OFFICIAL STATEMENT

NEW ISSUE - BOOK-ENTRY ONLY

BAM INSURED RATING: S&P "AA"
UNDERLYING RATING: S&P "A+"

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Bonds is exempt from income taxation by the State of Kansas; and (3) the Bonds have ***not*** *been designated as "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.*

$21,000,000
UNIFIED SCHOOL DISTRICT NO. 400
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)
GENERAL OBLIGATION BONDS
SERIES 2026

Dated: Date of Delivery **Due: September 1, As shown on inside cover**

The General Obligation Bonds, Series 2026 (the "Bonds") will be issued by Unified School District No. 400, McPherson County, Kansas (Smoky Valley) (the "District" or the "Issuer"), as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of $5,000 or any integral multiple thereof (the "Authorized Denomination"). Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Bonds. Principal of the Bonds will be payable annually on September 1, beginning in 2027. Semiannual interest on the Bonds will be payable on March 1 and September 1, beginning on March 1, 2027 (the "Interest Payment Dates"). Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and bond registrar (the "Paying Agent" and "Bond Registrar"). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

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

The Bonds maturing on September 1, 2034 and thereafter will be subject to redemption prior to maturity at the option of the Issuer on September 1, 2033 and any date thereafter, in whole or in part, at the redemption price of par, plus accrued interest to the date of redemption as more fully described herein. See "THE BONDS-Redemption Provisions" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about November 12, 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 C – SUMMARY OF FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Official Statement is October 15, 2026

$21,000,000
UNIFIED SCHOOL DISTRICT NO. 400
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)
GENERAL OBLIGATION BONDS
SERIES 2026

MATURITY SCHEDULE

Dated: Date of Delivery **Due: September 1, as shown below**

SERIAL BONDS

Stated Maturity September 1	Principal Amount	Interest Rate	Yield	CUSIP[(1)]
2027	$25,000	8.00%	3.26%	582615ES5
2028	25,000	8.00%	3.31%	582615ET3
2029	25,000	8.00%	3.37%	582615EU0
2030	25,000	8.00%	3.44%	582615EV8
2031	25,000	8.00%	3.57%	582615EW6
2032	405,000	8.00%	3.66%	582615EX4
2033	455,000	8.00%	3.75%	582615EY2
2034	505,000	8.00%	3.81%	582615EZ9
2035	560,000	8.00%	3.88%	582615FA3
2036	615,000	8.00%	4.00%	582615FB1
2037	685,000	8.00%	4.10%	582615FC9
2038	975,000	5.00%	4.26%	582615FD7
2039	1,075,000	5.00%	4.37%	582615FE5
2040	1,100,000	5.00%	4.52%	582615FF2
2041	1,100,000	5.00%	4.62%	582615FG0
2042	1,150,000	5.00%	4.68%	582615FH8
2043	1,250,000	5.00%	4.73%	582615FJ4
2044	1,275,000	5.00%	4.78%	582615FK1
2045	1,625,000	5.00%	4.83%	582615FL9
2046	1,705,000	5.00%	4.88%	582615FM7
2047	1,795,000	5.00%	4.93%	582615FN5
2048	1,500,000	5.00%	5.00%	582615FP0
2049	1,300,000	5.00%	5.08%	582615FQ8
2050	900,000	5.00%	5.10%	582615FR6
2051	900,000	5.00%	5.11%	582615FS4

(All plus accrued interest, if any)

[(1)] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the Borrower, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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

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

THIS 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.

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.

UNIFIED SCHOOL DISTRICT NO. 400
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)

126 S. Main Street
Lindsborg, Kansas 67456
(785) 227-2981

BOARD OF EDUCATION

Joe Ryan, President and Board Member
Chris Baker, Vice-President and Board Member
Chris Bauer, Board Member
Karla Pihl, Board Member
Daniel Rauchholz, Board Member
Bryce Wampler, Board Member
Dwight Swisher, Board Member

ADMINISTRATIVE OFFICERS

SUPERINTENDENT
Quentin Breese

BOARD CLERK
Alissa Mauk

FINANCIAL ADVISOR
Piper Sandler & Co.
Leawood, Kansas

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

CERTIFIED PUBLIC ACCOUNTANT
Varney & Associates, CPAs, LLC
Manhattan, Kansas

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

TABLE OF CONTENTS

	Page
INTRODUCTION	1
THE BONDS	2
THE DEPOSITORY TRUST COMPANY	6
THE PROJECT	7
SOURCES AND USES OF FUNDS	7
RISK FACTORS AND INVESTMENT CONSIDERATIONS	8
BOND INSURANCE	11
BOND RATING	12
ABSENCE OF LITIGATION	12
LEGAL MATTERS	13
TAX MATTERS	13
FINANCIAL ADVISOR	14
UNDERWRITING	15
AUTHORIZATION OF OFFICIAL STATEMENT	15
Appendix A – Information Concerning the District	*A-1*
Appendix B – Financial Statements And Report of Independent Auditors as of June 30, 2025	*B-1*
Appendix C – Summary of Financing Documents	*C-1*
Appendix D – Form of Disclosure Undertaking	*D-1*
Appendix E – Specimen Municipal Bond Insurance Policy	*E-1*

OFFICIAL STATEMENT

$21,000,000
UNIFIED SCHOOL DISTRICT NO. 400
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)
GENERAL OBLIGATION BONDS
SERIES 2026

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to Unified School District No. 400, McPherson County, Kansas (Smoky Valley) (the "Issuer" or the "District"), and the General Obligation Bonds, Series 2026 (the "Bonds") of the District, dated as of November 12, 2026 (the "Dated Date"), to be issued in the principal amount of $21,000,000.

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

The District is a unified school district duly organized and existing under the laws of the State of Kansas (the "State"). Additional information regarding the District is contained in ***APPENDIX A*** to this Official Statement.

The material 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 Financial Advisor. 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 District. 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. Bond Counsel has not assisted in the preparation nor reviewed this Official Statement, except to the extent described under the section captioned "LEGAL MATTERS," and accordingly expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

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

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Bonds, the Issuer will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") wherein the Issuer covenants to provide annually 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 360 days after the end of the Issuer's Fiscal Year, commencing with the year ending June 30, 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 Bonds. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Bonds.

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

Additional Information

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

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas (the "State"), including K.S.A. 10-101 *et seq*., K.S.A. 10-620 *et seq*., K.S.A. 25-2018(f), K.S.A. 72-5457, and K.S.A. 72-5458 *et seq*., all as amended and supplemented from time to time (collectively, the "Act") and a resolution adopted by the governing body of the District (the "Bond Resolution").

Security for the Bonds

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

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

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

Description of the Bonds

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

Designation of Paying Agent and Bond Registrar

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

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

Method and Place of Payment of the Bonds

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

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar

by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

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

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

Payments Due on Saturdays, Sundays and Holidays

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

Book-Entry Bonds; Securities Depository

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

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

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

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

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and

performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

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

Registration, Transfer and Exchange of Bonds

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

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

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been 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 as described in this paragraph, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentment of Bonds

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

such Bond becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption. At the option of the Issuer, the Bonds maturing September 1, 2034 and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2033, and thereafter as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

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

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

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

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

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

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in

effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 Bonds, and will be deposited with DTC.

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

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct

Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

THE PROJECT

On August 4, 2026, the voters in the District approved the issuance of general obligation bonds in an amount not to exceed $21,000,000, to pay the costs to construct, equip, furnish, repair, remodel and make additions to buildings and facilities used for school district purposes, including construction of a new agricultural facility, and all necessary improvements related thereto (the "Project"). The Bonds are being issued to fund the costs of the Project.

SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount of the Bonds	$21,000,000.00
Net Original Issue Premium	972,659.05
Total	***$21,972,659.05***
Uses of Funds:	
Deposit to Improvement Fund	$21,392,971.53
Deposit to Costs of Issuance Account	275,200.00
Deposit to Compliance Account	10,000.00
Underwriter's Discount including Bond Insurance	294,487.52
Total	***$21,972,659.05***

RISK FACTORS AND INVESTMENT CONSIDERATIONS

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

Legal Matters

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

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 District in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Debt Service Source

The Bonds are general obligations of the Issuer payable as to both principal and interest, if necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. In 2026, the Kansas legislature passed a bill that, among other things, would have restricted the ability of taxing subdivisions, including the Issuer, to levy unlimited ad valorem taxes to pay the debt service requirements on general obligation debt. Although the bill was vetoed by the Governor and did not become law, the Issuer cannot predict whether similar bills will be introduced in the future or what effect such bills may have on the Issuer's general obligation debt. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation. See "***APPENDIX A*** – FINANCIAL INFORMATION – Property Valuations" and "– Property Tax Levies and Collections."

State Aid

As described in "***APPENDIX A*** – FINANCIAL INFORMATION – Property Tax Levies and Collections – School District Funding Formula" and the sections following in ***APPENDIX A***, the State provides a substantial portion of the money for the operation of school districts in the State. As with other states, declining State revenues have resulted in reductions in the amount of State aid to school districts for operating purposes. However, the District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on the Bonds regardless of the amount of State aid received.

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 Public Employees Retirement

System – State/School Group (the "Plan"). Under existing law, employees make contributions and the State makes all employer contributions to the Plan; the Issuer is not responsible for supplemental contributions or any unfunded accrued actuarial liability ("UAAL"). According to KPERS' Valuation Reports, KPERS had an aggregate UAAL of approximately $8.516 billion in calendar year 2024 and approximately $8.423 billion in calendar year 2025, of which approximately $6.342 billion (2024) and approximately $6.250 billion (2025) was attributable to the State/School Group.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the 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 Bonds includable in gross income for federal income tax purposes.

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

Market for the Bonds

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

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

Bond Insurance and Ratings of the Bond Insurer

If the Issuer fails to make payment of the principal of and interest on the Bonds when the same become due, any Owner of 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 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 Bonds. Under no circumstances, including the situation in which interest on the Bonds becomes subject to federal taxation for any reason, can the maturities of the 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 Bonds as those payments become due, the 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 Bonds. A rating downgrade of the Bonds could lower the price of the Bonds in the secondary market, and could affect the liquidity for the Bonds in the secondary market. Prospective purchasers of the 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 Bonds.

Premium on Bonds

The initial offering prices of certain maturities of the Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof. Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to redemption at par under the various circumstances described under "THE BONDS - Redemption 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 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 Bonds if the interest thereon becomes includable in gross income for Kansas income tax purposes.

Suitability of Investment

The tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

Potential Impacts Resulting from Epidemics or Pandemics

The Issuer's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The Issuer 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 Issuer, including but not limited to the payment of debt service on any of its outstanding debt obligations.

Cybersecurity Risks

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

Natural Disasters or Terrorist Attacks

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

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds 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 Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.6 million, $295.6 million and $210.0 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND RATING

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

ABSENCE OF LITIGATION

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

The Issuer certifies that there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of said Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Bonds

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"), bond counsel to the District. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the District 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 BONDS," "LEGAL MATTERS," "TAX MATTERS" and "***APPENDIX C*** – SUMMARY OF FINANCING DOCUMENTS." Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds.

TAX MATTERS

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

Opinion of Bond Counsel

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

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

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

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

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

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

Other Tax Consequences

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

will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

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

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

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

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

FINANCIAL ADVISOR

Piper Sandler & Co., Leawood, Kansas has acted as a financial advisor to the Issuer in connection with the sale of the Bonds. The Financial Advisor has assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The fees of the Financial Advisor are contingent upon the issuance of the Bonds. The Financial Advisor will not submit a bid for the sale of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23.

UNDERWRITING

The Bonds have been sold at public sale by the Issuer to Robert W. Baird & Co., Inc., Milwaukee, Wisconsin (the "Underwriter") on the basis of lowest true interest cost. Five bids were received by the Issuer. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to the principal amount of the Bonds, plus a net premium of $972,659.05, less an underwriting discount of $227,887.52.

The 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 Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

AUTHORIZATION OF OFFICIAL STATEMENT

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

UNIFIED SCHOOL DISTRICT NO. 400
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)

APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

The office of Unified School District No. 400, McPherson County, Kansas (Smoky Valley) (the "District" or "Issuer") is located in Lindsborg, Kansas, which is approximately 19 miles north of McPherson, Kansas, and 20 miles south of Salina, Kansas in central Kansas. The District encompasses approximately 395 square miles and has a current estimated population of 6,418.

Government and Organization of the District

The Issuer is a unified school district organized and existing under and pursuant to the Constitution and laws of the State. The District became unified in the year 1966 and is governed by a seven-member Board of Education which sets policy governing educational and administrative operations. The District has 3 voting districts with 2 Board Members elected from each district and 1 Board Member elected at large.

District Facilities

The District operates one elementary school, one middle school and one high school, as well as the Smoky Valley Virtual Charter School. The following table lists the history of enrollment in the District's schools for the years indicated.

2021/22	2022/23	2023/24	2024/25	2025/26
1,345	1,106	1,184	1,215	1,675

Source: Kansas State Department of Education

Higher Educational Facilities

Post-secondary education is accessible to residents of the District through Bethany College in Lindsborg, Kansas; Central College in McPherson, Kansas; Salina Area Vocational Technical School and Kansas State University in Salina, Kansas; Hesston College in Hesston, Kansas; Hutchinson Community College in Hutchinson, Kansas; Central Kansas Area Vo-Tech School in Newton, Kansas; Bethel College in North Newton, Kansas; and Wichita State University, Friends University, Kansas Newman College, University of Kansas School of Medicine and Wichita Area Vocational-Technical School in Wichita, Kansas.

Municipal Services and Utilities

The City of Lindsborg owns and operates its own water, sewer and electric power utility systems for District residents. In addition, Rural Electric Service provides electrical service to District residents within the county. The water source is wells and the capacity of the water plant is 2,016,000 gallons per day. KPL Gas Service Company supplies natural gas to District residents and telephone service is provided by AT&T and Cox Communication. Cox Communications, AT&T, and Kasinet in Lindsborg provide Internet access to District residents.

Transportation and Communication Facilities

Highways serving the City of Lindsborg include Kansas State Highway 4 and U.S. Highway 81. Interstate 135 is located approximately 2 miles east of Lindsborg and Interstate 70 is located approximately 20 miles north. The nearest commercial air service is available in Salina, Kansas, approximately 20 miles north of Lindsborg. The Lindsborg News-Record and the Marquette Tribune are weekly newspaper publications available to District residents.

Medical and Health Facilities

Lindsborg Community Hospital is equipped with 39 beds and is one of 3 hospitals in McPherson County. Lindsborg Rural Health Clinic employs medical doctors and physician assistants that provide health care services for many District residents. There is also a dentist, chiropractors, and a pharmacy located within the community to serve the health care needs of District residents. In addition, Bethany Home in Lindsborg provides adult assisted living services for District residents.

ECONOMIC INFORMATION

Major Employers

Listed below are the major employers located in the District and in McPherson County and the approximate number employed by each:

Major Employers	Product/Service	Number of Full- & Part-time Employees
Smoky Valley USD 400	Education	200
Bethany Home/Sunflower Terrace	Senior Care	200
Bethany College	Education	150
Lindsborg Community Hospital	Healthcare	80
City of Lindsborg	Government Utilities	84
Pfizer Inc (McPherson County)	Pharmaceutical	1400
McPherson USD 418 (McPherson County)	Education	700
CHS Refinery (McPherson County)	Petroleum refining	550
Bradbury Company (McPherson County)	Manufacturing	500
Viega McPherson (McPherson County)	Manufacturing/Distribution	400
Johns Manville (McPherson County)	Manufacturing	300
Farmers Alliance (McPherson County)	Insurance	300
McPherson College (McPherson County)	Education	300

Source: Websites and Director of Economic Development McPherson County

Labor Force

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

MCPHERSON COUNTY, KANSAS

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	16,486	16,082	404	2.5%
2022	16,762	16,393	369	2.2%
2023	17,048	16,650	398	2.3%
2024	17,384	16,892	492	2.8%
2025	17,599	17,054	545	3.1%

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%

Source: Kansas Department of Labor

Retail Sales Tax Collections

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

Year*	Sales Tax Collections	Per Capita Sales Tax
2020	$36,635,136	$1,279.70
2021	39,152,788	1,237.03
2022	43,389,454	1,367.92
2023	43,596,105	1,450.18
2024	42,920,295	1,432.04

The State sales and use tax is 6.50%, effective July 1, 2015. For sales of food and food ingredients, beginning January 1, 2023, the State sales and use tax rate was reduced to 4%, beginning January 1, 2024, such rate was reduced to 2%, and beginning January 1, 2025, such rate was reduced to 0%. During such times, the State sales and use tax rate on non-food and non-food ingredients sales remained at 6.50%.

Source: Kansas Statistical Abstract

Financial and Banking Institutions

There are currently 11 banks located in McPherson County. For the years listed, bank deposits of the County's banks are as follows:

Year	Total Bank Deposits
2021	$1,032,631,000
2022	1,038,144,000
2023	1,077,633,000
2024	1,061,390,000
2025	1,145,790,000

Source: FDIC

Oil Production

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

Year	Oil Production
2021	285,039
2022	291,233
2023	285,614
2024	270,775
2025	270,073

Source: Kansas Geological Survey

Population

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

Year	McPherson County Population
1980	26,855
1990	27,268
2000	29,554
2010	29,180
2020	30,223
2024	30,334

The median age of persons in McPherson County and the State of Kansas is 40.0 and 37.4 respectively, per the 2020 census.

Source: U.S. Census Data & Kansas Statistical Abstract

Personal Income

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

Year	McPherson County Personal Income	McPherson County Per Capita Personal Income	State of Kansas Per Capita Personal Income
2020	$1,662,130,000	$55,067	$55,231
2021	1,743,641,000	57,800	59,209
2022	1,782,851,000	59,219	61,875
2023	1,932,942,000	63,928	63,513
2024	1,990,880,000	65,632	65,856

Source: Bureau of Economic Analysis

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The District's financial statements are presented in compliance with the cash basis and budget laws of Kansas. Revenues are recognized when cash is received and expenditures are recognized when an amount is encumbered. An amount is encumbered when the District makes a purchase order, contract or other commitment for the expenditure, in order to reserve that portion of the applicable budget appropriation. When the related goods or services are received and subsequently paid, the payment is recorded in the applicable budgetary funds account and the encumbrance is canceled.

The District's fiscal year is mandated to run from July 1 to June 30. An annual budget for the coming eighteen months is required to be prepared by the District, for all funds not exempt from the budget requirement. A computation of estimated receipts and disbursements is prepared and presented to the governing body of the District 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 District prior to August 25 of each year.

The District may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the District 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 District) 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. Additionally, in the event that the tax levied by the District pursuant to K.S.A. 72-5142, and amendments thereto, increases the property tax revenue generated for the purpose of calculating the revenue neutral rate from the previous tax year, and the increase in revenue generated from such tax levied is the only reason that the District would exceed the total property tax revenue from the prior year, the District shall be deemed to not have exceeded the revenue neutral rate in levying a tax rate in excess of the revenue neutral rate.

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

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

The financial records of the District 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 Varney & Associates, CPAs, LLC, Manhattan, 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 audited financial statements for the Fiscal Year ended June 30, 2025 are attached hereto as *Appendix B*.

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

Property Valuations

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

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

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

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

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

Assessed Valuation

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

MCPHERSON COUNTY PORTION OF THE DISTRICT

Year	Real Property	Personal Property	Utilities	Motor Vehicles	Total Valuation
2022	$54,202,748	$1,882,874	$10,585,400	$6,304,695	$72,975,717
2023	57,259,000	2,001,841	10,112,040	6,316,058	75,688,939
2024	59,181,609	1,834,755	10,069,610	6,667,500	77,753,474
2025	60,986,801	1,747,773	10,164,176	7,095,584	79,994,334
2026*	63,476,862	1,430,409	10,531,083	7,095,584	82,533,938

** Preliminary 2026 assessed valuation figures used for budgeting purposes. 2026 motor vehicle valuation not yet available; 2025 data used for estimation purposes only.*

Source: McPherson County Clerk

ELLSWORTH COUNTY PORTION OF THE DISTRICT

Year	Real Property	Personal Property	Utilities	Motor Vehicles	Total Valuation
2022	$3,429,104	$309,701	$4,185,209	$4,957	$7,928,971
2023	3,587,768	369,513	3,372,663	5,549	7,335,493
2024	3,690,113	411,151	3,383,095	6,152	7,490,511
2025	3,845,109	409,571	3,180,551	5,711	7,440,942
2026*	3,948,992	409,040	3,045,998	5,711	7,409,741

** Preliminary 2026 assessed valuation figures used for budgeting purposes. 2026 motor vehicle valuation not yet available; 2025 data used for estimation purposes only.*

Source: Ellsworth County Clerk

SALINE COUNTY PORTION OF THE DISTRICT

Year	Real Property	Personal Property	Utilities	Motor Vehicles	Total Valuation
2022	$12,189,647	$354,725	$2,617,289	$1,091,812	$16,253,473
2023	12,516,710	448,082	2,637,683	1,076,236	16,678,711
2024	12,455,431	552,582	2,627,926	1,171,301	16,807,240
2025	12,224,333	446,677	2,694,438	1,217,298	16,582,746
2026*	12,671,129	349,101	2,867,151	1,217,298	17,104,679

** Preliminary 2026 assessed valuation figures used for budgeting purposes. 2026 motor vehicle valuation not yet available; 2025 data used for estimation purposes only.*

Source: Saline County Clerk

TOTAL ASSESSED VALUATION FOR THE DISTRICT

Year	Total Valuation
2022	$97,158,161
2023	99,703,143
2024	102,051,225
2025	104,018,022
2026*	107,048,358

** Preliminary*

Estimated Actual Valuation

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

Year	Estimated Actual Valuation
2022	$607,238,506
2023	623,144,644
2024	637,820,156
2025	650,112,638
2026*	669,052,238

**Preliminary*

Property Tax Levies and Collections

School District Funding Formula

Overview. The Kansas School Equity and Enhancement Act, adopted by the Kansas Legislature in 2017 and amended in subsequent years (collectively the "KSEEA"), implemented a revised method of funding primary and secondary public education in the State of Kansas (the "State"). This overall funding formula, together with other existing legislation relating to education funding (collectively the "Plan"), contains many foundational characteristics of the funding plan employed by the State from 1992 to 2015, with certain modifications made in recent years in response to lawsuits challenging the constitutionality of the State's school funding plans and the court decisions rendered. The following is a high-level summary of the Plan and certain funds and accounts created thereunder. This summary does not purport to be comprehensive.

Funding for the Plan. In general, funding for the Plan is provided by a State-mandated 20-mill property tax, motor vehicle tax collections, grants, certain federal impact aid and remaining fund balances (the "School Financing Sources"). School districts are also allowed to levy certain ad valorem taxes to fund operations. The District's Bond and Interest Fund, from which principal and interest payments on general obligation bonds are financed, is a separate, unrestricted levy of ad valorem taxes.

General Fund. Revenue to support general fund operations is provided to districts through the State's total foundation aid ("TFA"). TFA is determined by a formula which provides a fixed amount of funding per student, titled base aid for student excellence ("BASE"). TFA is calculated each year by multiplying BASE by the adjusted enrollment of a district. Adjusted enrollment means the district's full-time enrollment adjusted by certain weighting factors related to the estimated cost of educating certain students. The amount of TFA that a district actually receives each year from the State is determined each school year by the State Board of Education (the "State Board") and is a function of the district's School Financing Sources and TFA.

A district's general state aid entitlement is paid monthly from the State school district finance fund during July through May according to the amount needed to meet operating expenses, with the balance paid in June. Any amount not so paid in June is paid on July 1 or as soon thereafter as funds are available for such payment. State law permits such funds to be recorded and accounted by the district as if received on June 30.

Supplemental General Fund. In order to provide additional funding for operations, the Plan provides for the creation of a supplemental general fund that can be used for the same purposes as the general fund. Such supplemental general fund shall be implemented through a local option budget ("LOB") approved by the district's governing body and financed by an ad valorem tax levied within the district. Each district shall provide for an LOB in an amount not less than 15% of the district's TFA. In addition, any district, by resolution of its governing body, may provide for an increased LOB, and depending on amount, may be subject to notice and protest and/or referendum. A district that has adopted a LOB is eligible for supplemental general state aid determined by a formula that takes into account the district's assessed value per pupil ("AVPP") and other factors.

The District has a LOB in an amount of 33% of its TFA, which generates approximately $2,500,000 of revenues annually.

Capital Outlay Funds. The Plan authorizes any district to initiate a capital outlay levy in an amount not to exceed 8 mills upon all taxable tangible property within the district. Prior to instituting a capital outlay levy, the district's governing body must adopt a resolution declaring an intent to institute the levy, and the resolution must be published and is subject to

protest petition. Funds generated by a district's capital outlay levy may be expended for certain capital improvements, equipment and expenses provided by the Plan. A district may also issue general obligation capital outlay bonds, in an amount determined by formula, that are expected to be repaid from funds derived from the capital outlay levy. The District has a current capital outlay levy of 8.000 mills, which generates approximately $1,000,000 of revenues annually.

Any district that levies a capital outlay levy is eligible to receive moneys from the school district capital outlay state aid fund based on a state aid percentage factor determined on a formula inversely related to the AVPP as compared to the median AVPP of all districts in the State.

Capital Improvement Fund. There is established in the State Treasury the school district Capital Improvement Fund ("CIF"). The CIF is intended to assist districts in making principal and interest payments on voted general obligation bond issues. Subject to an annual cap on total State CIF expenditures, each district may apply to the State Board to receive CIF State aid in an amount inversely related to its AVPP. Determination of CIF funding was not modified by KSEEA.

The District's entitlement to State aid from the CIF each year is determined by applying the state aid percentage factors to the bond and interest fund payment obligation for that year. It is anticipated that the CIF will pay approximately 47% of the District's debt service on the bonds for the school year 2026-2027 which were authorized by voters prior to July 1, 2015; 0% of the District's debt service on bonds for the school year 2026-2027 which were authorized by voters after July 1, 2015 and 0% of the District's debt service on bonds for the school year 2026-2027 which were authorized by voters after July 1, 2022. No assurance can be given that State CIF assistance will continue in future years. However, the District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on its outstanding general obligation bonds, regardless of any State CIF aid.

Other State Funding. The Plan also provides additional State aid to school districts for various specific purposes and also provides increased funding based on certain weighting factors.

Litigation. The methods employed by the State for funding primary and secondary education, including the Plan, have been regularly subject to lawsuits challenging the constitutionality of such methods. Certain lawsuits have successfully asserted that various components of State funding are constitutionally inadequate and/or inequitable, and the resulting court decisions have mandated that the Legislature address such deficiencies within provided deadlines. In response, the Legislature has actively amended and revised components the State funding formula.

Most recently, the KSEEA was subject to litigation as to whether it complied with the State constitution. In 2019, the Kansas Legislature passed House Substitute for Senate Bill 16 ("SB 16") amending the KSEEA. In June 2019, the Kansas Supreme Court (the "Court") held that, due to the additional funding contained in SB 16, the State substantially complied with the Court's mandate regarding financial adequacy and the KSEEA, as amended by SB 16, was constitutionally compliant. The Court retained jurisdiction to ensure continued compliance with that mandate until February 2024, when the Court granted the State's motion to release its jurisdiction.

The impact on the District and the Plan of any future litigation is not able to be determined at this time. There can be no assurance that the Plan or any components thereof will continue in their current form. Additionally, as stated by the Court in previous decisions regarding the Plan, the implementation of an unconstitutional system of school funding system may be enjoined, in which case it could be possible that funds could not be raised, distributed or spent for the operation of public primary and secondary schools in the State.

***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 District may levy taxes in accordance with the requirements of its adopted budget and within the restrictions of the State school finance formula. Property tax levies are based on the adopted budget of the District and the assessed valuations provided by the county appraiser.

The following table shows the District's mill levies by fund (per $1,000 of assessed valuation) for the years as set forth below:

Year	General	Supplemental General	Capital Outlay	Total Mill Levy
2021/22	20.000	12.537	7.998	40.535
2022/23	20.000	14.774	8.000	42.774
2023/24	20.000	14.120	8.000	42.120
2024/25	20.000	15.211	8.000	43.211
2025/26	20.000	14.900	8.000	42.900

Source: McPherson County Clerk

Aggregate Tax Levies:

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

Year	City of Lindsborg	City of Marquette	McPherson County	School District	State
2021/22	57.754	60.915	30.738	40.535	1.500
2022/23	55.912	60.845	30.326	42.774	1.500
2023/24	56.647	60.838	29.628	42.120	1.500
2024/25	56.119	60.831	30.884	43.211	1.500
2025/26	55.361	60.828	31.886	42.900	1.500

Source: McPherson County Clerk

Tax Collection Record:

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

Assessment Year	Collection Year	Total Taxes Levied	Current & Delinquent Tax Collections	Percent of Levy Collected
2021	2022	$2,478,662	$2,475,741	99.9%
2022	2023	2,675,289	2,646,918	98.9%
2023	2024	2,732,572	2,712,985	99.3%
2024	2025	2,741,323	2,718,767	99.2%
2025	2026*	2,812,799	2,753,267	97.9%

**Partial collections through 8/24/2026*
***Source**:* McPherson County Treasurer

Major Taxpayers:

The following table sets forth the ten largest taxpayers in the District for taxes levied during 2025:

Taxpayer	Assessed Valuation	Taxes Due
Evergy Kansas Central, Inc	$2,704,522	$288,431.58
Nustar Pipeline	1,445,350	145,997.38
Magellan Pipeline Company LLC	1,276,765	124,350.54
Kansas Gas Service-Division of One Gas	1,257,109	150,005.94
Tallgrass Pony Exp PPLN LLC	1,080,076	117,675.80
DS&O Rural Electric	732,409	76,756.22
J Six Enterprises LLC	657,241	72,726.92
ANR Pipeline Company	596,235	63,980.86
Mid Kansas Coop Association	573,503	75,004.06
Columbia Industries Inc	396,613	51,611.26

Source: McPherson County 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, 2025, KPERS serves approximately 355,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

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

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

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

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

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

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERS to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling $1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. For more information about the Legislature's actions related to KPERS, please see the 2023 Valuation Report referenced below.

The State's contribution for school employees varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The State's contribution is 11.32% of the employee's gross salary for the period beginning July 1, 2026, through June 30, 2027, and is projected to change to 11.38% of the employee's gross salary for the period beginning July 1, 2027, through June 30, 2028. 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, 2025 (the "2025 Valuation Report") the KPERS School Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately $4.889 billion at the end of 2025. The amount of the UAAL in 2025 changed from the previous year's amount due to the factors discussed in the 2025 Valuation Report; such report also includes additional information relating to the funded status of the KPERS School Group, including recent trends in the funded status of the KPERS School Group. A copy of the 2025 Valuation Report is available on the KPERS website at www.kspers.gov/about/reports. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2025 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS School Group. The 2025 Valuation Report sets the employer contribution rate for the period beginning July 1, 2028, for the KPERS School Group, and KPERS' actuaries identified that an employer contribution rate of 11.41% of covered payroll would be necessary, together with statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial periods set forth in the 2025 Valuation Report. Because the annual growth in employer contribution rates is limited by State law, the actual contribution rate permitted at the time of calculation was only 11.21%. As a result, members of the School Group are underfunding their projected actuarial liabilities and the UAAL can be expected to grow over time. KPERS' actuaries project the required employer contribution rate to increase by an amount not exceeding the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter, until such time as the permitted rate equals the actuarial rate.

DEBT STRUCTURE

Debt Summary

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

Assessed Valuation	$107,048,358
Estimated Actual Valuation	$669,052,238
Outstanding General Obligation Bonds[(1)]	$21,000,000
Overlapping Debt	$4,893,003
Direct debt per capita (population 6,418)	$3,272.05
Direct and overlapping debt per capita	$4,034.43
Direct debt as a percentage of Assessed Valuation	19.62%
Direct & overlapping debt as a percentage of Assessed Valuation	24.19%
Direct debt as a percentage of Estimated Actual Valuation	3.14%
Direct & overlapping debt as a percentage of Estimated Actual Valuation	3.87%

[1] *Includes this issue.*

Current Indebtedness of the Issuer

The following table sets forth as of the date of issuance of the Bonds all of the outstanding obligations of the District including the Bonds:

GENERAL OBLIGATION BONDS

Category of Indebtedness	Series	Dated Date	Final Maturity	Original Principal Amount	Amount Outstanding
General Obligation Bonds[(1)]	2026	11/12/2026	9/1/2051	$21,000,000	$21,000,000
				Total	$21,000,000

[(1)] *This Issue.*

LEASE OBLIGATIONS

Category of Indebtedness	Dated Date	Final Maturity	Interest Rate	Original Principal Amount	Amount Outstanding
Equipment Lease	3/1/2022	3/1/2037	2.36%	$4,080,258	$3,375,000
				Total	$3,375,000

History of General Obligation Indebtedness

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

Overlapping and Underlying Indebtedness

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

Taxing Jurisdiction	Assessed Valuation	Outstanding General Obligation Indebtedness	Percent Applicable to Issuer	Amount Applicable to Issuer
McPherson County	$553,472,108	$1,540,000	13.17%	$202,836
City of Lindsborg	33,825,488	3,287,343	100.00%	3,287,343
City of Marquette	4,357,673	110,000	100.00%	110,000
Ellsworth County	125,752,860	-0-	5.91%	-0-
Saline County	742,344,948	62,459,726	2.07%	1,292,824
			Total	$4,893,003

***Source**:* McPherson, Ellsworth, and Saline County Clerks

Future Indebtedness

The District does not have any plans to issue additional debt in the near future.

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APPENDIX B

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS (FOR THE FISCAL YEAR ENDED JUNE 30, 2025)

USD 400 SMOKY VALLEY

Lindsborg, Kansas

FINANCIAL STATEMENT

June 30, 2025

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
TABLE OF CONTENTS
June 30, 2025

		Page
INDEPENDENT AUDITOR'S REPORT		1 - 3
FINANCIAL STATEMENT		
Summary Statement Of Receipts, Expenditures And Unencumbered Cash	Statement 1	4 - 5
NOTES TO FINANCIAL STATEMENT		6 - 12
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION		
Summary of Expenditures - Actual and Budget	Schedule 1	14
Schedule of Receipts and Expenditures - Actual and Budget		
General Fund	Schedule 2	15
Supplemental General Fund	Schedule 2	16
Preschool-Aged At-Risk Fund	Schedule 2	17
At-Risk (K-12) Fund	Schedule 2	18
Bilingual Education Fund	Schedule 2	19
Virtual Education Fund	Schedule 2	20
Capital Outlay Fund	Schedule 2	21
Driver Training Fund	Schedule 2	22
Food Service Fund	Schedule 2	23
Professional Development Fund	Schedule 2	24
Special Education Fund	Schedule 2	25
Career and Postsecondary Education Fund	Schedule 2	26
KPERS Special Retirement Contribution Fund	Schedule 2	27
Schedule of Receipts and Expenditures - Non-Budgeted Funds	Schedule 2	28 - 29
Summary of Receipts and Disbursements - Agency Funds	Schedule 3	30
Schedule of Receipts, Expenditures, and Unencumbered Cash - District Activity Funds	Schedule 4	31

December 18, 2025

Board of Education
USD 400 - Smoky Valley
Lindsborg, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of receipts, expenditures, and unencumbered cash balances - regulatory basis of USD 400 - Smoky Valley (the District), as of and for the year ended June 30, 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 matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 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 District as of June 30, 2025, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), KMAAG. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 District on the basis of the financial reporting provisions of the KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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 District'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.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. 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.

Supplementary Information (Continued)

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated January 20, 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 website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipal-services. 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 June 30, 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 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 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 June 30, 2025, on the basis of accounting described in Note 1.

Varney & Associates, CPAs, LLC

Certified Pubic Accountants
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ -	$ 8,949,584	$ 8,949,584	$ -	$ 19,348	$ 19,348
Supplemental General	208,644	-	2,580,705	2,558,274	231,075	2,806	233,881
Special Purpose Funds							
Budgeted							
Preschool-Aged At-Risk	81,801	-	180,000	180,352	81,449	-	81,449
At-Risk (K-12)	63,390	-	796,589	796,589	63,390	643	64,033
Bilingual Education	15,003	-	16,500	16,332	15,171	-	15,171
Virtual Education	73,540	-	672,393	655,146	90,787	213	91,000
Capital Outlay	1,585,147	-	1,304,294	827,778	2,061,663	58,044	2,119,707
Driver Training	26,306	-	12,888	12,073	27,121	408	27,529
Food Service	141,989	-	428,350	432,353	137,986	-	137,986
Professional Development	49,190	-	58,149	44,270	63,069	-	63,069
Special Education	681,271	-	1,891,589	1,815,570	757,290	-	757,290
Career and Postsecondary Education	152,525	-	293,988	268,905	177,608	159	177,767
KPERS Special Retirement Contribution	-	-	785,214	785,214	-	-	-
Non-Budgeted							
Title I Low Income	-	-	104,334	104,334	-	-	-
Title II-A Improve Teacher Quality	-	-	35,894	35,894	-	-	-
Title IV-A Student Support & Academic Enrich.	-	-	15,215	15,215	-	-	-
Contingency Reserve	842,055	-	54,679	-	896,734	-	896,734
Textbook and Student Material Revolving	94,747	-	40,000	16,999	117,748	1,185	118,933
Gift and Grants	38,369	-	177,007	145,770	69,606	86,800	156,406
District Activity funds	-	-	17,424	17,424	-	-	-
Trane HVAC	280,476	-	3,754	229,013	55,217	-	55,217
ESSER III	(32,643)	-	112,551	79,908	-	-	-
KDHE COVID Grant	(51,333)	-	73,469	22,136	-	-	-

(Continued)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Trust Funds							
St Stephen's	$ 66,827	$ -	$ -	$ 12,956	$ 53,871.00	$ -	$ 53,871
Trust Fund	80,850	-	16,504	41,046	56,308	-	56,308
Total Reporting Entity (Excluding Agency Funds)	$ 4,398,154	$ -	$ 18,621,074	$ 18,063,135	$ 4,956,093	$ 169,606	$ 5,125,699

Composition of Cash	
Bank deposits	$ 4,398,988
Kansas Municipal Investment Pool	965,151
Cash on hand	6,000
Total Cash	$ 5,370,139
Less: Agency funds per Schedule 3	(244,440)
Total Reporting Entity (Excluding Agency Funds)	$ 5,125,699

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

Note 1: Summary of Significant Accounting Policies

USD 400 Smoky Valley (the District), is a municipal corporation governed by an elected seven member Board. The financial statement includes the District only.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. 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 District could have the following types of funds:

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

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

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

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.

Agency Fund -- used to report assets held by the District in a purely custodial capacity.

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State of America

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

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

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Budgetary Information

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

1. Preparation of the budget for the succeeding twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th, 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 District did hold a revenue neutral hearing.

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

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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment to Comply with Legal Max - Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

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

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

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

Title I - Low Income	Gifts & Grants	Trust Fund
Title II-A Improve Teacher Quality	St. Stephens	
Title IV-A Stud. Supp. & Acad. Enrich.	Trane HVAC	
Contingency Reserve	Payroll Clearing	
District Activity Funds	ESSER III	
Covid Grant	Textbook & Student Material Revolving	

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

Note 3: Deposits and Investments

As of June 30, 2025, the District had the following idle fund investments and maturities:

		Investment Maturities (in Years)		
Investment Type	**Cost**	**Less than 1**	**1 - 2**	**Rating U.S.**
Kansas Municipal Investment Pool	$ 965,151	$ 965,151	$ -	S&P AAAf/S1+

K.S.A. 9-1401 established the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District 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 District has no other policies that would further limit interest rate or depository risk.

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2025, is as follows:

Investment	**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 District's deposits may not be returned to it. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2025.

At June 30, 2025, the carrying amount of the District's bank deposits was $4,398,988. The bank balance was $5,265,185. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $500,000 was secured by FDIC insurance and the remaining balance was collateralized by bank pledged securities.

Custodial credit risk -- investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District 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 June 30, 2025, the District had invested $965,151 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 ten 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

The District made the following operating transfers which were approved by the Board of Education.

Fund From	Fund To	Authority	Amount
General	Preschool-Aged At-Risk	K.S.A. 72-5167	$ 140,000
General	At-Risk (K-12)	K.S.A. 72-5167	590,000
General	Bilingual Education	K.S.A. 72-5167	13,000
General	Virtual Education	K.S.A. 72-5167	350,000
General	Special Education	K.S.A. 72-5167	1,459,049
General	Career and Post Secondary Ed	K.S.A. 72-5143	220,000
General	Food Service	K.S.A. 72-5167	40,000
General	Professional Development	K.S.A. 72-5167	56,000
General	Contingency Reserve	K.S.A. 72-5167	54,679
General	Textbook & Student Material Revolving	K.S.A. 72-5167	30,000
Supplemental	Preschool-Aged At-Risk	K.S.A. 72-5143	40,000
Supplemental	At-Risk (K-12)	K.S.A. 72-5143	200,000
Supplemental	Bilingual Education	K.S.A. 72-5143	3,500
Supplemental	Virtual Education	K.S.A. 72-5143	238,641
Supplemental	Food Service	K.S.A. 72-5143	2,936
Supplemental	Special Education	K.S.A. 72-5143	432,540
Supplemental	Career and Post Secondary Ed	K.S.A. 72-5143	60,000
Supplemental	Textbook & Student Material Revolving	K.S.A. 72-5143	10,000
Title IV	Title II-A	K.S.A. 72-5537	15,215
	Total Transfers		$ 3,955,560

Note 5: Pension Plans

Defined Benefit Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 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 and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

Note 5: Pension Plans (Continued)

Defined Benefit Pension Plan (Continued)

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas is required to contribute the statutory required employer 's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $785,214 for the year ended June 30, 2025.

Net Pension Liability: At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $7,103,843. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2024. 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 6: Other Long-Term Obligations from Operations

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District 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 District 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. There is no cost to the District under this program.

Compensated Absences

Compensated vacation absences are recorded as expenditures in Governmental Funds when they are paid. Vacation for qualified, classified employees is two weeks or more per year, which may be taken during the current or subsequent year. If not taken during current or subsequent year, it is lost. Accumulated vacation is paid if an employee voluntarily terminates employment with appropriate notice. Otherwise, it is lost. The most that may be accumulated is 25 days. Vacation is earned at .834 days/month for new employees who are at least half time and who work more than ten months per year. Employees earn more days per month for longer service. Emergency leave for classified employees accumulates at 1.67 days per month. Employees must work at least four hours a day. Classified and certified employees may accumulate 90 days of emergency leave. Certified employees get 15 days at the beginning of the year and lose any unused days upon termination.

Note 6: Other Long-Term Obligations from Operations (Continued)

Compensated Absences (Continued)

Sick leave benefits and other compensated absences are not accrued in the financial statement because they do not vest. When an employee leaves the District they do not receive any compensation for unused sick leave, unless they are retiring certified employee, in which case they receive $15 per day up to 88 days.

Note 7: Other Long-Term Obligations from Operations

Termination Benefits

The District provides an early retirement program for certain eligible employees. Employees are eligible if (a) they are a professional employee of the District; (b) will be at least 60 years of age and not more than 64 years of age on or before August 31 of the calendar year in which the professional employee intends to retire, or anyone who meets the KPERS 85 point early retirement plan; (c) has a minimum of 20 years of employment in a public school system; (d) has a minimum of ten years in the District to receive full early retirement benefits. Reduced benefits are eligible for employees that have been employed in the District for five to nine years. Employees hired after July 1, 2013 do not qualify for early retirement.

Payments to retired employees under this plan were $71,000 for the year ended June 30, 2025.

Note 8: Claims and Judgments

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have material impact on the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2024 to 2025, and there were no settlements that exceeded insurance coverage in the past three years.

Note 9: Subsequent Events

The District evaluated subsequent events through the date of the financial statement, which is also the date the financial statement is available to be issued.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2025

Note 10: General Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
Lease Purchase:									
Equipment Lease	2.36%	3/1/2022	$ 4,080,258	3/1/2037	$ 3,615,000	$ -	$ 240,000	$ 3,375,000	$ 85,314

Current maturities of long-term debt and interest for the next five years and total outstanding debt obligations beyond five years are outlined below:

	2026	2027	2028	2029	2030	2031-2035	2036-2040	Total
Principal								
Lease Purchase	$ 245,000	$ 255,000	$ 260,000	$ 265,000	$ 270,000	$ 1,450,000	$ 630,000	$3,375,000
Interest								
Lease Purchase	$ 79,650	$ 73,868	$ 67,850	$ 61,714	$ 55,460	$ 178,652	$ 22,420	$ 539,614

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2025

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 9,416,091	$ (595,421)	$ 128,914	$ 8,949,584	$ 8,949,584	$ -
Supplemental General	2,675,643	(118,227)	-	2,557,416	2,558,274	858
Special Purpose Funds						
Preschool-Aged At-Risk	261,801	-	-	261,801	180,352	(81,449)
At-Risk (K-12)	903,337	-	-	903,337	796,589	(106,748)
Bilingual Education	41,772	-	-	41,772	16,332	(25,440)
Virtual Education	682,181	-	-	682,181	655,146	(27,035)
Capital Outlay	2,933,988	-	-	2,933,988	827,778	(2,106,210)
Driver Training	38,855	-	-	38,855	12,073	(26,782)
Food Service	591,029	-	-	591,029	432,353	(158,676)
Professional Development	101,690	-	-	101,690	44,270	(57,420)
Special Education	2,464,274	-	-	2,464,274	1,815,570	(648,704)
Career and Postsecondary Education	503,581	-	-	503,581	268,905	(234,676)
KPERS Special Retirement Contribution	997,073	-	-	997,073	785,214	(211,859)
Total of all Funds	$ 21,611,315	$ (713,648)	$ 128,914	$ 21,026,581	$ 17,342,440	$ (3,684,141)

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Student activities	$ 39,456	$ 38,368	$ -	$ 38,368
Other	76,373	90,546	-	90,546
State Sources				
General state aid	8,154,070	8,820,611	9,415,891	(595,280)
Mineral production tax	85	59	200	(141)
Total Cash Receipts	$ 8,269,984	8,949,584	$ 9,416,091	$ (466,507)
EXPENDITURES				
Instruction	$ 3,015,825	3,188,978	$ 3,265,832	$ (76,854)
Student support services	115,148	209,123	203,893	5,230
Instructional support staff	523,778	525,885	595,880	(69,995)
General administration	325,019	346,958	364,433	(17,475)
School administration	599,260	605,850	649,600	(43,750)
Central services	137,838	159,736	174,050	(14,314)
Operations and maintenance	456,430	498,260	475,155	23,105
Student transportation	399,983	462,066	463,103	(1,037)
Transfers to other funds	2,696,703	2,952,728	3,224,145	(271,417)
Adjustment to comply with legal maximum	-	-	(595,421)	595,421
Legal general fund budget and expenditures	$ 8,269,984	$ 8,949,584	$ 8,820,670	$ 128,914
Adjustments for qualifying budget credits	-	-	128,914	(128,914)
Total Expenditures	$ 8,269,984	$ 8,949,584	$ 8,949,584	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 1,278,582	$ 1,374,361	$ 1,439,083	$ (64,722)
Delinquent taxes	10,535	17,787	19,631	(1,844)
County Sources				
Motor vehicle taxes	117,556	131,907	121,138	10,769
Recreational vehicle taxes	2,972	2,957	3,192	(235)
Commercial vehicle taxes	3,115	3,107	3,141	(34)
State Sources				
Supplemental state aid	1,016,291	1,050,586	1,099,154	(48,568)
Total Cash Receipts	$ 2,429,051	2,580,705	$ 2,685,339	$ (104,634)
EXPENDITURES				
Instruction	$ 414,692	458,806	$ 445,825	$ 12,981
Student support services	22,408	28,123	28,000	123
Instructional support staff	49,753	50,157	53,250	(3,093)
General administration	9,543	10,381	10,400	(19)
School administration	71,120	59,965	76,500	(16,535)
Central services	23,806	26,351	25,634	717
Operations and maintenance	707,457	752,241	833,115	(80,874)
Student transportation	190,817	184,633	222,656	(38,023)
Transfers to other funds	957,261	987,617	980,263	7,354
Adjustment to comply with legal maximum	-	-	(118,227)	118,227
Adjustment for qualifying budget credits	-	-	858	(858)
Total Expenditures	$ 2,446,857	$ 2,558,274	$ 2,558,274	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (17,806)	$ 22,431		
UNENCUMBERED CASH - BEGINNING	226,450	208,644		
UNENCUMBERED CASH - ENDING	$ 208,644	$ 231,075		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 172,000	$ 180,000	$ 180,000	$ -
EXPENDITURES				
Instruction	$ 93,553	$ 105,488	$ 164,144	$ (58,656)
Student transportation	87,493	74,864	97,657	(22,793)
Total Expenditures	$ 181,046	$ 180,352	$ 261,801	$ (81,449)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (9,046)	$ (352)		
UNENCUMBERED CASH - BEGINNING	90,847	81,801		
UNENCUMBERED CASH - ENDING	$ 81,801	$ 81,449		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
AT-RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 7,300	$ 6,450	$ 7,500	$ (1,050)
Student Activities	-	139	-	-
Other Sources				
Transfers from other funds	781,228	790,000	878,494	(88,494)
Total Cash Receipts	$ 788,528	$ 796,589	$ 885,994	$ (89,544)
EXPENDITURES				
Instruction	$ 701,964	$ 718,050	$ 812,162	$ (94,112)
Student support services	86,086	78,539	91,175	(12,636)
Total Expenditures	$ 788,050	$ 796,589	$ 903,337	$ (106,748)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 478	$ -		
UNENCUMBERED CASH - BEGINNING	62,912	63,390		
UNENCUMBERED CASH - ENDING	$ 63,390	$ 63,390		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 13,224	$ 16,500	$ 26,770	$ (10,270)
EXPENDITURES				
Instruction	$ 12,669	$ 16,332	$ 41,772	$ (25,440)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 555	$ 168		
UNENCUMBERED CASH - BEGINNING	14,448	15,003		
UNENCUMBERED CASH - ENDING	$ 15,003	$ 15,171		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Tuition	$ 22,120	$ 75,600	$ -	$ 75,600
Other	5,974	8,152	50,000	(41,848)
Other Sources				
Transfers from other funds	562,500	588,641	558,641	30,000
Total Cash Receipts	$ 590,594	$ 672,393	$ 608,641	$ 63,752
EXPENDITURES				
Instruction	$ 363,569	$ 414,906	$ 439,982	$ (25,076)
Student support services	62,855	64,857	67,158	(2,301)
Instructional support staff	1,885	735	2,750	(2,015)
School administration	162,063	174,648	172,291	2,357
Total Expenditures	$ 590,372	$ 655,146	$ 682,181	$ (27,035)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 222	$ 17,247		
UNENCUMBERED CASH - BEGINNING	73,318	73,540		
UNENCUMBERED CASH - ENDING	$ 73,540	$ 90,787		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 730,183	$ 734,873	$ 677,675	$ 57,198
Delinquent taxes	6,082	10,220	11,124	(904)
Interest On Idle Funds	176,937	192,439	50,000	142,439
Other	13,049	7,870	22,386	(14,516)
County Sources				
Motor vehicle taxes	70,405	72,685	66,595	6,090
Recreational vehicle taxes	1,942	1,627	1,755	(128)
Commercial vehicle taxes	1,705	1,751	1,727	24
Other	2,419	4,357	8,250	(3,893)
State Sources				
Capital outlay state aid	250,597	278,472	278,472	-
Other Sources				
Transfers from other funds	-	-	230,000	(230,000)
Total Cash Receipts	$ 1,253,319	$ 1,304,294	$ 1,347,984	$ (43,690)
EXPENDITURES				
Instruction	$ 126,143	$ 55,681	$ 405,000	$ (349,319)
Student support services	50,811	4,475	85,000	(80,525)
Instructional support staff	8,506	2,234	95,000	(92,766)
General administration	219,572	215,694	350,000	(134,306)
School administration	399	-	75,000	(75,000)
Central services	25	-	50,000	(50,000)
Operations and maintenance	19,064	70,712	540,000	(469,288)
Student transportation	61,728	117,698	250,000	(132,302)
Other support services	1,100	1,100	8,674	(7,574)
Debt service	325,860	325,314	325,314	-
Facility acquisition and construction	59,305	34,870	750,000	(715,130)
Total Expenditures	$ 872,513	$ 827,778	$ 2,933,988	$ (2,106,210)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 380,806	$ 476,516		
UNENCUMBERED CASH - BEGINNING	1,204,341	1,585,147		
UNENCUMBERED CASH - ENDING	$ 1,585,147	$ 2,061,663		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 5,905	$ 6,218	$ 7,850	$ (1,632)
State Sources				
State safety aid	6,960	6,670	7,560	(890)
Other Sources				
Transfers from other funds	-	-	5,000	(5,000)
Total Cash Receipts	$ 12,865	$ 12,888	$ 20,410	$ (7,522)
EXPENDITURES				
Instruction	$ 12,663	$ 11,073	$ 23,855	$ (12,782)
Operations and maintenance	880	1,000	15,000	(14,000)
Total Expenditures	$ 13,543	$ 12,073	$ 38,855	$ (26,782)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (678)	$ 815		
UNENCUMBERED CASH - BEGINNING	26,984	26,306		
UNENCUMBERED CASH - ENDING	$ 26,306	$ 27,121		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Interest	$ -	$ -	$ -	$ -
Food service sales	142,917	157,708	150,321	7,387
Other	148	-	10,000	(10,000)
State Sources				
School food assistance	3,646	3,515	2,837	678
Federal Sources				
Child nutrition programs	239,152	224,191	240,882	(16,691)
Other Sources				
Transfers from other funds	36,636	42,936	45,000	(2,064)
Total Cash Receipts	$ 422,499	$ 428,350	$ 449,040	$ (20,690)
EXPENDITURES				
Operations and maintenance	$ 92	$ -	$ -	$ -
Food service	426,218	432,353	591,029	(158,676)
Total Expenditures	$ 426,310	$ 432,353	$ 591,029	$ (158,676)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (3,811)	$ (4,003)		
UNENCUMBERED CASH - BEGINNING	145,800	141,989		
UNENCUMBERED CASH - ENDING	$ 141,989	$ 137,986		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
State Sources				
State Aid	$ 5,744	$ 2,149	$ 7,500	$ (5,351)
Other Sources				
Transfers from other funds	35,000	56,000	45,000	11,000
Total Cash Receipts	$ 40,744	$ 58,149	$ 52,500	$ 5,649
EXPENDITURES				
Instructional support staff	$ 46,696	$ 35,796	$ 84,300	$ (48,504)
General administration	6,980	6,261	-	6,261
School administration	1,558	600	-	600
Central services	6,518	1,613	17,390	(15,777)
Total Expenditures	$ 61,752	$ 44,270	$ 101,690	$ (57,420)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (21,008)	$ 13,879		
UNENCUMBERED CASH - BEGINNING	70,198	49,190		
UNENCUMBERED CASH - ENDING	$ 49,190	$ 63,069		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Federal Sources				
Federal Aid	$ 12,675	$ -	$ -	$ -
Other Sources				
Transfers from other funds	1,713,376	1,891,589	1,783,003	108,586
Total Cash Receipts	$ 1,726,051	$ 1,891,589	$ 1,783,003	$ 108,586
EXPENDITURES				
Instruction	$ 1,757,685	$ 1,764,920	$ 2,373,472	$ (608,552)
Student support services	-	-	5,802	(5,802)
Student transportation	60,441	50,650	85,000	(34,350)
Total Expenditures	$ 1,818,126	$ 1,815,570	$ 2,464,274	$ (648,704)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (92,075)	$ 76,019		
UNENCUMBERED CASH - BEGINNING	773,346	681,271		
UNENCUMBERED CASH - ENDING	$ 681,271	$ 757,290		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 75	$ 550	$ 1,000	$ (450)
State Sources				
State aid	9,788	13,438	25,056	(11,618)
Other Sources				
Transfers from other funds	320,000	280,000	325,000	(45,000)
Total Cash Receipts	$ 329,863	$ 293,988	$ 351,056	$ (57,068)
EXPENDITURES				
Instruction	$ 315,893	$ 246,471	$ 471,081	$ (224,610)
Student transportation services	13,589	22,434	32,500	(10,066)
Total Expenditures	$ 329,482	$ 268,905	$ 503,581	$ (234,676)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 381	$ 25,083		
UNENCUMBERED CASH - BEGINNING	152,144	152,525		
UNENCUMBERED CASH - ENDING	$ 152,525	$ 177,608		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
State Sources				
State Aid	$ 830,894	$ 785,214	$ 997,073	$ (211,859)
EXPENDITURES				
Instruction	$ 482,916	$ 470,064	$ 602,456	$ (132,392)
Student support services	33,817	30,891	38,783	(7,892)
Instructional support staff	64,726	53,459	64,725	(11,266)
General administration	34,316	28,694	34,915	(6,221)
School administration	92,146	76,940	93,566	(16,626)
Central services	18,585	18,153	23,920	(5,767)
Operations and maintenance	53,358	43,986	54,321	(10,335)
Student transportation	36,837	45,914	61,747	(15,833)
Food service	14,193	17,113	22,640	(5,527)
Total Expenditures	$ 830,894	$ 785,214	$ 997,073	$ (211,859)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2025

	Title I Low Income	Title II-A Improve Teacher Quality	Title IV-A Student Support & Acad. Enrich.	Contingency Reserve	Textbook & Student Material Revolving	St. Stephens	Trust Fund
RECEIPTS							
Local Sources							
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,504
Federal Sources							
Federal aid	104,334	20,679	15,215	-	-	-	-
Other Sources							
Transfers from other funds	-	15,215	-	54,679	40,000	-	-
Total Receipts	$ 104,334	$ 35,894	$ 15,215	$ 54,679	$ 40,000	$ -	$ 16,504
EXPENDITURES							
Instruction	$ 104,334	$ 35,894	$ -	$ -	$ 16,999	$ 7,972	$ 36,734
Student support services	-	-	-	-	-	4,984	-
School administration	-	-	-	-	-	-	408
Food service	-	-	-	-	-	-	508
Other	-	-	-	-	-	-	3,396
Transfers to other funds	-	-	15,215	-	-	-	-
Total Expenditures	$ 104,334	$ 35,894	$ 15,215	$ -	$ 16,999	$ 12,956	$ 41,046
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -	$ -	$ 54,679	$ 23,001	$ (12,956)	$ (24,542)
UNENCUMBERED CASH - BEGINNING	-	-	-	842,055	94,747	66,827	80,850
UNENCUMBERED CASH - ENDING	$ -	$ -	$ -	$ 896,734	$ 117,748	$ 53,871	$ 56,308

(Continued)

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2025

	Gifts and Grants	Trane HVAC	Payroll Clearing	ESSER III	COVID Grant
RECEIPTS					
Local Sources					
Other	$ 128,875	$ 3,754	$ -	$ -	$ -
State Sources					
State aid	48,132	-	-	-	-
Federal Sources					
Federal aid	-	-	-	112,551	73,469
Total Receipts	$ 177,007	$ 3,754	$ -	$ 112,551	$ 73,469
EXPENDITURES					
Instruction	$ 13,229	$ -	$ -	$ 52,265	$ -
Support					
Student support services	29,377	-	-	4,473	19,920
Instructional support staff	-	-	-	3,962	-
General administration	-	-	-	1,189	-
School administration	-	-	-	7,011	-
Central services	-	-	-	1,508	2,216
Operations and maintenance	-	229,013	-	3,454	-
Facility acquisition and construction	103,164	-	-	-	-
Food service	-	-	-	1,878	-
Other	-	-	14,379	4,168	-
Total Expenditures	$ 145,770	$ 229,013	$ 14,379	$ 79,908	$ 22,136
RECEIPTS OVER (UNDER) EXPENDITURES	$ 31,237	$ (225,259)	$ (14,379)	$ 32,643	$ 51,333
UNENCUMBERED CASH - BEGINNING	38,369	280,476	50,392	(32,643)	(51,333)
UNENCUMBERED CASH - ENDING	$ 69,606	$ 55,217	$ 36,013	$ -	$ -

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2025

	Balance July 1, 2024	Cash Receipts	Cash Disbursements	Balance June 30, 2025
Student Organization Funds				
Soderstrom Elementary School	$ 2,737	$ 75,751	$ 75,315	$ 3,173
Smoky Valley Middle School	16,224	111,812	110,731	17,305
Smoky Valley High School	159,256	300,129	277,587	181,798
Smoky Valley Virtual Charter School	2,519	26,567	22,935	6,151
Payroll Clearing	50,392	(14,379)	-	36,013
Sales Tax	15	9,011	9,026	-
Total Agency Funds	$ 231,143	$ 508,891	495,594	$ 244,440

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Balance July 1, 2024	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Balance June 30, 2025
Gate receipts	$ -	$ 17,424	$ 17,424	$ -	$ -	$ -

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

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

THE BOND RESOLUTION

DEFINITIONS

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

"Act" means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq*., K.S.A. 25-2018(f), K.S.A. 72-5457, and K.S.A. 72-5458 *et seq*., all as amended and supplemented.

"Authorized Denomination" means $5,000 or any integral multiples thereof.

"BAM" means Build America Mutual Assurance Company., a New York domiciled mutual insurance corporation, or any successor thereto.

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

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

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

"Bond Insurance Policy" means the municipal bond insurance policy issued by the Bond Insurer concurrently with the delivery of the Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Bonds.

"Bond Insurer" means BAM with respect to the Bonds.

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

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

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

"Bond Resolution" means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

"Bonds" means the General Obligation Bonds, Series 2026, authorized and issued by the Issuer pursuant to the Bond Resolution.

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

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

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

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

"Compliance Account" means the account by that name created by the Bond Resolution.

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

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

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

"Dated Date" means November 12, 2026.

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

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

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

"Defeasance Obligations" means any of the following obligations:

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

(b) 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; or

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

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

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

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

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

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

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

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

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

"District" means Unified School District No. 400, McPherson County, Kansas (Smoky Valley), Kansas.

"DTC" means The Depository Trust Company, New York, New York.

"Event of Default" means each of the following occurrences or events:

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

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

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

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

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

"Fiscal Year" means the twelve month period ending on June 30.

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

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

"Improvements" means the improvements referred to in the preamble to the Bond Resolution and any Substitute Improvements.

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

"Insurer's Fiscal Agent" means the agent designated by the Bond Insurer pursuant to the Bond Insurance Policy.

"Interest Payment Date(s)" means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2027.

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

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

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

"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.

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

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

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

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

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder; 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.

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

"Paying Agent" means the State Treasurer, and any successors and assigns.

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

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

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

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

"Rebate Fund" means the fund by that name created by the Bond Resolution.

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

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

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

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

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

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

"Special Record Date" means the date fixed by the Paying Agent for the payment of Defaulted Interest.

"Standard & Poor's" means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with notice to the Bond Insurer.

"State" means the state of Kansas.

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

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

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

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

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

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

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

(a) Improvement Fund.
(b) Debt Service Account (within the Bond and Interest Fund).
(c) Rebate Fund.

(d) Costs of Issuance Account.
(e) Compliance Account.

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

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

(a) An amount necessary to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.

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

(c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Bonds during construction of the Improvements; (c) paying Costs of Issuance; and (d) transferring any amounts to the Rebate Fund. Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Consulting Engineer stating that such payment is being made for a purpose within the scope of the Bond Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Bond Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

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

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

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

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

Application of Moneys in the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money.

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 the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Compliance Account or Debt Service Account.

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

DEPOSIT AND INVESTMENT OF MONEYS

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

Investments. Moneys held in any Fund or Account may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

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

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

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

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

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and

without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

Control of Remedies By Bond Insurer Upon an Event of Default and Event of Insolvency. 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 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 Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Bonds.

DEFEASANCE

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption. The Issuer shall notify the Bond Insurer of any defeasance of the Bonds.

Notwithstanding anything in the Bond Resolution to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the 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.

TAX COVENANTS

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

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

CONTINUING DISCLOSURE REQUIREMENTS

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

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

The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the Bond Insurer. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

PROVISIONS RELATING TO THE BOND INSURANCE POLICY

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:

(a) In the event that principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered 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 registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

(b) In the event that on the second (2nd) business day prior to the payment date on the Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Bonds due on the second (2nd) following business day, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency.

(c) If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify the Bond Insurer or its designee.

(d) In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal of or interest on the Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy law, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Bond Insurer.

(e) The Paying Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Bonds as follows:

(1) If there is a deficiency in amounts required to pay interest and/or principal on the Bonds, the Paying Agent or Trustee shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such holders of the Bonds in any legal proceeding related to the payment of and an assignment to the Bond Insurer of the claims for interest on the Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment from the Bond Insurer with respect to the claims for interest so assigned, and (iii) disburse the same to such respective holders; and

(2) If there is a deficiency in amounts required to pay principal of the Bonds, the Paying Agent shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such holder of the Bonds in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the Bond surrendered to the Bond Insurer (but such assignment shall be delivered only if payment from the Bond Insurer is received), (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment therefore from the Bond Insurer, and (iii) disburse the same to such holders.

(f) Payments with respect to claims for interest on and principal of Bonds disbursed by the Paying Agent from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Issuer with respect to such Bonds, and the Bond Insurer shall become the owner of such unpaid Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraph (e) or otherwise.

(g) Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent shall agree for the benefit of the Bond Insurer that:

(1) They recognize that to the extent the Bond Insurer makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent), on account of principal of or interest on the Bonds, the Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the transaction documents and the Bonds; and

(2) They will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Bonds to holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

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;

(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 this Bond Resolution relating to the security for the Bonds;

(3) Copies of any filings or notices required to be given by the Issuer pursuant to the Disclosure Undertaking;

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

(5) 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) Notwithstanding any other provision of this 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.

Third Party Beneficiary. The Bond Insurer is explicitly recognized as and shall be deemed to be a third-party beneficiary of this Bond Resolution and may enforce any right, remedy or claim conferred, given or granted thereunder.

Suspension of Bond Insurer's Rights. Rights of the Bond Insurer to direct or consent to actions granted under this 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.

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk, and a duplicate copy of the audit shall be mailed to the Bond Insurer. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

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

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Bond Insurer and the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by the Bond Insurer and such Owners and duly

acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the 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, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to provide for Substitute Improvements, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent and the Bond Insurer. The Issuer, the Paying Agent, the Bond Insurer and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

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

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

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

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APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

Gilmore & Bell, P.C.
10/15/2026

CONTINUING DISCLOSURE UNDERTAKING

DATED AS OF NOVEMBER 12, 2026

BY

UNIFIED SCHOOL DISTRICT NO. 400,
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)

$21,000,000
UNIFIED SCHOOL DISTRICT NO. 400,
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)
GENERAL OBLIGATION BONDS
SERIES 2026
DATED NOVEMBER 12, 2026

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of November 12, 2026 (the "Continuing Disclosure Undertaking"), is executed and delivered by **UNIFIED SCHOOL DISTRICT NO. 400, MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)** (the "Issuer").

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2026 (the "Bonds"), pursuant to a Resolution adopted by the governing body of the Issuer (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 July 1 and ending on June 30 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

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

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

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

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than the 360th day after the end of the Issuer's Fiscal Year, commencing with the year ending June 30, 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 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***.

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

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

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in ***Section 2(a)***, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this ***Section 3***.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under ***Section 3***.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time

upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under ***Section 3***, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Bond Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

UNIFIED SCHOOL DISTRICT NO. 400,
MCPHERSON COUNTY, KANSAS (SMOKY VALLEY)

(SEAL)

_____
President

_____
Clerk

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA
TO BE INCLUDED IN ANNUAL REPORT

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

- Assessed Valuation
- Tax Rates
- Aggregate Tax Levies
- Tax Collection Record
- Major Taxpayers
- Current Indebtedness of the Issuer*
- Lease Obligations*

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

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $ _____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, 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 first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such 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 BAM. 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 BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

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 (as defined herein) 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 BAM 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 made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or 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, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

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

To the fullest extent permitted by applicable law, BAM 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 BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM 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, 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. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)

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