NOTE 12 – COMPENSATED ABSENCES

Vacation
The City's policy regarding vacation for all regular full-time employees is as follows:

Years Worked	Amount Earned
0-1	3.33 hours/month
2-9	6.67 hours/month
10-14	10.00 hours/month
15-29	10.00 hours/month (plus 1 day for each year over 15 years)
30 and over	20.00 hours/month

Employees are allowed to carryover 60 hours of unused vacation each year.

Discretionary Leave
Each employee, after the completion of his/her orientation period, shall be entitled to two days discretionary leave.

Sick Leave
The City's policy for sick leave permits all full-time employees to earn sick leave at the rate of eight working hours per calendar month. Employees retiring from the service of the City shall be compensated for unused sick leave at the following rate:

1. Employees retiring who have served the City for less than five continuous years shall receive no compensation for unused sick leave.

2. Employees retiring from the City who have served five or more continuous years of service but less than 20 years shall be compensated at their hourly rate for up to a maximum of 20 unused accumulated sick leave days.

3. Employees retiring from the City who have served 20 or more continuous years of service shall be compensated at their hourly rate for up to a maximum of 40 unused accumulated sick leave days.

NOTE 13 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures exceed available funds in the Federal and State Grants Fund and Point Pavilion Project Fund, which is a violation of K.S.A. 10-1113. The negative cash balances were recovered through subsequent grant receipts and donations.

NOTE 14 – CONDUIT DEBT

From time to time, **City of Pratt, Kansas** has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial, and recreational facilities deemed to be in the public interest. The bonds are generally payable from and secured by the project financed and if needed, additional assets or revenues of the private-sector or other entities serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities frequently transfers to the private-sector or other entity served by the bond issuance, although such transfer will not occur in connection with the Pratt Community College Foundation issue referenced below, as the project financed with such bonds is recreational and located on City park property that is intended to remain as City park property. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of December 31, 2025, there was one outstanding bond for the Pratt Community College Foundation Track/Sports Complex. The principal amount payable on the outstanding IRBs as of December 31, 2025 was $2,200,000.

NOTE 15 – DEBT RESTRICTIONS AND COVENANTS

KDHE Water Pollution Control Revolving Loans
City of Pratt, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the wastewater and sludge system improvements in the amount of $4,385,168. The City is in compliance with the loan agreement as of December 31, 2025.

KDHE Water Supply Loan
City of Pratt, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the main street waterline in the amount of $720,793. The City is in compliance with the loan agreement as of December 31, 2025.

NOTE 16 – LONG-TERM DEBT

City of Pratt, Kansas has the following types of long-term debt.

KDHE Loans
The City entered into a $720,793 revolving loan agreement with the Kansas Department of Health and Environment to finance main street waterline improvements.

The City entered into a $4,385,168 revolving loan agreement with the Kansas Department of Health and Environment to finance wastewater and sludge system improvements.

The City entered into a $1,950,000 revolving loan agreement with the Kansas Department of Health and Environment to finance improvements to the Pratt Airport waterline.

The City entered into a $3,000,000 revolving loan agreement with the Kansas Department of Health and Environment to finance the construction of a new well and transmission main and plug and abandon an existing well. The loan will be awarded principal forgiveness for the full amount for addressing emerging contaminants.

Low Interest Utility Loan
The City entered into a $2,775,687 loan agreement on March 24, 2021 with the Kansas Treasurer acting on behalf of the State of Kansas to finance a large gas utility bill that occurred in February 2021.

General Obligation Temporary Notes
The City issued Series 2022 General Obligation Temporary Notes on September 21, 2022 in the amount of $5,500,000 for the purpose of providing funds for the construction of a swimming pool.

Lease Obligations
The City has entered into lease agreements for equipment. The leases contain a fiscal funding clause.

Changes in long-term liabilities for the City for the year ended December 31, 2025, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
KDHE Loans									
Kansas Water Supply Loan Fund Project No. 2528	3.82%	12/22/2008	$ 720,793	2030	$ 224,617	-	37,141	**187,476**	8,983
Kansas Water Pollution Control Revolving Project No. C20 1799 01	2.20%	10/2/2010	4,385,168	2032	1,246,000	-	153,283	**1,092,717**	29,594
Kansas Water Supply Loan Fund Project No. 2953	1.96%	5/5/2018	1,950,000	2041	1,147,737	-	57,872	**1,089,865**	26,180
Kansas Water Supply Loan Fund Project No. 3220	0.35%	8/16/2024	3,000,000	2026	32,503	156,856	181,003	**8,356** *	226
Low Interest Utility Loan									
State of Kansas	2.13%	3/24/2021	2,775,687	2031	1,829,489	-	276,199	**1,553,290**	37,324
General Obligation Temporary Notes									
Series 2022	3.10%	9/21/2022	5,500,000	2026	2,805,000	-	1,385,000	**1,420,000**	86,955
Finance Leases									
Street Sweeper	4.26%	8/24/2018	230,000	2027	76,054	-	24,315	**51,739**	3,240
2021 Sanitation Truck	1.95%	5/18/2021	149,784	2026	61,926	-	30,561	**31,365**	1,168
Skidsteer - Recreation	3.60%	3/15/2023	44,188	2027	27,444	-	8,826	**18,618**	988
Skidsteer - Electric	4.72%	10/15/2023	41,450	2027	26,007	-	8,272	**17,735**	1,228
Sanitation Truck	4.30%	4/2/2024	202,050	2029	202,050	-	36,415	**165,635**	9,436
Fire Truck	4.40%	12/9/2025	741,915	2033	-	741,915	-	**741,915**	-
Total Contractual Indebtedness					**$ 7,678,827**	**898,771**	**2,198,887**	**6,378,711**	**205,322**

* At December 31, 2025, the City had expended $189,359 of the loan funds and KDHE had forgiven $181,003. The City is authorized to spend up to $3,000,000, and KDHE anticipates forgiving the entire amount. The entire loan authorization less the amount forgiven as of 12/31/25 is reflected in the KDHE Loans on the maturity schedule.

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

	YEAR								
	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041	**Total**
Principal									
KDHE Loans	$ 3,073,980	261,862	268,936	276,212	260,635	615,638	390,246	41,546	**5,189,055**
Low Interest Utility Loan	286,366	291,023	295,330	299,701	304,136	76,734	-	-	**1,553,290**
Temporary Notes	1,420,000	-	-	-	-	-	-	-	**1,420,000**
Finance Leases	192,386	168,016	128,521	134,827	94,313	308,944	-	-	**1,027,007**
Total Principal	**4,972,732**	**720,901**	**692,787**	**710,740**	**659,084**	**1,001,316**	**390,246**	**41,546**	**9,189,352**
Interest									
KDHE Loans	51,925	44,912	38,598	32,104	25,422	67,305	25,468	407	**286,141**
Low Interest Utility Loan	21,766	16,668	12,361	7,991	3,555	188	-	-	**62,529**
Temporary Notes	44,020	-	-	-	-	-	-	-	**44,020**
Finance Leases	44,366	36,966	29,633	23,304	17,990	27,965	-	-	**180,224**
Total Interest	**162,077**	**98,546**	**80,592**	**63,399**	**46,967**	**95,458**	**25,468**	**407**	**572,914**
Total Principal and Interest	**$ 5,134,809**	**819,447**	**773,379**	**774,139**	**706,051**	**1,096,774**	**415,714**	**41,953**	**9,762,266**

CITY OF PRATT, KANSAS

Regulatory-Required Supplementary Information

CITY OF PRATT, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

Funds		Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Fund Types						
General Fund	$	8,363,779	-	8,363,779	**8,013,466**	(350,313)
Special Purpose Funds						
Library Fund		231,486	-	231,486	**222,267**	(9,219)
Cemetery Fund		70,128	-	70,128	**58,439**	(11,689)
Noxious Weed Fund		29,223	-	29,223	**15,222**	(14,001)
Tort Liability Fund		340,000	-	340,000	**-**	(340,000)
Special Highway Fund		939,488	-	939,488	**937,925**	(1,563)
Convention and Tourism Fund		591,171	-	591,171	**526,962**	(64,209)
Fire Fighting Equipment Fund		101,756	714,915	816,671	**761,147**	(55,524)
Police 911 Fund		146,473	-	146,473	**144,140**	(2,333)
Special Police Fund		248,196	-	248,196	**28,050**	(220,146)
Employees Health Insurance Fund		5,315	-	5,315	**-**	(5,315)
Special Parks and Recreation Fund		124,559	-	124,559	**26,560**	(97,999)
Special Alcohol Fund		86,570	-	86,570	**33,700**	(52,870)
Bond and Interest Fund						
Pool Project Fund		3,127,436	-	3,127,436	**1,471,955**	(1,655,481)
Bond and Interest Fund		2,186	-	2,186	**2,186**	-
Business Funds						
Electric Utility Fund		16,833,236	-	16,833,236	**11,199,396**	(5,633,840)
Sanitation Fund		1,560,577	-	1,560,577	**1,336,233**	(224,344)
Wastewater Treatment Fund		1,171,616	-	1,171,616	**1,084,621**	(86,995)
Water Utility Fund		1,770,447	-	1,770,447	**1,658,960**	(111,487)
Electric Debt Service Fund		-	-	-	**-**	-
Water Debt Service Fund		-	-	-	**-**	-

CITY OF PRATT, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 2,299,145	**2,456,146**	2,475,851	(19,705)
Motor Vehicle	293,852	**299,583**	235,252	64,331
Delinquent	647	**192**	5,000	(4,808)
Sales Tax	2,218,066	**2,344,787**	2,200,000	144,787
Neighborhood Revitalization Rebate	(100,061)	**(87,881)**	(89,919)	2,038
Intergovernmental				
Local Alcohol Liquor	21,363	**16,218**	23,360	(7,142)
Connecting Links	62,314	**60,069**	64,000	(3,931)
Motor Fuel Tax Refund	215	**-**	10,000	(10,000)
Federal Aid	-	**200,000**	-	200,000
Franchise Fees	196,577	**238,110**	210,000	28,110
Licenses, Fees and Permits	44,873	**44,909**	49,000	(4,091)
Charges for Services	215,447	**291,042**	172,000	119,042
Donations	-	**-**	5,000	(5,000)
Municipal Court Fines and Fees	363,158	**236,692**	278,000	(41,308)
Reimbursed Expenses	113,047	**24,348**	47,000	(22,652)
Interest Income	251,033	**659,581**	200,000	459,581
Sale of Assets	-	**-**	25,000	(25,000)
Transfers In	1,702,740	**1,702,205**	1,607,186	95,019
Total Receipts	$ 7,682,416	**8,486,001**	7,516,730	969,271

CITY OF PRATT, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Expenditures				
City Commission	$ 53,451	**52,394**	60,564	(8,170)
City Manager	275,489	**251,866**	316,076	(64,210)
City Attorney	116,720	**116,934**	131,240	(14,306)
City Clerk/Utility Billing	372,610	**430,783**	489,744	(58,961)
Finance	600,097	**678,554**	477,581	200,973
Police	1,717,453	**2,274,276**	2,654,814	(380,538)
Animal Control	63,853	**84,053**	111,408	(27,355)
Municipal Court	165,869	**190,909**	299,439	(108,530)
Fire Protection	268,619	**232,085**	382,807	(150,722)
Planning and Inspection	205,737	**222,295**	293,826	(71,531)
Parks	377,817	**384,351**	444,396	(60,045)
Swimming Pool	204,268	**183,948**	183,790	158
Municipal Building	7,950	**82,206**	103,000	(20,794)
Recreation	529,924	**592,714**	595,680	(2,966)
Public Works	56,506	**46,897**	63,734	(16,837)
Maintenance	328,840	**295,504**	352,326	(56,822)
Cemetery	173,662	**172,285**	179,843	(7,558)
Special Streets	306,370	**437,078**	363,320	73,758
Special Police	-	**4,613**	5,000	(387)
Industrial Development	30,000	**30,000**	105,000	(75,000)
Contingencies	30,779	**294,721**	100,000	194,721
Transfers Out	307,236	**955,000**	360,000	595,000
Cash Forward	-	**-**	290,191	(290,191)
Total Expenditures	6,193,250	**8,013,466**	8,363,779	(350,313)
Receipts Over (Under) Expenditures	1,489,166	**472,535**		
Unencumbered Cash - Beginning	1,086,623	**2,575,789**		
Unencumbered Cash - Ending	$ 2,575,789	**3,048,324**		

CITY OF PRATT, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 191,816	**204,570**	206,750	(2,180)
Motor Vehicle	24,763	**25,019**	19,646	5,373
Delinquent	57	**17**	1,400	(1,383)
Neighborhood Revitalization Rebate	(8,356)	**(7,339)**	(7,510)	171
Interest Income	-	**-**	11,000	(11,000)
Miscellaneous	-	**-**	200	(200)
Total Receipts	208,280	**222,267**	231,486	(9,219)
Expenditures				
Library Appropriations	220,077	**222,267**	231,486	(9,219)
Receipts Over (Under) Expenditures	(11,797)	**-**		
Unencumbered Cash - Beginning	22,312	**10,515**		
Unencumbered Cash - Ending	$ 10,515	**10,515**		

CITY OF PRATT, KANSAS
Cemetery Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Cemetery Services	$ 18,995	**23,370**	20,000	3,370
Lot Sales	12,700	**14,900**	10,000	4,900
Interest Income	52	**-**	300	(300)
Donations	-	**290**	-	290
Reimbursed Expenses	-	**4,985**	-	4,985
Transfers In	-	**35,000**	35,000	-
Total Receipts	31,747	**78,545**	65,300	13,245
Expenditures				
Personal Services	-	**3,174**	-	3,174
Contractual Services	5,300	**11,306**	13,350	(2,044)
Commodities	20,325	**23,959**	31,278	(7,319)
Capital Outlay	-	**-**	15,500	(15,500)
Transfers Out	10,000	**20,000**	10,000	10,000
Total Expenditures	35,625	**58,439**	70,128	(11,689)
Receipts Over (Under) Expenditures	(3,878)	**20,106**		
Unencumbered Cash - Beginning	3,878	**-**		
Unencumbered Cash - Ending	$ -	**20,106**		

CITY OF PRATT, KANSAS
Noxious Weed Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 12,220	**12,975**	13,035	(60)
Motor Vehicle	1,572	**1,578**	1,237	341
Delinquent	7	**2**	120	(118)
Neighborhood Revitalization Rebate	(527)	**(463)**	(473)	10
Interest Income	335	**-**	30	(30)
Reimbursed Expenses	-	**6,550**	-	6,550
Miscellaneous	-	**-**	30	(30)
Total Receipts	13,607	**20,642**	13,979	6,663
Expenditures				
Contractual Services	3,689	**745**	5,350	(4,605)
Commodities	9,173	**9,477**	14,700	(5,223)
Transfers Out	5,000	**5,000**	5,000	-
Cash Forward	-	**-**	4,173	(4,173)
Total Expenditures	17,862	**15,222**	29,223	(14,001)
Receipts Over (Under) Expenditures	(4,255)	**5,420**		
Unencumbered Cash - Beginning	25,988	**21,733**		
Unencumbered Cash - Ending	$ 21,733	**27,153**		

CITY OF PRATT, KANSAS
Tort Liability Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 39	**17**	-	17
Motor Vehicle	-	**2**	-	2
Interest Income	3,905	**-**	-	-
Insurance	52,169	**-**	-	-
Total Receipts	56,113	**19**	-	19
Expenditures				
Contractual Services	-	**-**	300,000	(300,000)
Cash Forward	-	**-**	40,000	(40,000)
Total Expenditures	-	**-**	340,000	(340,000)
Receipts Over (Under) Expenditures	56,113	**19**		
Unencumbered Cash - Beginning	349,944	**406,057**		
Unencumbered Cash - Ending	$ 406,057	**406,076**		

CITY OF PRATT, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Gasoline Tax	$ 177,774	**177,694**	175,770	1,924
Sales Tax	558,657	**578,746**	458,000	120,746
State and Federal Aid	110,979	**83,898**	-	83,898
Interest Income	3,440	**-**	1,000	(1,000)
Reimbursed Expenses and Sale of Property	3,300	**33,073**	130,000	(96,927)
Total Receipts	854,150	**873,411**	764,770	108,641
Expenditures				
Personnel Services	155,719	**61,836**	218,489	(156,653)
Contractual Services	78,286	**77,688**	97,500	(19,812)
Commodities	221,191	**201,074**	202,500	(1,426)
Capital Outlay	368,336	**529,634**	311,944	217,690
Lease Payments	27,555	**27,555**	27,555	-
Transfers Out	36,995	**40,138**	81,500	(41,362)
Total Expenditures	888,082	**937,925**	939,488	(1,563)
Receipts Over (Under) Expenditures	(33,932)	**(64,514)**		
Unencumbered Cash - Beginning	255,134	**221,202**		
Unencumbered Cash - Ending	$ 221,202	**156,688**		

CITY OF PRATT, KANSAS
Convention and Tourism Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Transient Guest Tax	$ 451,331	**449,458**	380,000	69,458
City Concert Revenue	1,243	**53,065**	-	53,065
Reimbursed Expenses	-	**-**	10,000	(10,000)
Donations	-	**1,020**	-	1,020
Interest Income	9,079	**-**	500	(500)
Total Receipts	461,653	**503,543**	390,500	113,043
Expenditures				
Personal Services	53,341	**127,640**	146,055	(18,415)
Contractual Services	212,078	**252,649**	212,000	40,649
Commodities	10,486	**18,128**	25,500	(7,372)
Capital Outlay	91,707	**99,369**	50,000	49,369
Contingency	-	**-**	10,000	(10,000)
Transfers Out	-	**29,176**	-	29,176
Cash Forward	-	**-**	147,616	(147,616)
Total Expenditures	367,612	**526,962**	591,171	(64,209)
Receipts Over (Under) Expenditures	94,041	**(23,419)**		
Unencumbered Cash - Beginning	231,882	**329,323**		
Prior Year Cancelled Encumbrances	3,400	**-**		
Unencumbered Cash - Ending	$ 329,323	**305,904**		

Schedule 2-8

CITY OF PRATT, KANSAS
Fire Fighting Equipment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 47,990	**51,169**	51,726	(557)
Motor Vehicle	6,192	**6,259**	4,910	1,349
Delinquent	14	**4**	-	4
Neighborhood Revitalization Rebate	(2,091)	**(1,836)**	(1,878)	42
Lease Proceeds	-	**714,915**	-	714,915
Interest Income	619	**-**	-	-
Total Receipts	52,724	**770,511**	54,758	715,753
Expenditures				
Transfers Out	42,500	**42,500**	42,500	-
Contractual Services	-	**3,732**	-	3,732
Capital Outlay	-	**714,915**	-	714,915
Cash Forward	-	-	59,256	(59,256)
(a) Adjustment for Qualifying Budget Credit	-	**-**	714,915	(714,915)
Total Expenditures	42,500	**761,147**	816,671	(55,524)
Receipts Over (Under) Expenditures	10,224	**9,364**		
Unencumbered Cash - Beginning	37,365	**47,589**		
Unencumbered Cash - Ending	$ 47,589	**56,953**		

(a) Adjustment for Qualifying Budget Credit
Lease Proceeds Over Amount Budgeted $ 714,915

CITY OF PRATT, KANSAS
Police 911 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Interest Income	$ 126	**113**	-	113
Reimbursed Expenses	4,680	**-**	-	-
Miscellaneous	-	**90**	-	90
911 Distributions	86,522	**85,281**	78,000	7,281
Total Receipts	91,328	**85,484**	78,000	7,484
Expenditures				
Contractual Services	49,570	**95,080**	25,000	70,080
Commodities	16,803	**40,460**	35,000	5,460
Capital Outlay	51,720	**8,600**	60,000	(51,400)
Cash Forward	-	**-**	26,473	(26,473)
Total Expenditures	118,093	**144,140**	146,473	(2,333)
Receipts Over (Under) Expenditures	(26,765)	**(58,656)**		
Unencumbered Cash - Beginning	110,473	**83,708**		
Unencumbered Cash - Ending	$ 83,708	**25,052**		

CITY OF PRATT, KANSAS
Special Police Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Vehicle Inspection Fees	$ 8,160	**10,250**	10,000	250
Opioid Settlement	20,089	**9,464**	20,000	(10,536)
Federal Aid	12,424	**-**	-	-
Donations	750	**-**	-	-
Miscellaneous	4,465	**3,612**	-	3,612
Interest Income	2,609	**147**	-	147
Total Receipts	48,497	**23,473**	30,000	(6,527)
Expenditures				
Contractual Services	782	**-**	-	-
Commodities	-	**10,000**	-	10,000
Capital Outlay	-	**18,050**	20,000	(1,950)
Opioid Abatement	-	**-**	20,000	(20,000)
Cash Forward	-	**-**	208,196	(208,196)
Total Expenditures	782	**28,050**	248,196	(220,146)
Receipts Over (Under) Expenditures	47,715	**(4,577)**		
Unencumbered Cash - Beginning	228,196	**275,911**		
Unencumbered Cash - Ending	$ 275,911	**271,334**		

Schedule 2-11

CITY OF PRATT, KANSAS
Employees Health Insurance Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Miscellaneous	$ -	**2,160**	-	2,160
Expenditures				
Cash Forward	-	**-**	5,315	(5,315)
Receipts Over (Under) Expenditures	-	**2,160**		
Unencumbered Cash - Beginning	5,315	**5,315**		
Unencumbered Cash - Ending	$ 5,315	**7,475**		

CITY OF PRATT, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Alcohol Liquor Tax	$ 21,362	**16,218**	23,360	(7,142)
Donations	-	**-**	20,000	(20,000)
Interest Income	858	**-**	200	(200)
Total Receipts	22,220	**16,218**	43,560	(27,342)
Expenditures				
Capital Outlay	-	**26,560**	8,224	18,336
Cash Forward	-	**-**	116,335	(116,335)
Total Expenditures	-	**26,560**	124,559	(97,999)
Receipts Over (Under) Expenditures	22,220	**(10,342)**		
Unencumbered Cash - Beginning	74,929	**97,149**		
Unencumbered Cash - Ending	$ 97,149	**86,807**		

CITY OF PRATT, KANSAS
Special Alcohol Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Alcohol Liquor Tax	$ 21,362	**16,218**	23,360	(7,142)
Interest Income	737	**-**	-	-
Total Receipts	22,099	**16,218**	23,360	(7,142)
Expenditures				
Program Distributions	-	**33,700**	-	33,700
Cash Forward	-	**-**	86,570	(86,570)
Total Expenditures	-	**33,700**	86,570	(52,870)
Receipts Over (Under) Expenditures	22,099	**(17,482)**		
Unencumbered Cash - Beginning	64,116	**86,215**		
Unencumbered Cash - Ending	$ 86,215	**68,733**		

CITY OF PRATT, KANSAS
Capital Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Interest Income	$ 23,077	**-**
Transfers In	821,731	**1,161,803**
Total Receipts	844,808	**1,161,803**
Expenditures		
Capital Outlay	478,987	**967,642**
Transfers Out	-	**95,000**
Total Expenditures	478,987	**1,062,642**
Receipts Over (Under) Expenditures	365,821	**99,161**
Unencumbered Cash - Beginning	1,898,791	**2,264,612**
Prior Year Cancelled Encumbrances	-	**6,779**
Unencumbered Cash - Ending	$ 2,264,612	**2,370,552**

CITY OF PRATT, KANSAS
Special Street Reserves Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Interest Income	$ 2,574	**-**
Expenditures		
Capital Outlay	167,799	**8,000**
Receipts Over (Under) Expenditures	(165,225)	**(8,000)**
Unencumbered Cash - Beginning	230,001	**64,776**
Unencumbered Cash - Ending	$ 64,776	**56,776**

Schedule 2-16

CITY OF PRATT, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest Income	$	13,781	**-**
Transfers In		736,000	**2,059,000**
Total Receipts		749,781	**2,059,000**
Expenditures			
Capital Outlay		400,448	**1,042,606**
Receipts Over (Under) Expenditures		349,333	**1,016,394**
Unencumbered Cash - Beginning		1,175,810	**1,525,143**
Unencumbered Cash - Ending	$	1,525,143	**2,541,537**

CITY OF PRATT, KANSAS
Fire Fighting Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest Income	$	373	**-**
Transfers In		42,500	**42,500**
Total Receipts		42,873	**42,500**
Expenditures			
Capital Outlay		37,065	**-**
Receipts Over (Under) Expenditures		5,808	**42,500**
Unencumbered Cash - Beginning		33,466	**39,274**
Unencumbered Cash - Ending	$	39,274	**81,774**

CITY OF PRATT, KANSAS
ARPA Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest Income	$	1,080	**-**
Expenditures			
Personal Services		501,224	**-**
Commodities		56,419	**-**
Capital Outlay		23,573	**-**
Contractual Services		568	**-**
Transfers Out		2,740	**19**
Total Expenditures		584,524	**19**
Receipts Over (Under) Expenditures		(583,444)	**(19)**
Unencumbered Cash - Beginning		583,463	**19**
Unencumbered Cash - Ending	$	19	**-**

CITY OF PRATT, KANSAS
Federal and State Grants Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Federal Aid	$ -	**52,287**
Donations	-	**350,000**
Total Receipts	**-**	**402,287**
Expenditures		
Contractual Services	-	**21,258**
Capital Outlay	36,161	**353,334**
Total Expenditures	36,161	**374,592**
Receipts Over (Under) Expenditures	(36,161)	**27,695**
Unencumbered Cash - Beginning	-	**(36,161)**
Unencumbered Cash - Ending	$ (36,161)	**(8,466)**

CITY OF PRATT, KANSAS
Point Pavilion Project Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Actual**
Receipts		
Donations	$ -	**289,040**
Transfers In	-	**29,176**
Total Receipts	-	**318,216**
Expenditures		
Contractual Services	-	**390,197**
Receipts Over (Under) Expenditures	-	**(71,981)**
Unencumbered Cash - Beginning	-	**-**
Unencumbered Cash - Ending	$ -	**(71,981)**

CITY OF PRATT, KANSAS
Pool Project Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Interest	$ 53,388	**-**	-	-
Donations	2,899,254	**-**	1,500,000	(1,500,000)
Total Receipts	2,952,642	**-**	1,500,000	(1,500,000)
Expenditures				
Principal	1,340,000	**1,385,000**	1,385,000	-
Interest	128,495	**86,955**	86,955	-
Commodities	-	**-**	11,320	(11,320)
Transfers Out	240,000	**-**	-	-
Cash Forward	-	**-**	1,644,161	(1,644,161)
Total Expenditures	1,708,495	**1,471,955**	3,127,436	(1,655,481)
Receipts Over (Under) Expenditures	1,244,147	**(1,471,955)**		
Unencumbered Cash - Beginning	1,607,251	**2,909,262**		
Prior Year Cancelled Encumbrances	57,864	**-**		
Unencumbered Cash - Ending	$ 2,909,262	**1,437,307**		

CITY OF PRATT, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 1,142	**483**	-	483
Delinquent	18	**1**	-	1
Motor Vehicle	2,621	**106**	-	106
Interest Income	78	**-**	-	-
Total Receipts	3,859	**590**	-	590
Expenditures				
Transfers Out	-	**2,186**	2,186	-
Receipts Over (Under) Expenditures	3,859	**(1,596)**		
Unencumbered Cash - Beginning	6,333	**10,192**		
Unencumbered Cash - Ending	$ 10,192	**8,596**		

CITY OF PRATT, KANSAS
Electric Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Electric Use Charges	$ 12,689,429	**12,743,127**	13,700,000	(956,873)
Service Fees	1,040	**815**	5,000	(4,185)
Interest Income	37,467	**-**	2,000	(2,000)
Sale of Property	323,766	**292,264**	230,000	62,264
Federal Aid	138,878	**-**	-	-
Miscellaneous Income	222,074	**86,465**	10,000	76,465
Reimbursed Expenses	7,237	**61,689**	20,000	41,689
Total Receipts	13,419,891	**13,184,360**	13,967,000	(782,640)
Expenditures				
Management	205,388	**197,794**	214,989	(17,195)
Production	6,825,545	**5,863,749**	10,191,891	(4,328,142)
Distribution	1,335,156	**1,515,375**	2,147,950	(632,575)
Miscellaneous	-	**-**	20,000	(20,000)
Lease and Loan Payments	32,595	**312,978**	327,061	(14,083)
Transfers Out	2,128,500	**3,309,500**	1,720,000	1,589,500
Cash Forward	-	**-**	2,211,345	(2,211,345)
Total Expenditures	10,527,184	**11,199,396**	16,833,236	(5,633,840)
Receipts Over (Under) Expenditures	2,892,707	**1,984,964**		
Unencumbered Cash - Beginning	2,831,467	**5,724,174**		
Prior Year Cancelled Encumbrance	-	**9,471**		
Unencumbered Cash - Ending	$ 5,724,174	**7,718,609**		

CITY OF PRATT, KANSAS
Sanitation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Refuse Charges	$ 1,337,687	**1,399,175**	1,365,000	34,175
Interest Income	3,548	**-**	700	(700)
Lease Proceeds	202,050	**542**	-	542
Miscellaneous Income	2,537	**-**	-	-
Total Receipts	1,545,822	**1,399,717**	1,365,700	34,017
Expenditures				
Personal Services	530,004	**556,715**	550,000	6,715
Contractual Services	358,543	**380,778**	370,425	10,353
Commodities	85,316	**90,438**	90,500	(62)
Capital Outlay	39,982	**15,722**	10,900	4,822
Lease Payment	31,728	**77,580**	31,728	45,852
Transfers Out	350,000	**215,000**	215,000	-
Cash Forward	-	**-**	292,024	(292,024)
Total Expenditures	1,395,573	**1,336,233**	1,560,577	(224,344)
Receipts Over (Under) Expenditures	150,249	**63,484**		
Unencumbered Cash - Beginning	191,594	**341,843**		
Unencumbered Cash - Ending	$ 341,843	**405,327**		

CITY OF PRATT, KANSAS
Wastewater Treatment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Sewer Service Charges	$ 991,560	**1,037,284**	1,008,000	29,284
Storm Water Fees	40,421	**40,381**	34,000	6,381
Interest Income	3,030	**-**	-	-
Miscellaneous Income	5,209	**2,751**	-	2,751
Total Receipts	1,040,220	**1,080,416**	1,042,000	38,416
Expenditures				
Personal Services	408,018	**400,110**	429,057	(28,947)
Contractual Services	183,055	**195,478**	187,300	8,178
Commodities	137,994	**138,578**	149,600	(11,022)
Capital Outlay	220	**12,578**	51,000	(38,422)
Contingencies	-	**-**	15,000	(15,000)
Principal Payments	149,595	**153,283**	149,595	3,688
Interest Payments	29,885	**26,574**	30,261	(3,687)
Service Fees	3,396	**3,020**	3,020	-
Transfers Out	130,000	**155,000**	155,000	-
Cash Forward	-	**-**	1,783	(1,783)
Total Expenditures	1,042,163	**1,084,621**	1,171,616	(86,995)
Receipts Over (Under) Expenditures	(1,943)	**(4,205)**		
Unencumbered Cash - Beginning	263,124	**261,181**		
Unencumbered Cash - Ending	$ 261,181	**256,976**		

CITY OF PRATT, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Water Sales	$ 1,335,745	**1,541,849**	1,455,000	86,849
State Water Tax	14,512	**13,165**	10,000	3,165
Interest Income	2,901	**-**	200	(200)
Sale of Assets	-	**-**	1,000	(1,000)
KDHE Loan Proceeds	32,503	**156,856**	-	156,856
Miscellaneous Charges	25,414	**20,100**	1,000	19,100
Reimbursed Expenses	4,156	**365,158**	20,000	345,158
Total Receipts	1,415,231	**2,097,128**	1,487,200	609,928
Expenditures				
Personal Services	554,526	**566,253**	538,739	27,514
Contractual Services	161,739	**381,199**	168,800	212,399
Commodities	91,781	**94,579**	121,500	(26,921)
Capital Outlay	270,507	**275,362**	370,316	(94,954)
Principal Payments	92,197	**95,013**	95,013	-
Interest Payments	32,934	**30,443**	35,163	(4,720)
Service Fees	5,046	**4,946**	5,361	(415)
Contingencies	-	**-**	80,000	(80,000)
Transfers Out	100,000	**211,165**	100,000	111,165
Cash Forward	-	**-**	255,555	(255,555)
Total Expenditures	1,308,730	**1,658,960**	1,770,447	(111,487)
Receipts Over (Under) Expenditures	106,501	**438,168**		
Unencumbered Cash - Beginning	228,883	**335,384**		
Unencumbered Cash - Ending	$ 335,384	**773,552**		

CITY OF PRATT, KANSAS
Electric Maintenance Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Interest Income	$ 3,038	**-**
Transfers In	50,000	**50,000**
Total Receipts	53,038	**50,000**
Expenditures	-	**-**
Receipts Over (Under) Expenditures	53,038	**50,000**
Unencumbered Cash - Beginning	266,776	**319,814**
Unencumbered Cash - Ending	$ 319,814	**369,814**

CITY OF PRATT, KANSAS
Electric Debt Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Interest Income	$ 408	-	-	-
Expenditures	-	-	-	-
Receipts Over (Under) Expenditures	408	-		
Unencumbered Cash - Beginning	36,548	**36,956**		
Unencumbered Cash - Ending	$ 36,956	**36,956**		

CITY OF PRATT, KANSAS
Wastewater Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Interest Income	$ 39	**-**
Expenditures	-	**-**
Receipts Over (Under) Expenditures	39	**-**
Unencumbered Cash - Beginning	3,506	**3,545**
Unencumbered Cash - Ending	$ 3,545	**3,545**

CITY OF PRATT, KANSAS
Water Debt Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Interest Income	$ 66	-	-	-
Expenditures	-	-	-	-
Receipts Over (Under) Expenditures	66	-		
Unencumbered Cash - Beginning	5,841	5,907		
Unencumbered Cash - Ending	$ 5,907	5,907		

CITY OF PRATT, KANSAS
Water Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Prior Year Actual	**Current Year Actual**
Receipts		
Interest Income	$ 1,682	**-**
Expenditures	-	**-**
Receipts Over (Under) Expenditures	1,682	**-**
Unencumbered Cash - Beginning	150,718	**152,400**
Unencumbered Cash - Ending	$ 152,400	**152,400**

CITY OF PRATT, KANSAS
Water Debt Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest Income	$	61	**-**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		61	**-**
Unencumbered Cash - Beginning		5,477	**5,538**
Unencumbered Cash - Ending	$	5,538	**5,538**

Schedule 2-33

CITY OF PRATT, KANSAS
Park Improvement Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Donations	$	40,746	**7,872**
Interest Income		299	**-**
Total Receipts		41,045	**7,872**
Expenditures			
Capital Outlay		36,477	**-**
Receipts Over (Under) Expenditures		4,568	**7,872**
Unencumbered Cash - Beginning		20,649	**25,217**
Unencumbered Cash - Ending	$	25,217	**33,089**

CITY OF PRATT, KANSAS
Cemetery Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest Income	$	25,374	**23,100**
Donations		300	**565**
Total Receipts		25,674	**23,665**
Expenditures			
Capital Outlay		-	**33,476**
Receipts Over (Under) Expenditures		25,674	**(9,811)**
Unencumbered Cash - Beginning		377,655	**403,329**
Unencumbered Cash - Ending	$	403,329	**393,518**

CITY OF PRATT, KANSAS
Recreation Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Tournament Income	$	40,390	**63,853**
Donations		250	**-**
Interest Income		245	**-**
Total Receipts		40,885	**63,853**
Expenditures			
Commodities		65,872	**16,276**
Receipts Over (Under) Expenditures		(24,987)	**47,577**
Unencumbered Cash - Beginning		69,245	**44,258**
Unencumbered Cash - Ending	$	44,258	**91,835**

CITY OF PRATT, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

Fund		Beginning Cash Balance	Receipts	Disbursements	**Ending Cash Balance**
Sales Tax	$	28,186	462,030	445,602	**44,614**
Customer Deposits		168,493	78,398	80,149	**166,742**
Total	$	196,679	540,428	525,751	**211,356**

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APPENDIX D

SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions and covenants contained in the Ordinance and Bond Resolution authorizing the Series 2026 Bonds. Such summary does not purport to be complete and is qualified in its entirety by reference to 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 following meanings:

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq*. and K.S.A. 10-1201 *et seq.,* all as amended and supplemented from time to time.

"Additional Bonds" means any bonds secured by the Revenues hereafter issued pursuant to the Bond Resolution.

"Additional Obligations" means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

"AG" means Assured Guaranty Inc., a Maryland domiciled financial guaranty insurance company, or any successor thereto.

"Balloon Indebtedness" means Long-Term Indebtedness, 25% or more of the original principal amount of which becomes due (either by maturity or mandatory redemption) during any consecutive twelve-month period, if such principal amount becoming due is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period.

"Beneficial Owner" of Bonds includes any Owner of Bonds and any other Person who, directly or indirectly has the investment power with respect to any such 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 Insurance Policy" means (a) with respect to the Series 2026 Bonds, the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2026 Bonds when due; and (b) with respect to Additional Bonds, the municipal bond insurance policy, financial guaranty bond or financial guaranty insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

"Bond Insurer" means (a) with respect to the Series 2026 Bonds, AG; and (b) with respect to Additional Bonds, the entity set forth in the supplemental resolution authorizing such Additional Bonds.

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

"Bond Purchase Agreement" means: (a) with respect to the Series 2026 Bonds, the Bond Purchase Agreement dated as of __________, 2026 between the Issuer and the Purchaser; and (b) with respect to Additional Bonds, the Bond Purchase Agreement between the Issuer and the Purchaser of such Additional Bonds.

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

"Bond Registrar" means: (a) with respect to the Series 2026 Bonds, the State Treasurer, Topeka, Kansas, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Bond Registrar in the supplemental resolution authorizing such Additional Bonds.

“Bond Resolution” means the Bond Resolution relating to the Series 2026 Bonds and any supplemental resolution authorizing any Additional Bonds.

“Bonds” means the Series 2026 Bonds and any Additional Bonds.

“**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 Pratt, Kansas.

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

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

“Consultant” means the Consulting Engineer selected by the Issuer and acceptable to the Bond Insurer for the purpose of carrying out the duties imposed on the Consultant by the Bond Resolution.

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

“Costs of Issuance” means all costs of issuing any series of Bonds, including 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 financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

“Costs of Issuance Account” means the Costs of Issuance Account for Electric Utility System Revenue Bonds, Series 2026.

“Debt Service Account” means the Debt Service Account for Electric Utility System Revenue Bonds, Series 2026.

“Debt Service Coverage Ratio” means, for any Fiscal Year: (a) with respect to the rate covenants, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year; and (b) with respect to Additional Bonds and Additional Obligations, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the average annual Debt Service Requirements on all System Indebtedness; provided that with respect to Additional Bonds that are proposed to be Parity Bonds, Debt Service Requirements on Junior Lien Obligations and Subordinate Lien Bonds shall be disregarded; further provided that with respect to Additional Bonds that are proposed to be Junior Lien Obligations, Debt Service Requirements on Subordinate Lien Bonds shall be disregarded. In addition, the Issuer shall include in the calculation of the denominator described in (a)(ii) or (b)(ii) hereof an amount equal to the Policy Costs then due and owing to AG pursuant to the Reserve Policy for the Series 2026 Bonds during the respective time period.

“Debt Service Requirement” 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.

“Debt Service Reserve Account” means the Debt Service Reserve Account for Electric Utility System Parity Bonds created by the Bond Resolution.

"Debt Service Reserve Requirement" means collectively the Debt Service Reserve Requirement-2026 and any debt service reserve requirement for any subsequent series of Parity Bonds. When calculating the Debt Service Reserve Requirement in conjunction with the issuance of the Refunding Bonds as described in the Bond Resolution, the principal amount of the refunded bonds shall be deducted from said calculations.

"Debt Service Reserve Requirement-2026" means the amount (determined as of the Issue Date of the Series 2026 Bonds) equal to the least of: (a) the aggregate of 10% of the original stated principal amount of the Series 2026 Bonds, (b) the Maximum Annual Debt Service for the Series 2026 Bonds during any Fiscal Year, or (c) 125% of the average annual Debt Service Requirements for the Series 2026 Bonds over the term of the Series 2026 Bonds. If the aggregate initial offering price to the public of the Series 2026 Bonds is less than 98% or more than 102% of par, such offering price shall be used in clause (a) in lieu of the stated principal amount.

"Debt Service Reserve Subaccount-2026" means the Debt Service Reserve Subaccount for the Series 2026 Bonds created within the Debt Service Reserve Account.

"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) Cash; or

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

(c) evidences of ownership of proportionate interests in future interest and principal payments on United States Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;

(d) subject to the prior written consent of the Bond Insurer with respect to the defeasance of Insured Bonds, 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 the then highest rating category by S&P and Moody's for such 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 Issue Date of any series of Bonds relating to certain obligations contained in the SEC Rule.

“Discount Indebtedness” means Long-Term Indebtedness that is originally sold at a price (excluding accrued interest, but without deduction of any underwriters' discount) of less than 75% of the maturity amount including the amount of principal and interest to accrete at maturity of such Long-Term Indebtedness.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“Electric Reserve Fund” means the Electric Reserve Fund referred to in the Bond Resolution.

“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; or

(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 for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) Any substantial part of the System shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Net Revenues and the Issuer shall not within a reasonable time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Issuer as a result of the ownership, control or operation of the System and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the System or any part thereof or of the revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Net Revenues; or

(h) 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) on the part of the Issuer to be performed, and such default shall continue for nor more than thirty (30) days, unless the Bond Insurer consents to a longer period, 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; or

(i) A monetary default shall have occurred on any System Indebtedness.

“Expenses” means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Indebtedness and depreciation and amortization charges during the period of determination), determined in accordance with standard accounting practices, as applicable to the operation of municipal utilities, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, paying agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, for System operation, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the Issuer not related to the operation of the System and transfers into the Debt Service Reserve Account provided for in the Bond Resolution.

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

"Financeable Costs" means the amount of expenditure for a Project which has been duly authorized by action of the governing body of the Issuer to be financed by System Indebtedness, less: (a) the amount of any System Indebtedness of the Issuer which is currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

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

"Funds and Accounts" means funds and accounts created pursuant to 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.

"Index Rate" means the rate of interest set forth in *The Bond Buyer* Revenue Bond Index (or, in the event that *The Bond Buyer* does not compile such index or ceases publication, another comparable publication recognized in the municipal bond market) published for the week immediately preceding the date of determination.

"Insolvency Proceeding" means any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

"Insurance Agreement" means the Insurance Agreement relating to the Series 2026 Bonds executed by the Bond Insurer and the Issuer in connection with the Reserve Policy.

"Insured Bonds" means any Series of Bonds insured by a Bond Insurer.

"Insurer's Fiscal Agent" means (a) with respect to the Series 2026 Bonds, the agent designated by the Bond Insurer for purposes of the Bond Insurance Policy; and (b) with respect to Additional Bonds, the entity set forth in the supplemental resolution authorizing such Additional Bonds.

"Interest Payment Date(s)" means: (a) with respect to the Series 2026 Bonds, the Stated Maturity of an installment of interest on the Series 2026 Bonds which shall be May 1 and November 1 of each year, commencing May 1, 2027; and (b) with respect to Additional Bonds, the Stated Maturity of an installment of interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

"Interim Indebtedness" means System Indebtedness having a term not less than one year, and not in excess of five years, incurred or assumed in anticipation of being refinanced or refunded with Long-Term Indebtedness.

"Issue Date" means the date when the Issuer delivers any series of Bonds to the Purchaser in exchange for the Purchase Price.

"Issuer" means the City and any successors or assigns.

"Junior Lien Obligations" means any Additional Bonds or Additional Obligations payable from, and secured by a lien on the Revenues, which lien is junior to that of any Parity Bonds, but senior to that of the Subordinate Lien Bonds.

"Late Payment Rate" means (1) with respect to the Bond Insurance Policy, the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then-applicable highest rate of interest on the Insured Bonds; and (b) the maximum rate permissible under K.S.A. 10-1009; or (2) with respect to the provisions relating to the Reserve Policy for the Series 2026 Bonds, an amount equal to the lesser of: (a) the greater of (i) the Prime Rate (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds; and (b) the maximum rate permissible under K.S.A. 10-1009.

"Long-Term Indebtedness" means System Indebtedness having an original stated maturity or term greater than one year, or renewable or extendible at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

"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 herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

"Maximum Annual Debt Service" means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Parity Bonds shall be reduced by the value of cash and Permitted Investments on deposit in the respective debt service reserve subaccount for such Parity Bonds in the Debt Service Reserve Account, so long as such debt service reserve subaccount is maintained at the respective Debt Service Reserve Requirement.

"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 with notice to the Bond Insurer.

"Net Revenues" means, for the period of determination, all Revenues less all Expenses.

"Official Statement" means Issuer's Official Statement relating to the Series 2026 Bonds.

"Operation and Maintenance Account" means, jointly, the various accounts existing now or in the future within the Electric Utility Fund, from which Expenses are paid, referenced by the Bond Resolution.

"Ordinance" means the Ordinance of the Issuer authorizing the issuance of the Series 2026 Bonds, as amended from time to time.

"Outstanding" means, when used with reference to 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 pursuant to the Bond Resolution;

(b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution;

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Bond Resolution; and

(d) Bonds, the principal or interest of which has been paid by the Bond Insurer.

"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.

"Parity Bonds" means the Outstanding Series 2026 Bonds, and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2026 Bonds with respect to the Net Revenues.

"Parity Obligations" means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

"Parity Resolution" means the Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

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"Paying Agent" means: (a) with respect to the Series 2026 Bonds, the State Treasurer, Topeka, Kansas, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Bonds.

"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; (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); or (m) other investment obligations authorized by the laws of the State and approved in writing by the Bond Insurer, 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.

"Policy Costs" means the draws and payment of expenses and accrued interest thereon at the Late Payment Rate related to the Reserve Policy.

"Project" shall mean the repairs, alterations, extensions, reconstructions, enlargements or improvements to the System referred to in the preamble to the Ordinance, and any Substitute Project.

"Project Fund" means the Project Fund for Electric Utility System Revenue Bonds, Series 2026.

"Purchaser" means the financial institution or investment banking firm that is original purchaser of any series of Bonds.

"Put Indebtedness" means Long-Term Indebtedness which is (a) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, at the option of the holder thereof, prior to its stated maturity date, or (b) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, other than at the option of the holder, prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, or other than by reason of acceleration upon the occurrence of an Event of Default under the Bond Resolution.

"Qualified Reserve Facility" means with respect to any Bonds or Series of Bonds, a letter of credit, surety bond or similar instrument issued by a bank, insurance company or other financial institution with a credit rating, at the time of delivery, in one of the ***two*** highest long-term Rating Categories (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise) by any nationally recognized rating service at the time the Qualified Reserve Facility is delivered, for the purpose of satisfying all or any portion of the Debt Service Reserve Requirement attributable to such Series of Bonds. Notwithstanding anything to the contrary herein, with respect to the Series 2026 Bonds, the reserve insurance policy issued by AG pursuant to the Reserve Policy is a Qualified Reserve Facility.

"Rating Agency" means any company, agency or entity that provides financial ratings for the Bonds.

"Rating Category" means a generic securities rating category assigned by a Rating Agency, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

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

"Redemption Price" when used with respect to any Bond to be redeemed means 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.

"Reserve Policy" means, with respect to the Series 2026 Bonds, the Municipal Bond Debt Service Reserve Insurance Policy, dated as of the Issue Date of the Series 2026 Bonds, between the Issuer and the Bond Insurer relating to the issuance and delivery of the Qualified Reserve Facility for the Debt Service Reserve Subaccount-2026.

"Restricted Debt Service Coverage Ratio" means, for any Fiscal Year (a) with respect to rate covenants, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year, less Net Revenues derived in prior Fiscal Years which comprise fund balances in the Electric Reserve Fund and Revenue Fund, by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year; and (b) with respect to Additional Bonds and Additional Obligations covenants, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year, less Net Revenues derived in prior Fiscal Years which comprise fund balances in the Electric Reserve Fund and Revenue Fund, by (ii) a denominator equal to the average annual Debt Service Requirements on all System Indebtedness; provided that with respect to Additional Bonds that are proposed to be Parity Bonds, Debt Service Requirements on Junior Lien Obligations and Subordinate Lien Bonds shall be disregarded; further provided that with respect to Additional Bonds that are proposed to be Junior Lien Obligations, Debt Service Requirements on Subordinate Lien Bonds shall be disregarded.

"Revenue Fund" means the Electric Utility Fund.

"Revenues" means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, Net Revenues derived in prior Fiscal Years which comprise fund balances in the Electric Reserve Fund and Revenue Fund, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

"SEC Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

"Securities Depository" means, initially, DTC, and its successors and assigns.

"Series 2026 Bonds" means the Issuer's Electric Utility System Revenue Bonds, Series 2026, authorized and issued by the Issuer pursuant to the Ordinance and the Bond Resolution.

[**"Series 2026-20__ Term Bonds"** means the Series 2026 Bonds scheduled to mature in the year 20__.

"Series 2026-20__ Term Bonds" means the Series 2026 Bonds scheduled to mature in the year 20___.

"Series 2026-20__ Term Bonds" means the Series 2026 Bonds scheduled to mature in the year 20__.]

"Short-Term Indebtedness" means System Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

"Standard & Poor's" means S&P Global Ratings, a division of S&P Global Inc., New York, New York, 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 with notice to the Bond Insurer.

"State" means the State of Kansas.

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

"Stated Maturity" when used with respect to any 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.

"Subordinate Lien Bonds" means any Additional Bonds or Additional Obligations payable from the Revenues and issued on a subordinate lien basis to any Parity Bonds and Junior Lien Obligations, and which constitute general obligations of the Issuer.

"**Substitute Project**" means a substitute or additional project of the System authorized in the manner set forth in the Bond Resolution.

"System" means the electric generating plants and all appurtenances thereto, the electric distribution system, and the electric street lighting system, now serving the Issuer and its inhabitants and others, together with all extensions and improvements thereto hereafter made or acquired by the Issuer.

"System Indebtedness" means collectively the Bonds and any Additional Obligations which are payable out of, or secured by an interest in, the Revenues.

"Term Bonds" means any Bonds designated as Term Bonds in the Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

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

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

"Variable Rate Indebtedness" means any System Indebtedness which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such System Indebtedness.

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

Creation of Funds and Accounts. The Bond Resolution establishes within the treasury of the City the following Funds and Accounts:

(a) Project Fund for Electric Utility System Revenue Bonds, Series 2026, created in the Electric Utility Fund.
(b) Debt Service Account for Electric Utility System Revenue Bonds, Series 2026, created in the Electric Utility Fund.
(c) Costs of Issuance Account for Electric Utility System Revenue Bonds, Series 2026, created in the Electric Utility Fund.
(d) Debt Service Reserve Account for Electric Utility System Parity Bonds, created in the Electric Utility Fund.
(e) Debt Service Reserve Subaccount for Electric Utility System Revenue Bonds, Series 2026.

The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed: Electric Utility Fund (referred to herein as the Revenue Fund), Electric Reserve Fund and the various accounts, now or hereafter existing, in the Electric Utility Fund, from which Expenses of the System (including separate accounts for Commercial, Distribution and Production departments) are paid, which accounts are jointly referred to herein as the Operation and Maintenance Account.

The Funds and Accounts established and ratified herein shall be administered in accordance with the provisions of the Bond Resolution so long as the Series 2026 Bonds are Outstanding.

Deposit of Series 2026 Bond Proceeds and Other Moneys. The net proceeds received from the sale of the Series 2026 Bonds and certain other moneys shall be deposited simultaneously with the delivery of the Series 2026 Bonds as follows:

(a) All accrued interest received from the sale of the Series 2026 Bonds shall be deposited in the Debt Service Account.
(b) An amount to pay Costs of Issuance shall be deposited in the Costs of Issuance Account.
(c) An amount equal to the premium for the Qualified Reserve Facility issued in an amount equal to the Debt Service Reserve Requirement- 2026 shall be deposited in the Debt Service Reserve Subaccount-2026.

(d) The remaining balance of the proceeds derived from the sale of the Series 2026 Bonds shall be deposited in the Project Fund.

Application of Moneys in the Project Fund. Moneys in the Project Fund shall be used for the sole purpose of paying the costs of the Project, as approved by the governing body of the Issuer.

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

Substitute Project; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other System improvements to be financed with proceeds of the Series 2026 Bonds provided the following conditions are met: (a) the Substitute Project and the issuance of Bonds to pay the cost of the Substitute Project has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Series 2026 Bonds to pay the Financeable Costs of the Substitute Project has been duly adopted by the governing body of the Issuer pursuant to this Section; and (c) the use of the proceeds of the Series 2026 Bonds to pay the Financeable Cost of the Substitute Project will not adversely affect the tax status of the Series 2026 Bonds under State or federal law.

The Issuer may reallocate expenditure of Series 2026 Bond proceeds among all Projects financed by the Series 2026 Bonds; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Series 2026 Bonds allocated to any Project to exceed the Financeable Costs of the Project; and (c) the reallocation will not adversely affect the tax-exempt status of the Series 2026 Bonds under State or federal law.

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than 30 days prior to the first Stated Maturity of principal shall be transferred to the Debt Service Account.

COLLECTION AND APPLICATION OF REVENUES

Revenue Fund. The Issuer covenants and agrees that from and after the delivery of the Series 2026 Bonds, and continuing as long as any of the Bonds remain Outstanding, all of the Revenues shall as and when received be paid and deposited into the Revenue Fund. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, Funds and Accounts of the Issuer and shall not be commingled with any other moneys, revenues, Funds and Accounts of the Issuer. On the first day of each month the Issuer shall administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) ***Operation and Maintenance Account***. There shall first be paid and credited to the Operation and Maintenance Account an amount sufficient to pay the estimated cost of operating and maintaining the System during the ensuing 60-day period. All amounts paid and credited to the Operation and Maintenance Account shall be expended and used by the Issuer solely for the purpose of paying the Expenses.

Parity Resolutions. The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Parity Resolutions.

(b) ***Debt Service Account***. There shall next be paid and credited monthly to the Debt Service Account, a proportionate amount necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2026 Bonds. The amounts required to be paid and credited to the Debt Service Account shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of the Debt Service Requirements on Parity Bonds and Parity Obligations under the provisions of the Parity Resolution(s). 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 Debt Service Requirements of the Series 2026 Bonds as and when the same become due at Maturity and on each Interest Payment Date.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds or Parity Obligations, the available moneys in the Revenue Fund shall be divided among such debt service accounts in proportion to the respective principal amounts of said series of Bonds at the time Outstanding which are payable from the moneys in said debt service accounts.

(c) ***Debt Service Reserve Account***.

(1) *General.* Except as hereinafter provided in this Section, all amounts paid and credited to the subaccounts within the Debt Service Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the respective Parity Bonds on any Maturity date or Interest Payment Date if the moneys in the respective debt service accounts are insufficient to pay the Debt Service Requirements of said Parity Bonds as they become due. So long as each debt service reserve subaccount within the Debt Service Reserve Account aggregates the respective Debt Service Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized and such expenditure reduces the amount of the Debt Service Reserve Account below the Debt Service Reserve Requirement, or if the valuation of the Debt Service Reserve Account as provided in Bond Resolution establishes that the value of the Debt Service Reserve Account is below the Debt Service Reserve Requirement, the Issuer shall transfer all available Revenues after providing for the transfers set forth above into the respective debt service reserve subaccount(s) within the Debt Service Reserve Account until the Debt Service Reserve Account shall again aggregate the Debt Service Reserve Requirement.

Moneys in the debt service reserve subaccounts within the Debt Service Reserve Account (other than amounts drawn under the Reserve Policy) may be used to call the respective Parity Bonds for redemption and payment prior to their Stated Maturity or may be used to pay and retire the respective Parity Bonds and interest thereon; provided that after such redemption or payment there shall remain in the Debt Service Reserve Account an amount equal to the Debt Service Reserve Requirement. Any amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement on any valuation date shall be transferred to the Debt Service Account.

The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Account.

(2) *Debt Service Reserve Subaccount-2026.* The Debt Service Reserve Requirement-2026 may be funded in whole or in part by deposit to the Debt Service Reserve Subaccount-2026 of a Qualified Reserve Facility. Any such Qualified Reserve Facility shall be valued at the maximum amount available to be drawn thereunder. Each Qualified Reserve Facility in the Debt Service Reserve Subaccount-2026 shall be payable (upon the giving of notice as required thereunder) on a pro rata basis with any other Qualified Reserve Facilities on deposit in the Debt Service Reserve Subaccount-2026 based on the available principal amount of such Qualified Reserve Facilities on any day on which moneys will be required to be withdrawn from the Debt Service Reserve Subaccount-2026 and applied to make up any deficiency in the Debt Service Account for the Series 2026 Bonds; provided, that prior to drawing on any Qualified Reserve Facility, any cash or Permitted Investments in the Debt Service Reserve Subaccount-2026 shall be applied to cure such deficiency. If a Qualified Reserve Facility is terminated or not renewed, then the Issuer must provide funds for deposit in the Debt Service Reserve Subaccount-2026 in an amount sufficient to satisfy the Debt Service Reserve Requirement in not more than 24 months from the date of termination or non-renewal.

Except as hereinafter provided in this Section, all amounts paid and credited to the Debt Service Reserve Subaccount-2026 shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Series 2026 Bonds on any Maturity date or Interest Payment Date if the moneys in the Debt Service Account for the Series 2026 Bonds are insufficient to pay the Debt Service Requirements of said Series 2026 Bonds as they become due. So long as the Debt Service Reserve Subaccount-2026 aggregates the Debt Service Reserve Requirement-2026, no further payments into said Account shall be required. If the Issuer is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized or there is an advance on any Qualified Reserve Facility for such purpose, and such expenditure or advance reduces the amount of the Debt Service Reserve Subaccount-2026 below the Debt Service Reserve Requirement, or if the valuation of the Debt Service Reserve Subaccount-2026 as provided in the Bond Resolution establishes that the value of the Debt Service Reserve Subaccount-2026 is below the Debt Service Reserve Requirement-2026, the Issuer shall transfer all available Revenues, after providing for the transfers set forth in subsections (a) and (b) above: (1) if such expenditure was made from a Qualified Reserve Facility, first to the provider of the Qualified Reserve Facility to satisfy the Policy Costs associated with such Qualified Reserve Facility; or (2) if such expenditure was made from cash or Permitted Investments, second into the Debt Service Reserve Subaccount-2026 until the Debt Service

Reserve Subaccount-2026 shall again aggregate the Debt Service Reserve Requirement-2026, which shall occur not more than 24 months from the date such Account is reduced below the Debt Service Reserve Requirement-2026.

Moneys in the Debt Service Reserve Subaccount-2026 (other than amounts drawn under the Reserve Policy) may be used to call the Series 2026 Bonds for redemption and payment prior to their Stated Maturity or may be used to pay and retire the Series 2026 Bonds and interest thereon; provided that after such redemption or payment there shall remain in the Debt Service Reserve Subaccount-2026 an amount equal to the Debt Service Reserve Requirement-2026. Any amounts in the Debt Service Reserve Subaccount-2026 in excess of the applicable Debt Service Reserve Requirement-2026 on any valuation date shall be transferred (i) during the period of construction of the Project, to the Project Fund, and (ii) after such construction period, to the Debt Service Account for the Series 2026 Bonds.

Only the Owners of the Series 2026 Bonds shall have any right or claim in the Debt Service Reserve Subaccount.

(d) ***Debt Service Accounts-Junior Lien Obligations***. There shall next be paid and credited monthly to the debt service account(s) for any Junior Lien Obligations, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Junior Lien Obligations. The amounts required to be paid and credited to the debt service account(s) for any Junior Lien Obligations shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Junior Lien Obligations.

(e) ***Debt Service Accounts-Subordinate Lien Bonds***. There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Lien Bonds, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Lien Bonds. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Lien Bonds shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Subordinate Lien Bonds.

(f) ***Surplus Moneys***. After all payments and credits required at the time to be made under the provisions of the preceding subsections have been made, all moneys remaining in the Revenue Fund may be expended and used for the following purposes as determined by the governing body of the Issuer:

(1) Paying the cost of the operation, maintenance and repair of the System to the extent that may be necessary after the application of the moneys held in the Operation and Maintenance Account under the provisions of paragraph (a) of this Section.

(2) Paying the cost of extending, enlarging or improving the System.

(3) Preventing default in, anticipating payments into or increasing the amounts in the Debt Service Account, any debt service account for Parity Bonds or Parity Obligations and the Debt Service Reserve Account referred to in this Section, or any one of them, or establishing or increasing the amount of any debt service account or debt service reserve subaccount created by the Issuer for the payment of any Parity Bonds or Parity Obligations;

(4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), any Bonds, including principal, interest and redemption premium, if any.

(5) Any other lawful purpose in connection with the operation of the System and benefiting the System.

(6) To make transfers to the Revenue Fund.

(7) To make lawful transfers to any fund of the Issuer.

Surplus moneys not applied as set forth above may be deposited in and transferred to the Electric Reserve Fund and, once so deposited and transferred, may still be applied to the purposes set forth above in this paragraph.

(g) ***Deficiency of Payments into Funds and Accounts***. If at any time the Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Transfer of Funds to Paying Agent. The Treasurer of the Issuer shall withdraw from the Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Bonds, from the Debt Service Reserve Account and surplus moneys described above, sums sufficient to pay the principal of and interest on the Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date.

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.

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 the Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within six 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.

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 and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

Investments. Moneys held in any Fund or Account may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created; and provided, further, that Permitted Investments in the Debt Service Reserve Account shall have an average aggregate weighted term to maturity not greater than five years. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the extensions and improvements to the System, all earnings on the investment of such funds derived from proceeds of the Series 2026 Bonds shall be credited to the Project Fund. Upon completion of the Project, all earnings on investments held in the Debt Service Reserve Account shall accrue to and become a part of the Debt Service Reserve Account until the amount on deposit in the Debt Service Reserve Account shall aggregate the Debt Service Reserve Requirement, thereafter, all such earnings shall be credited to the Debt Service Account and any debt service account for Parity Bonds or Parity Obligations on a pro rata basis.

Valuation of Investments. In determining the amount held in any Fund or Account under the provisions of the Bond Resolution, Permitted Investments shall be valued at their market value. Such valuation shall be made as of the final Stated Maturity of principal of any Fiscal Year that the Bonds remain Outstanding and may be made in conjunction with redemption of any Bonds. If and when the amount held in any Fund or Account shall be in excess of the amount required by the provisions of the Bond Resolution, the Issuer shall direct that such excess be paid and credited to the Revenue Fund.

GENERAL COVENANTS AND PROVISIONS

Efficient and Economical Operation. The Issuer will continuously own and will operate the System as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

Rate Covenant. The Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses; (b) pay the Debt Service Requirements on the Bonds as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the Issuer to have in each Fiscal Year, a Restricted Debt Service Coverage Ratio of not less than 1.00 on all Parity Bonds and Parity Obligations at the time Outstanding; (d) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.25 on all Parity Bonds and Parity Obligations at the time Outstanding; 1.10 on any Junior Lien Obligations at the time Outstanding, and 1.00 on all Subordinate Lien Bonds at the time Outstanding; and (e) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System as provided in the Bond Resolution. The Issuer will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The Issuer will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations under this Section and otherwise under the provisions of the Bond Resolution. If in any Fiscal Year, Net Revenues are an amount less than as hereinbefore provided, the Issuer will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the Clerk and the Purchaser of the Bonds and shall be furnished to any Owner of the Bonds requesting a copy of the same, at the cost of such Owner. The Issuer shall, to the extent feasible, follow the recommendations of the Consultant.

Restrictions on Mortgage or Sale of System. The Issuer will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the Issuer may dispose of certain assets in accordance with the Bond Resolution.

Insurance. The Issuer will carry and maintain insurance with respect to the System and its operations against such casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, public liability, business interruption, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other enterprises engaged in similar activities of comparable size and similarly situated; provided the amount of such liability insurance shall be in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently $500,000 per occurrence).

Books, Records and Accounts. The Issuer will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Issuer) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System. Such accounts shall show the amount of Revenues, the application of such funds, and all financial transactions in connection therewith.

Annual Budget. Prior to the commencement of each Fiscal Year, the Issuer will cause to be prepared and filed with the Clerk a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal Year. The Clerk, promptly upon the filing of said budget in the Clerk's office, will mail a copy of said budget to the Purchaser of the Bonds and the Bond Insurer. Said annual budget shall be prepared in accordance with the requirements of the laws of the State and shall contain all information that is required by such laws.

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 System for the preceding Fiscal Year by an Independent Accountant to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such Fiscal Year. As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of the Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and services furnished by the System or take such other action as may be necessary to adequately provide for such requirements.

Right of Inspection. The Purchaser of the Bonds, the Bond Insurer, and any Owner or Owners of 10% of the principal amount of the Bonds then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and shall be furnished all such information concerning the System and the operation thereof which the Purchaser or such Owner or Owners may reasonably request.

Report on System Condition. The Issuer shall annually cause a qualified employee of the Issuer to make an examination of and report on the condition and operations of the System. Upon request of the Purchaser or the Bond Insurer, but in no event more often than every five years, such examination and report shall be made by the Consulting Engineer.

ADDITIONAL BONDS AND OBLIGATIONS

Senior Lien Bonds. So long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any System Indebtedness payable out of the Revenues which are superior to the Parity Bonds with respect to the lien on the Revenues.

Parity Bonds and Parity Obligations. The Issuer will not issue any System Indebtedness which stands on a parity or equality of lien against the Net Revenues with the Parity Bonds unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of principal of or interest on any Parity Bonds or Parity Obligations at the time Outstanding or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in the Bond Resolution or any Parity Resolution (unless such System Indebtedness is being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(b) The Issuer shall deliver the following:

(1) *Long-Term Indebtedness*. A certificate signed by the Issuer evidencing *either* of the following:

(i) The Restricted Debt Service Coverage Ratio for the Fiscal Year immediately preceding the issuance of such System Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.25, including the System Indebtedness proposed to be issued. In the event that the Issuer has instituted any increase in rates for the use and services of the System and such increase shall not have been in effect during the full Fiscal Year immediately preceding the issuance of such proposed System Indebtedness, the additional Net Revenues which would have resulted from the operation of the System during said preceding Fiscal Year had such rate increase been in effect for the entire period may be added to the stated Net Revenues for the calculation of the Restricted Debt Service Coverage Ratio, provided that such estimated additional Net Revenues shall be determined by a Consultant.

(ii) The estimated Restricted Debt Service Coverage Ratio (as determined by a Consultant), for the Fiscal Year immediately following the Fiscal Year in which the project, the cost of which is being financed by such System Indebtedness, is to be in commercial operation, shall be not less than 1.25, including the System Indebtedness proposed to be issued. In the event that the Issuer anticipates additional Revenues as a result of expansion or modification of the System by such System Indebtedness, the Issuer may adjust the estimated Net Revenues in determining the Restricted Debt Service Coverage Ratio, by adding thereto any estimated increase in Net Revenues resulting from any increase in Revenues, which, in the opinion of the Consultant, are reasonable based on projected operations of the System for such Fiscal Year.

(2) *Short-Term Indebtedness*. A certificate signed by the Issuer evidencing any *one* of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

(ii) The Short-Term Indebtedness could be incurred assuming it was Long-Term Indebtedness.

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Short-Term Indebtedness prior to its Stated Maturity and the conditions are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) *Interim Indebtedness*. A certificate signed by the Issuer evidencing any *either* of the following:

(i) The Interim Indebtedness could be incurred assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim

Indebtedness prior to its Stated Maturity and the conditions are met with respect to such Interim Indebtedness when it is assumed that such Interim Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of System Indebtedness of equal stature and priority is permitted by the Statutes of the State.

(d) With respect to the issuance of Additional Bonds, an additional deposit to the Debt Service Reserve Account shall be made to bring the Debt Service Reserve Account to an amount equal to the Debt Service Reserve Requirement.

(e) The ordinance and/or resolution authorizing such System Indebtedness shall contain or provide for substantially the same terms, conditions, covenants and procedures as established in the Bond Resolution.

Notwithstanding the foregoing restrictions, additional System Indebtedness may be issued if it is necessary: (1) in the opinion of the Consulting Engineer to do so to repair the System if damaged or destroyed by disaster to such extent necessary to keep it in good operating condition; or (2) in the opinion of the Issuer's legal counsel to remedy any deficiency of the System relating to environmental pollution matters or to comply with the requirements of any governmental agency having jurisdiction over the Issuer with respect thereto.

Additional System Indebtedness issued under the conditions hereinbefore set forth shall stand on a parity with the Parity Bonds and Parity Obligations and shall enjoy complete equality or lien on and claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such System Indebtedness out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of the Debt Service Requirements on such System Indebtedness and the interest thereon out of moneys in the Revenue Fund.

Junior Lien Obligations. Nothing shall prohibit or restrict the right of the Issuer to issue Junior Lien Obligations for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Junior Lien Obligations shall be payable out of the Net Revenues, provided at the time of the issuance of such Junior Lien Obligations the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds and Parity Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds or Parity Obligations, or if the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Junior Lien Obligations until said default or defaults be cured.

Subordinate Lien Bonds. Nothing shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Bonds for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Subordinate Lien Bonds shall be payable out of the Net Revenues, provided at the time of the issuance of such Subordinate Lien Bonds the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds, Parity Obligations and Junior Lien Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds, Parity Obligations and Junior Lien Bonds, or if the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Subordinate Lien Bonds until said default or defaults be cured. Such Subordinate Lien Bonds may also constitute general obligations of the Issuer.

Refunding Bonds. The Issuer shall have the right, without complying with the provisions relating to Parity Bonds above, to refund any System Indebtedness under the provisions of any law then available, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the System Indebtedness being refunded; provided, however, that if only a portion of any series of System Indebtedness is refunded and if said System Indebtedness is refunded in such manner that the Refunding Bonds bear a higher average rate of interest or become due on a date earlier than that of the System Indebtedness which is refunded, then said System Indebtedness may be refunded without complying with the provisions relating to Parity Bonds and Parity Obligations above only by and with the written consent of the Owners of a majority in principal amount of the System Indebtedness that is not refunded; provided that such consent is not needed from Owners of Junior Lien

Obligations or Subordinate Lien Bonds, nor is such consent needed if the System Indebtedness to be refunded constitutes Junior Lien Obligations or Subordinate Lien Bonds.

CALCULATION OF DEBT SERVICE REQUIREMENTS

(a) ***Debt Service Requirements on Balloon, Put, Short-Term and Interim Indebtedness***.

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal deemed payable on Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(A) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(B) If the Issuer has entered into a binding agreement providing for the deposit by the Issuer with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, when due from the sums so deposited and investment earnings realized thereon, then the principal amount of the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(C) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, other than those referred to in subsections (A) and (B) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the Owners of System Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(D) Such Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness may be deemed to be System Indebtedness which, at the date of its original incurrence, was payable over a term not to exceed twenty (20) years in equal annual installments of principal and interest at the Index Rate.

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant; provided that the Consultant shall for each annual period that the Debt Service Requirement is computed, provide a supplemental statement that at such period, the certifications contained in the statement are reasonable.

(2) Interest that is payable prior to the Stated Maturity of any Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness shall be taken into account for such appropriate period in computation of Debt Service Requirements. Interest payable at maturity or early redemption on Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may either be amortized over the anticipated maturity or such longer period as is permitted or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

(3) In measuring compliance with the applicable tests hereunder in connection with incurring Put Indebtedness and generally for purposes of determining the Debt Service Requirements relating thereto, Put Indebtedness shall be deemed to mature based upon the actual amortization requirements for the Put Indebtedness, only to the extent that the Issuer has a commitment to refinance such Put Indebtedness.

(b) Debt Service Requirements on Discount Indebtedness. At the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal and interest deemed payable on Discount Indebtedness shall be deemed to be payable as set forth below:

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Discount Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Discount Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(3) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Discount Indebtedness, other than those referred to in subsections (1) and (2) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the holders of System Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Discount Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(4) As of any time the maturity amount represented by Discount Indebtedness shall be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity.

(c) ***Debt Service Requirements on Variable Rate Indebtedness***. When calculating interest requirements on Variable Rate Indebtedness which bears a variable rate of interest for periods as to which the rate of interest has not been determined, the rate of interest on Outstanding Variable Rate Indebtedness shall be the average annual rate of interest which was payable on such Variable Rate Indebtedness during the twelve (12) months immediately preceding the date as of which the calculation is made; and the rate of interest on Variable Rate Indebtedness to be incurred (or incurred less than twelve (12) months preceding such date) shall be the average annual rate of interest which would have been payable on such Variable Rate Indebtedness had it been outstanding for a period of twelve (12) months immediately preceding the date as of which the calculation is made, as evidenced in a certificate of a Consultant, delivered to the Issuer.

DEFAULT AND REMEDIES

Remedies. The provisions of the Bond Resolution 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.

The Issuer hereby directs the Paying Agent to notify the Owners and Bond Insurer of any Event of Default of which it has actual notice.

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained herein 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, except as to rate of interest, date of maturity and right of prior redemption. 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, 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. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Control of Remedies by Bond Insurer Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of Insured Bonds under the Bond Resolution. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Insured Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Insured Bonds.

DEFEASANCE

Defeasance. (a) *General.* 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 the pledge of the Revenues hereunder and all other rights granted hereby 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 in compliance with the Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of the Bond Resolution. The Issuer shall notify the Bond Insurer of any defeasance of any Insured Bonds insured by the Bond Insurer.

Notwithstanding anything in the Bond Resolution to the contrary, in the event that the principal and/or interest due on the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

(b) *Series 2026 Bonds.* In addition to, and notwithstanding the foregoing, to accomplish defeasance of the Series 2026 Bonds, the Issuer shall cause to be delivered to the Bond Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Series 2026 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Series 2026 Bonds are no longer Outstanding under the Bond Resolution and (iv) a certificate of discharge of the Paying Agent with respect to the Series 2026 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Paying Agent and the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow.

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2026 Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2026 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Survival of Covenants. The covenants contained in this section and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2026 Bonds pursuant to the Bond Resolution until such time as is set forth in the Federal Tax Certificate.

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirement. The Issuer covenants 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. 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 such covenants, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. Upon receipt, the Issuer shall provide a copy of any such demand or notice to any Bond Insurer. 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. The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the Bond Insurer.

PROVISIONS RELATING TO THE BOND INSURANCE POLICY FOR SERIES 2026 BONDS

Payment Procedure Pursuant to Bond Insurance Policy. As long as the Bond Insurance Policy shall be in full force and effect, the Issuer and the Paying Agent agree to comply with the following provisions for the Series 2026 Bonds:

(a) If, on the Business Day prior to the related Stated Maturity there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Resolution, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Stated Maturity, the Paying Agent shall give notice to the Bond Insurer and to the Insurer's Fiscal Agent by telephone or telecopy of the amount of such deficiency by 1:00 p.m., New York City time, on such Business Day. If, on the related Stated Maturity, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Stated Maturity, the Paying Agent shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal on the Insured Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 1:00 p.m., New York City time, on such Stated Maturity by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(b) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Paying Agent shall authenticate and deliver to affected Owners who surrender their Insured Bonds a new Insured Bond or Insured Bonds in an aggregate principal amount equal to the unredeemed portion of the Insured Bond surrendered. The Paying Agent shall designate any portion of payment of principal on Insured Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner of Insured Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Bond Insurer, registered in the name of the Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Bond or the subrogation rights of the Bond Insurer.

(c) The Paying Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (as hereinafter defined) and the allocation of such funds to payment of interest on and principal paid in respect of any Insured Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

(d) Upon payment of a claim under the Bond Insurance Policy the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the “Policy Payments Account” and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections hereof regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Bond Insurer, solely from the Net Revenues, (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Revenues and payable from such Net Revenues on a parity with debt service due on the Insured Bonds. Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. The Paying Agent shall notify the Bond Insurer of any funds remaining in the Policy Payments Account after the Paying Agent has made the payments for which a claim was made to the Owners of the Insured Bonds and shall, at the written direction of the Bond Insurer, promptly remit such funds remaining to the Bond Insurer.

Any funds remaining in the Policy Payments Account following a Stated Maturity date shall promptly be remitted to the Bond Insurer.

(e) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Issuer to the Bond Insurer under the Bond Resolution, the Series 2026 Bonds, and other transaction documents (each a “Related Document”) shall survive discharge or termination of such documents.

(f) The Issuer shall pay or reimburse the Bond Insurer, solely from the Net Revenues, any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Bond Resolution, the Series 2026 Bonds, and other Related Documents; (ii) the pursuit of any remedies under the Bond Resolution, the Series 2026 Bonds, and other Related Documents or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bond Resolution, the Series 2026 Bonds, and other Related Documents whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Bond Resolution, the Series 2026 Bonds, and other Related Documents or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Resolution, the Series 2026 Bonds, and other Related Documents. Amounts payable by the Issuer hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Bond Insurer until the date the Bond Insurer is paid in full. The obligation to reimburse the Bond Insurer shall survive discharge or termination of the Bond Resolution, the Series 2026 Bonds, and other Related Documents.

(g) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Subaccount-2026 to the Debt Service Reserve Requirement.

(h) The Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

Consent of the Bond Insurer. Any provision of the Bond Resolution expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer

The Bond Insurer's consent shall be required in addition to Owner consent, when required, for the execution and delivery of any supplemental resolution, or any amendment, supplement or change to or modification of other documents relating to the security for the Insured Bonds; removal or substitution of the Paying Agent; or approval of any action or document requiring approval of the Owners.

Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2026 Bonds.

The Bond Insurer shall be deemed to be the sole Owner of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured Bonds are entitled to take pursuant to the Bond Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Bond Resolution and each Insured Bond, each Owner of the Insured Bonds appoints the Bond Insurer as its agent and attorney-in-fact with respect to the Insured Bonds and agrees that the Bond Insurer may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Insured Bonds delegates and assigns to the Bond Insurer, to the fullest extent permitted by law, the rights of each Owner of the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Paying Agent acknowledges such appointment, delegation and assignment by each Owner of the Insured Bonds for the Bond Insurer’s benefit, and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

The Stated Maturity of Insured Bonds shall not be accelerated without the consent of the Bond Insurer and in the event the Stated Maturity of the Insured Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Insured Bonds shall be fully discharged.

The rights granted to the Bond Insurer under the Bond Resolution, the Series 2026 Bonds or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Bond Insurer.

Notices To The Bond Insurer.

(a) While the Bond Insurance Policy is in effect, the Issuer shall, in addition to the other notice requirements contained in the Bond Resolution, furnish to the Bond Insurer:

(1) As soon as practicable after the filing thereof, a copy of any financial statement, audit and/or annual report of the Issuer, to the extent not filed pursuant to the Disclosure Undertaking;

(2) A copy of any notice to be given to the Owners, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to the Bond Resolution relating to the security for the Bonds;

(3) Notice of an Event of Default within five business days after the occurrence of such event; and

(4) Notice of any draw on the Debt Service Reserve Subaccount within two business days, other than withdrawals of amounts in excess of the Debt Service Reserve Requirement-2026 or made in connection with a refunding of the Series 2026 Bonds;

(5) Notice of the commencement of any Insolvency Proceeding;

(6) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(7) To the extent not otherwise filed pursuant to the Continuing Disclosure Undertaking, all information required to be furnished pursuant to the Continuing Disclosure Undertaking with respect to the Insured Bonds.

(8) such additional information as the Bond Insurer may reasonably request.

(b) The Issuer shall notify the Bond Insurer of any failure of the Issuer to provide relevant notices, certificates, etc.

(c) The Issuer will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer. The Issuer will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) The Bond Insurer shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner.

(e) Notwithstanding any other provision of the Bond Resolution, the Issuer shall immediately notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.

(f) In each case in which notice or other communication to the Bond Insurer refers to an Event of Default or with respect to which failure on the part of the Bond Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Third Party Beneficiary. To the extent that the Bond Resolution confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of the Bond Resolution, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Parties Interested Herein. Nothing in the Bond Resolution, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Bond Insurer, the Paying Agent and the Owners, any right, remedy or claim under or by reason of the Bond Resolution, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Bond Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent, the Bond Insurer and the Owners of the Insured Bonds.

Suspension of Bond Insurer's Rights. Rights of the Bond Insurer to direct or consent to actions granted under the Bond Resolution shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights, provided that nothing herein shall limit the rights of the Bond Insurer to collect and be paid the amounts owed to it hereunder with respect to the Bond Insurance Policy or the Reserve Policy.

PROVISIONS RELATING TO THE RESERVE POLICY

Provisions of the Reserve Policy. As long as the Reserve Policy shall be in full force and effect, the Issuer agrees to comply with the following provisions:

(a) The Issuer shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by AG and shall pay interest thereon from the date of payment by AG at the Late Payment Rate (i.e., the Policy Costs). If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by AG, with the same force and effect as if the Issuer had specifically designated such extra sums to be so applied and AG had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to AG shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to AG on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on the Net Revenues, subject to the provisions of ***Article VI*** of the Bond Resolution.

(b) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, AG shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Bond Resolution, other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

(c) The Bond Resolution shall not be discharged until all Policy Costs owing to AG shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Series 2026 Bonds.

(d) The Paying Agent is required to ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subparagraph (a) hereof and to provide notice to AG in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2026 Bonds.

MISCELLANEOUS PROVISIONS

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Series 2026 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 Bond Insurer and the Owners of not less than a majority in principal amount of the Bonds then Outstanding. 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;
(d) reduce the percentage in principal amount of Series 2026 Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution; or
(e) permit the creation of a lien on the Revenues prior or equal to the lien of the Parity Bonds or Additional Obligations.

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 Bond Insurer and 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 in the Bond Resolution, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Project, to reallocate proceeds of the Series 2026 Bonds among Projects, to provide for a Substitute Project, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Bonds or of the Bond Resolution, to which the written consent of Bond Insurer and the Owners is given, as above provided, shall be expressed in a resolution adopted by the governing body of the Issuer amending or supplementing the provisions of the Bond Resolution and shall be deemed to be a part of the Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of the Bond Resolution shall always be kept on file in the office of the Clerk, shall be delivered to the Bond Insurer and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by the Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of the Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Bond Insurer and the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Bonds or the Bond Resolution which affects the duties or obligations of the Paying Agent under the Bond Resolution.

Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing.

Inconsistent Provisions. In case any one or more of the provisions of the Bond Resolution or of the Bonds issued thereunder shall for any reason be inconsistent with the provisions of the Parity Resolution or the Parity Bonds: (a) the provisions of any Parity Resolution adopted prior to the Bond Resolution shall prevail with respect to Parity Bonds issued prior in time, so long as such Parity Bonds are Outstanding; and (b) the provisions of the Bond Resolution shall prevail with respect to any Parity Resolution adopted subsequent to the Bond Resolution, so long as any Parity Bonds issued under the Bond Resolution are Outstanding.

Electronic Transactions. The issuance of the Series 2026 Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

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

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APPENDIX E

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of August 27, 2026 (the "Continuing Disclosure Undertaking"), is executed and delivered by the **CITY OF PRATT, KANSAS** (the "Issuer").

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its Electric Utility System Revenue Bonds, Series 2026 (the "Bonds"), pursuant to an Ordinance and Resolution adopted by the governing body of the Issuer (collectively the "Bond Resolution").

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

The Issuer covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

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

"System" means the electric generating plants and all appurtenances thereto, the electric distribution system, and the electric street lighting system, now serving the Issuer and its inhabitants and others, together with all extensions and improvements thereto hereafter made or acquired by the Issuer.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than the first day of the tenth month after the end of the Issuer's Fiscal Year, commencing with the year ending December 31, 2026, file with the MSRB, through EMMA, the following financial information and operating data (the "Annual Report"):

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

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

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

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

(SEAL)

____
Mayor

____
Clerk

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

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

FINANCIAL INFORMATION CONCERNING THE ELECTRIC UTILITY SYSTEM
- --Customer Usage
- --Top Customers

DEBT STRUCTURE OF THE SYSTEM
- --Electric Utility System Revenue Bonds*

FINANCIAL SUMMARY AND DEBT SERVICE COVERAGE
- --Electric Utility Fund
- --Electric Reserve Fund

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

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APPENDIX F

FORM OF BOND COUNSEL OPINION

[FORM OF BOND COUNSEL OPINION]

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

August 27, 2026

Governing Body
City of Pratt, Kansas

Stifel Nicolaus & Company, Incorporated
Wichita, Kansas

Assured Guaranty Inc.
New York, New York

Re: $19,270,000* Electric Utility System Revenue Bonds, Series 2026, of the City of Pratt, Kansas, Dated August 27, 2026

We have served as Bond Counsel to the City of Pratt, Kansas (the "Issuer"), in connection with the issuance by the Issuer of the above-captioned bonds (the "Series 2026 Bonds"). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The Series 2026 Bonds have been authorized pursuant to an Ordinance and Resolution adopted by the governing body of the Issuer (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined in this opinion shall have the meanings assigned to those terms in the Bond Resolution.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the Bond Resolution, on the certified proceedings and other certifications of representatives of the Issuer, and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a municipality of the State of Kansas with the power to adopt the Bond Resolution, perform the agreements on its part contained therein, and issue the Series 2026 Bonds.

2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding agreement of the Issuer.

3. The Bond Resolution creates a valid lien on the Net Revenues and other funds pledged by the Bond Resolution for the security of the Series 2026 Bonds on a parity with any Parity Bonds issued or to be issued under the Bond Resolution.

4. The Series 2026 Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Net Revenues and the other funds provided therefor in the Bond Resolution. The Series 2026 Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State of Kansas constitutional or statutory provision, limitation, or restriction. The Issuer's taxing power is not pledged to the payment of the Series 2026 Bonds

5. The interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner of a Series 2026 Bond) is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. The Series 2026 Bonds have **not** been designated as "qualified tax-exempt obligations" for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Series 2026 Bonds.

6. The interest on the Series 2026 Bonds is exempt from income taxation by the State of Kansas.

The rights of the owners of the Series 2026 Bonds and the enforceability of the Series 2026 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Series 2026 Bonds, or the tax consequences arising with respect to the Series 2026 Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

GILMORE & BELL, P.C.

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APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By ____________________________________
Authorized Officer

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