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

PRELIMINARY OFFICIAL STATEMENT DATED MAY 3, 2021

NEW ISSUE **NON-RATED**

BANK QUALIFIED **BOOK-ENTRY ONLY**

In the opinion of Gilmore & Bell, P.C., Special Tax Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the Interest Portion of Basic Rent Payments paid by Pratt Community College, Pratt County, Kansas and distributed to the registered owners of the Certificates [(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 Portion of Basic Rent Payments paid and distributed to the registered owners of the Certificates is exempt from income taxation by the State of Kansas; and (3) the College's obligation to pay the Basic Rent Payments under the Lease that is distributable to owners of the Certificates is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" herein.

$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the
Lease Agreement Between the College and Security Bank of Kansas City, Kansas City, Kansas, As Trustee

Dated: June 14, 2021 **Due: May 1, as shown on inside front cover.**

The Lease Agreement Certificates of Participation, Series 2021 (the "Certificates") will be executed and delivered in fully registered form 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 Certificates. Purchases of the Certificates will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof as described above. Purchasers will not receive certificates representing their interests in Certificate purchases. So long as Cede & Co. is the registered owner of the Certificates, as nominee of DTC, references herein to the Owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Certificates. Principal portions of Basic Rent represented by the Certificates are payable May 1 in each year, beginning May 1, 2022. Interest portions of Basic Rent represented by the Certificates are payable semi-annually on May 1 and November 1 in each year, beginning November 1, 2021, by check or draft to the registered owners of the Certificates by Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"), as successor in interest to UMB Bank, N.A.. The Principal Portion of Basic Rent represented by the Certificates is payable upon presentation and surrender of the Certificates at the principal corporate office of the Trustee. The Certificates mature, bear interest, and are priced according to the schedule on the inside cover page.

The Certificates evidence the ownership of proportionate interests in, and rights to receive Basic Rent payments under that certain Lease Agreement, dated as of May 15, 2012, as amended and supplemented by a First Supplemental Lease Agreement dated as of June 14, 2021 (jointly, the "Lease" or "Lease Agreement"), entered into between the Trustee, as lessor, acting as fiduciary for the owners of the Certificates, and the Pratt Community College, Pratt County, Kansas, as Lessee (the "Lessee" and/or the "College"). The Certificates are being executed and delivered pursuant to a Declaration of Trust, dated as of May 15, 2012, as amended and supplemented by a First Supplemental Declaration of Trust, dated as of June 14, 2021 (jointly, the "Declaration of Trust") by the Trustee. The net proceeds from the sale of the Certificates will be used to pay the costs of refunding a certain Lease Agreement Refunding Certificates of Participation, Series 2012, dated as of May 15, 2012 (the "Refunded Certificates"), executed and delivered by the College, which refinanced wind turbine improvements and the construction of student housing facilities located on the College's campus in Pratt, Kansas (the "Improvements"), all as more fully described under the caption "THE REFUNDING PLAN".

The Certificates are payable (except to the extent payable from the proceeds of the Certificates and income from the investment thereof) solely from Basic Rent Payments to be paid by the College under the Lease for use of the Improvements and the Real Property on which the same are located (jointly defined as the "Project") and to the extent received by the Trustee, net proceeds of certain insurance policies or proceeds from the liquidation of interest or enforcement of claims in connection with the Project. The Basic Rent Payments constitute a special obligation of the College payable from revenues of the College, including, if necessary, ad valorem taxation. NEITHER THE CERTIFICATES NOR THE LEASE GIVE RISE TO A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE COLLEGE, THE STATE OF KANSAS, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR PROVISION NOR A MANDATORY PAYMENT OBLIGATION BEYOND THE TERMS OF THE LEASE. PURSUANT TO K.S.A. 71-201, THE TERM OF THE LEASE EXTENDS TO MAY 1, 2028 (THE "LEASE TERM"). THE LEASE IS SUBJECT TO CHANGE OR TERMINATION BY REASON OF AN ACT OF THE KANSAS LEGISLATURE AS PROVIDED THEREIN AND PURSUANT TO K.S.A. 71-201, AND IS NOT SUBJECT TO ANNUAL APPROPRIATION (SEE "RISK FACTORS AND INVESTMENT CONSIDERATIONS"). Upon termination of the Lease prior to the end of its term, the Certificates will be payable solely from the proceeds of the liquidation by the Trustee of the Improvements, together with certain monies, if any, held by the Trustee under the Declaration of Trust, and any monies available therefor may be less than the principal amount of the Certificates outstanding and interest thereon. A prospective purchaser of the Certificates described herein should be aware that any such investment is subject to certain risks associated with the Certificates which must be recognized. Reference is made to the discussion herein under the heading "RISK FACTORS AND INVESTMENT CONSIDERATIONS."

MATURITY SCHEDULE*
(See inside cover page.)

The Certificates maturing on May 1, 2027 and thereafter are subject to optional prepayment on May 1, 2026 or thereafter in whole or in part at any time, at a price equal to 100% of the principal amount, plus accrued interest to the prepayment date. [The Term Certificates are also subject to mandatory redemption as described herein.] See "THE CERTIFICATES - Prepayment of the Certificates" herein.

The Certificates are offered when, as and if issued, subject to prior sale, to withdrawal or to modification of the offer without notice and to the delivery of an unqualified approving opinion by Gilmore & Bell, P.C., Wichita, Kansas, as Special Tax Counsel, and other conditions. Certain matters will be subject to approval by Black's Law Office, Pratt, Kansas as counsel for the College. It is expected that the Certificates will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about June 14, 2021.

BIDS WILL BE ACCEPTED ON BEHALF OF
PRATT COMMUNITY COLLEGE BY:
RANSON FINANCIAL GROUP, LLC
ON MAY 24, 2021 UNTIL 10:00 A.M. CDT
AT 200 W. DOUGLAS, SUITE 600
WICHITA, KANSAS 67202
PHONE: (316) 264-3400 ~ FAX: (316) 265-5403 ~ EMAIL:bids@ransonfinancial.com

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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 PRELIMINARY 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 PRELIMINARY OFFICIAL STATEMENT.

* Subject to change.

$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the
Lease Agreement Between the College and Security Bank of Kansas City, Kansas City, Kansas, As Trustee

MATURITY SCHEDULE*

SERIAL CERTIFICATES

Stated Maturity May 1	Principal Amount*	Annual Rate of Interest	Price or Yield	CUSIP [1] Base: 739831
2022	$195,000	______%	______%	
2023	220,000	_____%	_____%	
2024	200,000	_____%	_____%	
2025	205,000	_____%	_____%	
2026	205,000	_____%	_____%	
2027	205,000	_____%	_____%	
2028	100,000	_____%	_____%	

[TERM CERTIFICATES

Stated Maturity May 1	Principal Amount*	Annual Rate of Interest	Price or Yield	CUSIP[1] Base: 739831
2028	$	_____%	_____%	]

(all plus accrued interest, if any)

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

* Subject to change.

$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the
Lease Agreement Between the College and Trustee

BOARD OF TRUSTEES
Dwane DeWeese, Chairperson
Mike Koler, Vice Chairperson
Ed Barrett, Board Member
Kim DeClue, Board Member
Michele Hamm, Board Member
Stan Reimer, Board Member
Jeff Shumway, Board Member
Donna Meirer, Board Clerk
Kent Adams, Board Treasurer

COLLEGE STAFF
Dr. Michael Calvert, College President
Kent Adams, Vice President of Finance & Operations
Lisa Miller, Vice President of Students and Enrollment Management
Jerry Sanko, Chief Information Officer

SPECIAL TAX COUNSEL
Gilmore & Bell, P.C.
Wichita, Kansas

TRUSTEE
Security Bank of Kansas City
Kansas City, Kansas

FINANCIAL ADVISOR
Ranson Financial Group, LLC
Wichita, Kansas

UNDERWRITER

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

THE CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OF "BLUE SKY" LAWS. THE CERTIFICATES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE CERTIFICATES 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 CERTIFICATES AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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

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

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

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Preliminary Official Statement, in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorized by the College, or the Underwriter. The information in the Preliminary Official Statement, and no sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the College or others since the date thereof. This Preliminary Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from the College and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The delivery of the Preliminary Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

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$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the
Lease Agreement Between the College and Trustee

INTRODUCTION

This Preliminary Official Statement, including its cover page and Appendices, is furnished in connection with the offering and sale of $1,330,000* aggregate principal amount of Lease Agreement Refunding Certificates of Participation, Series 2021 (the "Certificates") evidencing ownership of proportionate interests in, and rights to receive certain payments under that certain Lease Agreement, dated as of May 15, 2012, as amended and supplemented by a First Supplemental Lease Agreement, dated as of June 14, 2021 (jointly, the "Lease" or "Lease Agreement"), entered into between Security Bank of Kansas City, Kansas City, Kansas (the "Trustee" and "Lessor"), successor in interest to UMB Bank, N.A., and acting as fiduciary for the owners of the Certificates, and Pratt Community College, Pratt County, Kansas (the "College" and the "Lessee"). The Certificates are being executed and delivered pursuant to a Declaration of Trust, dated as of May 15, 2012, as amended and supplemented by a First Supplemental Declaration of Trust, dated as of June 14, 2021 (jointly, the "Declaration of Trust") by the Trustee. The net proceeds from the sale of the Certificates will be used to pay the costs of refunding certain Lease Agreement Refunding Certificates of Participation, Series 2012, dated as of May 15, 2012 (the "Refunded Certificates"), executed and delivered by the College, which refinanced wind turbine improvements and the construction of student housing facilities located on the College's campus in Pratt, Kansas (the "Improvements"), all as more fully described under the caption "THE REFUNDING PLAN".

The College and the Trustee are parties to a Site Lease, dated as of May 15, 2012, pursuant to which the College leases certain real property to the Trustee (the "Real Property") and the Improvements for a term extending to May 1, 2028, unless earlier terminated by the full payment of all Certificates outstanding under the Declaration of Trust. The Improvements are located on the Real Property. The Real Property and Improvements (jointly, the "Project,"), are leased to the College by the Trustee under the Lease.

The Certificates are payable (except to the extent payable from the proceeds of the Certificates and income from the investment thereof) solely from Basic Rent Payments to be paid by the College under the Lease for use of the Project. and, to the extent received by the Trustee, Net Proceeds of certain insurance policies or proceeds from the liquidation of interest or enforcement of claims in connection with the Project. The Basic Rent Payments constitute a special obligation of the College payable from revenues of the College, including, if necessary, ad valorem taxation. Neither the Certificates nor the Lease give rise to a general obligation or other indebtedness of the College, the State of Kansas, or any other political subdivision thereof within the meaning of any constitutional or statutory debt limitation or provision. PURSUANT TO K.S.A. 71-201, THE TERM OF THE LEASE IS FOR NOT MORE THAN TEN (10) YEARS,. THE OBLIGATION OF THE COLLEGE TO PAY BASIC RENT PAYMENTS IS NOT SUBJECT TO ANNUAL APPROPRIATION. THE LEASE IS SUBJECT TO CHANGE OR TERMINATION AT ANY TIME BY ACT OF THE KANSAS LEGISLATURE (see "RISK FACTORS AND INVESTMENT CONSIDERATIONS"). Upon termination of the Lease prior to the end of its term, the Certificates will be payable from the proceeds of the liquidation by the Trustee of the Project together with certain monies, if any, held by the Trustee under the Declaration of Trust, and any monies available therefor may be less than the principal amount of the Certificates outstanding and interest thereon. A prospective purchaser of the Certificates described herein should be aware that any such investment is subject to certain risks associated with the Certificates which must be recognized. Reference is made to the discussion herein under the heading "RISK FACTORS AND INVESTMENT CONSIDERATIONS."

The Trustee does not have any obligation to make, and will not make, any payment from the Trustee's own funds on the Certificates or pursuant to the Lease.

This Preliminary Official Statement contains a description of the Certificates, the Lease Agreement and the Declaration of Trust. Reference is made to the discussion herein under the heading "DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS" for the definitions of certain terms used in such documents and in this Preliminary Official Statement. These descriptions do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entirety by reference to the approved form of such documents, which documents are available at the principal offices of the College or Trustee.

THE CERTIFICATES

General

The Certificates are executed and delivered in the total aggregate principal amount of $1,330,000*, bear a Dated Date of June 14, 2021, and mature annually on May 1 (the "Principal Payment Dates"), commencing May 1, 2022, in the years and principal amounts as shown on the inside cover of this Official Statement. The Interest Portions of Basic Rent Payments represented by the Certificates accrue from the Dated Date and shall be payable semiannually on May 1 and November 1 (the "Interest Payment Dates") of each year commencing

* Subject to change.

November 1, 2021, until the Certificates are paid in full. The Certificates are issued in fully registered form without coupons in denominations of $5,000 or integral multiples thereof not exceeding the principal amount of the certificates maturing on any Principal Payment Date.

The principal of the Certificates will be payable in lawful money in the United States of America at maturity upon presentation of the Certificates to the Trustee. The Interest Portions of Basic Rent Payments represented by the Certificates will be payable in lawful money in the United States of America by check of draft of the Trustee mailed to the registered owners thereof whose names appear on the registration books as of the 15th day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the "Record Date").

While the Certificates remain in book-entry form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in the section "BOOK-ENTRY ONLY SYSTEM" herein. In the event that DTC ceases to act as securities depository for the Certificates, payment may be made as described below. Under the Declaration of Trust, the Trustee is designated as the initial paying agent for the Certificates.

Source and Security for Payment

Each Certificate evidences ownership of a proportionate interest in, and rights to receive certain payments under, the Lease. The Trustee is acting in a fiduciary capacity as both Lessor (under the Lease) and Trustee (under the Declaration of Trust). The Trustee agrees to hold and exercise its rights to receive Basic Rent Payments and other monies under the Lease in trust solely for the benefit of the Certificate Owners.

The payments due on the Certificates are to be made by the Trustee from the Basic Rent Payments paid to it by the College pursuant to the Lease, from the proceeds of the sale of the Certificates (including that amount collected as accrued interest), and from certain investment proceeds earned from the investment of monies being held in the various trust funds, as hereinafter described.

The Basic Rent Payments constitute a special obligation of the College payable from revenues of the College, including ad valorem taxes. Neither the Certificates nor the Lease give rise to a general obligation or other indebtedness of the College, the State of Kansas, or any other political subdivision thereof within the meaning of any constitutional or statutory debt limitation or provision. The College intends to make the Basic Rent Payments from revenues generated by the College and other monies otherwise lawfully available therefore, including ad valorem taxes. The College has represented in the Lease that it will to the extent permitted by state law, and subject to other terms and conditions of the Lease, budget a sufficient amount annually to permit the College to discharge all of its obligations under the Lease.

The College is obligated for the term of the Lease to maintain insurance as more fully described under "DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS- THE LEASE-- Insurance."

NEITHER THE CERTIFICATES NOR THE LEASE GIVE RISE TO A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE COLLEGE, THE STATE OF KANSAS, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR PROVISION. THE OBLIGATION OF THE COLLEGE TO PAY BASIC RENT PAYMENTS CONSTITUTES AN OBLIGATION FOR WHICH THE COLLEGE HAS OBLIGATED ITSELF TO LEVY TAXATION, IF NECESSARY, AND IS NOT SUBJECT TO ANNUAL APPROPRIATION

Transfer and Exchange

While the Certificates remain in book-entry form, transfers of ownership by Beneficial Owners may be made as described under the section "BOOK-ENTRY ONLY SYSTEM" herein. In the event that DTC ceases to act as securities depository for the Certificates, transfers may be effected as described below.

Books for the registration and transfer of the Certificates are to be kept by the Trustee, as registrar. Upon surrender for transfer of any Certificate at the principal corporate trust office of the Trustee and satisfaction of the conditions and restrictions of such transfer, the Trustee is to execute and deliver in the name of the transferee a new Certificate of the same maturity or maturities, interest rate and tenor as the Certificates surrendered. Certificates may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of Certificates of the same maturity or maturities, interest rate and tenor as the Certificate surrendered. All Certificates presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange, in form satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing.

The Trustee shall not be obliged to make any such exchange or transfer of Certificates between any Record Date and any succeeding Interest Payment Date, nor during the period from the 15 days next preceding the giving of notice of redemption through the subject redemption date.

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

Book-Entry Certificates: Securities Depository

The Certificates 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 Certificates, except in the event the Trustee issues Replacement Certificates. It is anticipated that during the term of the Certificates, 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 Certificates to the Participants until and unless the Trustee authenticates and delivers Replacement Certificates to the Beneficial Owners as described in the following paragraphs.

(a) If the College 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 Certificates being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Certificates; or

(b) If the Trustee receives written notice from Participants having interest in not less than 50% of the Certificates 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 Certificates being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Certificates, then the Trustee shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Certificates 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 College, with the consent of the Trustee, 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 Certificate. Upon the issuance of Replacement Certificates, 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 Trustee, to the extent applicable with respect to such Replacement Certificates. If the Securities Depository resigns and the College, the Trustee or Owners are unable to locate a qualified successor of the Securities Depository, then the Trustee shall authenticate and cause delivery of Replacement Certificates to Owners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Certificates. The cost of printing, registration, authentication, and delivery of Replacement Certificates shall be paid for by the College.

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 College may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee 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 Trustee upon its receipt of a Certificate or Certificates for cancellation shall cause the delivery of the Certificates to the successor Securities Depository in appropriate denominations and form as provided in the Declaration of Trust.

Prepayment Provisions

The Certificates shall be subject to prepayment and redemption prior to the stated maturity thereof, as follows:

(a) *Prepayment in the Event of Damage, Destruction, Condemnation, and Certain Other Events*. The Certificates are callable for prepayment and redemption prior to maturity in whole or in part, at a prepayment price of 100% of the Principal Portion of Basic Rent represented thereby, plus the Interest Portion of Basic Rent accrued to the prepayment date, in the event that (A) any of the Improvements are substantially damaged or destroyed, or taken in a condemnation proceeding (other than condemnation by the College), or title to or the use of substantially all of the Project shall be lost by reason of a defect in title thereto, or if, as a result of changes in the Constitution of Kansas or legislative or administrative action by the State or the United States, the Site Lease or Lease Agreement terminates or becomes unenforceable, and (B) the College exercises its option to prepay Rent Payments under the Lease Agreement (See "DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – THE LEASE –Damage, Destruction, and Condemnation").

(b) *Optional Prepayment.* At the option of the College, the Certificates maturing on May 1, 2027, and thereafter, may be prepaid prior to maturity on May 1, 2026 and thereafter, as a whole or in part at any time, at the prepayment price of 100% of the Principal Portion of Basic Rent Payments being prepaid, plus Interest Portions of Basic Rent Payments to the prepayment date.

(c) [*Mandatory Prepayment*. The Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on May 1, 20__ shall be subject to mandatory prepayment on May 1, 20__, and on each May 1 thereafter, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Certificates being prepaid plus the Interest Portion of Basic Rent accrued thereon to the Prepayment Date, as follows:

Principal Amount	**Prepayment Date**
$	
	*

*Final Certificate Maturity]

Selection of Certificates for Partial Prepayment.

Whenever provision is made in the Declaration of Trust for partial prepayment of Certificates, those not previously paid or called for prepayment shall be selected for prepayment upon instructions from the College in such equitable manner as the Trustee determines. In selecting portions of Certificates for prepayment, the Trustee shall treat each Outstanding Certificate as representing the number of Certificates which is obtained by dividing the Principal Portion of such Certificate by the authorized denomination.

Partial Prepayment of a Certificate

Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the College, a new Certificate or Certificates of authorized denomination equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered and of the same interest rate and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the College and the Trustee shall be released and discharged from all liability to the extent of such payment.

Notice of Prepayment

When prepayment is authorized or required, the Trustee shall give notice, at the expense of the College, of the prepayment of the Certificates. Such notice shall specify (i) that the Certificates or a designated portion thereof are to be prepaid, (ii) the date of prepayment, (iii) the place or places where the prepayment will be made, and (iv) the prepayment price. Such notice shall further state that the prepayment price shall become due and payable, together with accrued interest, and that from and after the prepayment date interest shall cease to accrue.

Notice of such prepayment shall be given by mailing prepayment notices to the Owners of the Certificates designated for prepayment at their addresses appearing on the Certificate Register at least thirty (30) days but not more than sixty (60) days prior to the prepayment date.

So long as the book-entry only system is used for the Certificates, the Trustee will give any notice of prepayment or any other notices required to be given to owners only to DTC. Any failure of DTC to advise any DTC Participant or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the prepayment of the Certificates so called for prepayment. Beneficial Owners may desire to make arrangements with a DTC Participant so that all notices of prepayment or other communications to DTC which affect such Beneficial Owners, including notification of all interest payments, will be forwarded in writing by such DTC Participant. See "BOOK-ENTRY ONLY SYSTEM" herein.

Effect of Notice of Prepayment

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, shall be held by the Trustee and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, Interest Portions of Basic Rent Payments represented by the Certificates shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of the Certificates shall be held in trust for the benefit of the Owners of the Certificates to be so prepaid.

[THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC", New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each scheduled maturity of the Certificates, 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 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

4. To facilitate subsequent transfers, all Certificates 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 Certificates with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates 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. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Certificates 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 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the College 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 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Certificates 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 College or Trustee, 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, Trustee, or the College, 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 College or Trustee, 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. DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the College or Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Certificates are required to be printed and delivered.

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

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

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 Certificates, the College will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") wherein the College covenants to annually provide certain financial information and operating data (collectively the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the MSRB. Pursuant to the Disclosure Undertaking, the College has agreed to file its Annual Report with the national repository ("EMMA") not later than the end of the seventh month after the end of the College's Fiscal Year, commencing with the year ending June 30, 2021. In the Lease, the College covenants with the Underwriter and the Beneficial Owners of the Certificates to apply the provisions of the Disclosure Undertaking to the Certificates. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Certificates.

The College has previously entered into disclosure undertakings pursuant to the Rule (the "Prior Undertakings"). In certain prior years, the College has failed to file its Annual Report within the time period prescribed by the Prior Undertakings. The College's filings for such years are set forth on the table below.

Fiscal Year Ending June 30	**Filing Time Period (Days)**	**Financial Information Filing Date**	**Operating Data Filing Date**
2016	180 - 12/27/2016(1)	03/13/2017(3)	03/13/2017(3) (4)
2017	180 - 12/27/2017(1)	01/03/2018(5)	01/03/2018(6)
2018	180 - 12/27/2018(1)	12/26/2018	12/26/2018(7)
2019	180 - 12/27/2019(1) 01/31/2020(2)	12/30/2019(8)	12/30/2019(9)
2020	180 - 12/27/2020(1) 01/31/2021(2)	12/31/2020(10)	12/31/2020(10)

(1) Filing requirements for the College's Lease Agreement Refunding Certificates of Participation, Series 2009 and their and Refunding Certificates of Participation, Series 2012.
(2) Filing requirement for the College's outstanding Industrial Revenue Bonds, Series 2019 (Pratt Community College Track and Field Facility) issued by the City of Pratt, Kansas, the College's Lease Agreement Refunding Certificates of Participation, Series 2020, and the Certificates.
(3) A notice of failure to file on time was submitted to EMMA on November 5, 2018.
(4) The College's operating data for year 2016 was originally submitted to EMMA on this date but did not include all the sections required as operating data under the College's existing undertakings. The overlapping/underlying debt information was labelled as being for year 2014 but the figures are different than those listed in the 2014 filing. A supplemental filing was submitted on January 3, 2018. Another supplemental filing was submitted on May 12, 2021 to clear up and correct certain data previously submitted.
(5) The filing date listed in the above table is the initial submission date of the financial information. A notice of failure to file on time was submitted to EMMA on November 5, 2018.
(6) The College's operating data for year 2017 had overlapping/underlying debt information that was labelled as being for year 2014 but the figures are different than those listed in the 2014 filing. A notice of failure to file on time was submitted to EMMA on November 5, 2018. A supplemental filing was submitted on May 12, 2021 to clear up and correct certain data previously submitted.
(7) A supplemental filing was submitted on May 12, 2021 to clear up and correct certain data previously submitted.
(8) The College's financial information for year 2019 was originally submitted to EMMA on this date but was not applied to all applicable issues until January 30, 2020.
(9) The College's operating data for year 2019 was originally submitted to EMMA on this date but was not applied to all applicable issues until January 30, 2020. A supplemental filing was submitted on May 12, 2021 to clear up and correct certain data previously submitted.
(10) Multiple submissions ended up being created for the College's annual report for year 2020 when the College as well as the Trustee submitted the information. The filing date listed in the above table is the initial submission date of the operating data. A supplemental filing was submitted on May 12, 2021 to clear up and correct certain data previously submitted.

During the past five years, the College may not have made timely filings of event notices on EMMA relating to all bond calls or defeasances. The College believes this information was disseminated or available through other sources.

For more information regarding the College's continuing disclosure undertaking, see "***Appendix D –*** Form of Continuing Disclosure Undertaking."

SOURCES AND USES OF FUNDS

It is contemplated that funds used in the transaction financed with the proceeds of the Certificates will be derived and applied approximately as follows:

Sources of Funds:	
Certificate Proceeds*	$1,330,000.00
Total Sources of Funds	$
Uses of Funds:	
Deposit to Redemption Fund	
Underwriter's Discount	
Cost of Issuance	
Total Uses of Funds	$

* Subject to change.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE CERTIFICATES DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE CERTIFICATES WHICH MUST BE RECOGNIZED. THE FOREGOING 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 CERTIFICATES. PROSPECTIVE PURCHASERS OF THE CERTIFICATES 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 COLLEGE OR THE FINANCIAL ADVISOR.

Security for the Certificates

Neither the Certificates nor the interest thereon constitutes a general obligation or indebtedness of, nor is the payment thereof guaranteed by the State of Kansas or any governmental subdivision, agency or instrumentality. The Certificates and the interest thereon are payable solely and only from the Trust Estate and sources identified pursuant to the Declaration of Trust, including the revenues received by the Trustee from the Basic Rent Payments paid during the term of the Lease Agreement together with monies attributable to Certificate proceeds and the investment thereof and, under circumstances, the proceeds of subletting, sale of property, insurance or condemnation awards received pursuant to the Declaration of Trust and not from any other fund or source. The obligations of the College under the Lease Agreement, however, are not subject to annual appropriation under the Kansas Cash Basis Law and K.S.A. 71-201. As such, the obligation of the College to make Basic Rent Payments under the Lease Agreement is a special, limited obligation for which the College can, if necessary, levy ad valorem taxation

The College is required under the Lease to pay Basic Rent Payments to the Trustee from any source of legally available funds, including ad valorem taxes, and has covenanted in the Lease Agreement to make the necessary appropriations within the parameters of the Lease Agreement for such purpose. The Kansas Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State, including changes related specifically to community college taxing districts. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes or successful challenges to the appraiser's determination of fair market value could affect the College's property tax collections. If a taxpayer valuation challenge is successful, the liability of the College to refund property taxes previously paid under protest may have a material impact on the College's financial situation. See *"APPENDIX A – FINANCIAL INFORMATION* – **Property Valuations** and **Property Tax Levies and Collections**."

The Lease is subject to cancellation and modification by act of the Kansas Legislature per K.S.A. 71-201. The obligation of the College to pay Basic Rent Payments is a special, limited obligation, and does not constitute an indebtedness of the College, the State of Kansas, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation restriction.

Lease Term

Under K.S.A. 71-201, as amended, the College cannot be the lessee under a lease that has a term that exceeds 10 years. The Lease Agreement has a term extending to May 1, 2028, so that the Lease Agreement remains in effect for a period that extends to the final maturity date of the Certificates.

Termination of Lease

The Lease Agreement is subject to change or termination at any time by action of the Kansas Legislature. The Lease Agreement may also be terminated by reason of the occurrence of an Event of Default as defined in the Lease Agreement. See "APPENDIX C--DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS- THE LEASE AGREEMENT - Events of Default."

Results of a Termination of the Lease

The termination of the Lease Agreement caused by action of the Kansas Legislature or default by the College will relieve the College from any further obligation under the Lease Agreement. In the Event of Default, the College may remain liable for certain deficiencies in the payment of amounts due under the Lease Agreement. Upon termination the College is required to surrender possession of the Project to the Trustee, subject to the Site Lease. Thereafter, the Trustee may enforce its interest in the Project subject to the Lease Agreement by either reletting or disposing of its interest. See "APPENDIX C--DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS –THE LEASE – Events of Default" for a discussion of the results of a default. The Proceeds therefrom along with other monies then held by the Trustee under its Declaration of Trust (with certain exceptions as provided in the Lease Agreement and the Declaration of Trust) are required to be used to redeem the Certificates. See "THE CERTIFICATES-Redemption Provisions." **THERE ARE NO ASSURANCES THAT THE TRUSTEE'S INTEREST IN THE PROJECT WOULD HAVE ANY VALUE IF THE LEASE IS TERMINATED.**

A potential purchaser of the Certificates should not assume that it will be possible to liquidate the Trustee's interest in the Project after a termination of the Lease or enforce a monetary judgment against the College for an amount equal to the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon. If the Certificates are redeemed subsequent to a termination of the Lease Term for an amount less than the aggregate principal amount thereof and accrued interest thereon, such partial redemption may have the effect of constituting a redemption in full of the Certificates; and upon such a partial redemption, no Certificate Owner shall have any further claim for payment upon the Trustee or the College.

Special Tax Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Certificate subsequent to a termination of the Lease Agreement. If the Lease Agreement is terminated, there is no assurance that Certificates may be transferred by an Owner thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

In addition, Special Tax Counsel has rendered no opinion as the treatment for federal income tax purpose of any monies received by an Owner of the Certificates subsequent to a termination of the Lease Agreement. There is no assurance that any monies received by the holders of the Certificates subsequent to such event will be excludable from federal income taxation.

Taxation of Interest

An opinion of Special Tax Counsel will be obtained to the effect that Interest Portion of Basic Rent Payments represented by the Certificates 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 Portion of Basic Rent Payments represented by the Certificates includable in gross income for federal income tax purposes.

The College has covenanted in the Lease Agreement, and in other documents and certificates to be delivered in connection with the issuance of the Certificates to comply with the provisions of the Code, including those which require the College to take or omit to take certain actions after the issuance of the Certificates. Because the existence and continuation of the excludability of the Interest Portion of Basic Rent Payments represented by the Certificates depends upon events occurring after the date of issuance of the Certificates, the opinion of Special Tax Counsel described under "TAX MATTERS" assumes the compliance by the College with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Special Tax Counsel with respect to the excludability of the Interest Portion of Basic Rent Payments represented by the Certificates in the event of noncompliance with such provisions. The failure of the College to comply with the provisions described above may cause the Interest Portion of Basic Rent Payments represented by the Certificates to become includable in gross income as of the date of issuance of the Certificates.

Limited Value of the Project

Because the Project consist of facilities designed for use by the College, the value of the Project to anyone other than the College may be limited in the event of default or the termination of the Lease Agreement. The Project have been designed and constructed for special use purposes and therefore the number of entities that could be expected to use the Project is limited. A PROSPECTIVE PURCHASER OF THE CERTIFICATES SHOULD NOT ASSUME THAT IT WILL BE POSSIBLE TO RELET THE PROJECT OR SELL THE TRUSTEE'S INTEREST IN THE PROJECT, AFTER A TERMINATION OF THE LEASE AGREEMENT.

Premium on Certificates

[The initial offering price of the Certificates that are subject to optional redemption are in excess of the respective principal amounts thereof.] Any person who purchases a Certificate in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Certificates are subject to redemption at par under the various circumstances described herein.

No Additional Interest or Mandatory Redemption upon Taxability

The Declaration of Trust and Lease Agreement do not provide for the payment of additional interest or penalty on the Certificates or the mandatory redemption thereof if the Interest Portion of Basic Rent Payments represented by the Certificates becomes includable in gross income for federal income tax purposes. Likewise, the Declaration of Trust and Lease Agreement do not provide for the payment of any additional interest or penalty on the Certificates if the Interest Portion of Basic Rent Payments represented by the Certificates becomes includable in gross income for Kansas income tax purposes.

Kansas Public Employees Retirement System

As described in "**FINANCIAL INFORMATION CONCERNING THE COLLEGE--Defined Benefit Pension Plan**," the College 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 College 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 College is not responsible for supplemental contributions or any unfunded accrued actuarial liability ("UAAL"). According to KPERS' Valuation Report, the State/School Group had an UAAL of approximately $6.545 billion in calendar year 2019. No assurance can be given by the College that future legislative action may require College contributions to the Plan or mandated College responsibility for a portion of the UAAL.

Suitability of Investment

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

Market for the Certificates

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

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Certificates. The absence of continuing disclosure of financial or other information pertaining to the College may impair the development of a secondary market for the Certificates and could impair the ability of an owner to sell the Certificates in the secondary market. 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 Certificates as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the College, or a material adverse change in the financial condition of the College, whether or not the Certificates are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Possible Insufficiency of Casualty Insurance Proceeds.

The Project are to be insured by policies of casualty and property damage. In the event of damage to or destruction of the Project, the Net Proceeds from such insurance policies or certain other sources may not be sufficient to repair or replace the Improvements.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the College and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the College may incur significant costs to remediate possible injury to the affected persons, and the College may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the College'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 College, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the College and its systems and infrastructure, and interrupt services or otherwise impair operations of the College.

Global Health Emergency

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

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

State and local governmental authorities continue efforts to contain and limit the spread of COVID-19. Future revenue collections, including property tax collections that are essential to repayment of the Certificates, may deviate from historical or anticipated levels.

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

THE REFUNDING PLAN

As of June 14, 2021, $1,285,000 in principal amount of the Refunded Certificates remains outstanding and will be redeemed on the date and at the price outlined per the following schedule:

Lease Agreement Refunding Certificates of Participation, Series 2012

Principal Amount	Maturity Date	Interest	Redemption Date	Redemption Price
$215,000	05/01/2022	2.150%	07/01/2021	100%
200,000	05/01/2023	2.250%	07/01/2021	100%
185,000	05/01/2024	2.400%	07/01/2021	100%
190,000	05/01/2025	2.500%	07/01/2021	100%
195,000	05/01/2026	2.600%	07/01/2021	100%
200,000	05/01/2027	2.700%	07/01/2021	100%
100,000	05/01/2028	2.800%	07/01/2021	100%

ABSENCE OF LITIGATION

At the present time there is no controversy, suit or other proceedings of any kind pending or threatened whereby any question is raised or may be raised questioning or affecting in any way the legal organization of the College or the legality of any official act shown to have been done in the Transcript of Proceedings leading up to the issuance of the Certificates, or the constitutionality or validity of the indebtedness represented by the Certificates shown to be authorized in said Transcript, or the validity of the Certificates or any of the proceedings in relation to the issuance or sale thereof, or the levying and collection of taxes to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Certificates

All matters incident to the authorization and issuance of the Certificates are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Special Tax Counsel"). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the College and its certified public accountants, as referred to herein. Special Tax Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE CERTIFICATES," "LEGAL MATTERS," "TAX MATTERS" and "APPENDIX

C – DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS." Payment of the legal fee of Special Tax Counsel is contingent upon the delivery of the Certificates. Certain legal matters have been passed on for the College by Black's Law Office, Pratt, Kansas.

TAX MATTERS

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

Opinion of Special Tax Counsel

In the opinion of Special Tax Counsel, under the law existing as of the issue date of the Certificates:

Federal Tax Exemption. The Interest Portion of Basic Rent Payments paid by the College and distributed to the registered owners of the Certificates [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The Interest Portion of Basic Rent Payments paid by the College and distributed to the registered owners of the Certificates is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The College's obligation to pay the Basic Rent Payments under the Lease that is distributable to owners of the Certificates is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

Kansas Tax Exemption. The Interest Portion of Basic Rent Payments paid by the College and distributed to the registered owners of the Certificates is exempt from income taxation by the State of Kansas.

No Other Opinions. Special Tax Counsel's opinions are provided as of the date of the original issue of the Certificates, subject to the condition that the College comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Certificates in order that said Interest Portion of Basic Rent Payments be, or continue to be, excluded from gross income for federal income tax purposes. The College has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of the Interest Portion of Basic Rent Payments represented by the Certificates in gross income for federal income tax purposes retroactive to the date of issuance of the Certificates. Special Tax Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Lease and Certificates.

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 Certificate over its issue price. The stated redemption price at maturity of a Certificate is the sum of all payments on the Certificate other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Certificate is generally the first price at which a substantial amount of the Certificates 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 Certificate during any accrual period generally equals (1) the issue price of that Certificate, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Certificate (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 Certificate 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 Certificate. 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 Certificate over its stated redemption price at maturity. The stated redemption price at maturity of a Certificate is the sum of all payments on the Certificate other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Certificate is generally the first price at which a substantial amount of the Certificates of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Certificate using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Certificate 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 Certificate 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 Certificates. Upon the sale, exchange or retirement (including redemption) of a Certificate, an owner of the Certificate 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 Certificate (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Certificate. To the extent the Certificates 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 Certificate 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 Certificates, and to the proceeds paid on the sale of Certificates, 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 Certificates should be aware that ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Certificates. Special Tax Counsel expresses no opinion regarding these tax consequences. Purchasers of Certificates 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 Certificates, including the possible application of state, local, foreign and other tax laws.

RATINGS

The College has not applied for a rating on the Certificates herein offered for sale.

FINANCIAL ADVISOR

Ranson Financial Group, LLC, Wichita, Kansas, has acted as Financial Advisor to the College in connection with the sale of the Certificates. The Financial Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Financial Advisor has participated in the preparation of this Preliminary Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the affairs of the College for the purpose of passing upon the accuracy or completeness of this Preliminary Official Statement. The Financial Advisor's fee is contingent upon the actual issuance and delivery of the Certificates.

UNDERWRITING

The Certificates have been sold at public sale by the Issuer to [__________ _________] (the "Underwriter") on the basis of lowest net interest cost. [__] bids were received by the Issuer. The Underwriter has agreed, subject to certain conditions, to purchase the Certificates at a price equal to the principal amount of the Certificates, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of $__________][, less an underwriting discount of $______].

The Certificates will be offered to the public initially at the prices determined to produce the yield set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing the Certificates 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 Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TRUSTEE

Security Bank of Kansas City has been appointed Trustee under the Declaration of Trust. Its principal corporate trust office for this transaction is located in Kansas City, Kansas. The Trustee has accepted the duties and responsibilities imposed upon it by the Declaration of Trust, which duties and responsibilities are limited to those expressly set forth therein and in the Lease. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and, if appropriate, upon advice of counsel (which may be counsel for the Trustee or the College). Trustee may resign by an instrument in writing delivered to the College to take effect not earlier than 45 days after its delivery. If the College is not in default under the Lease, the College may remove the Trustee. The successor Trustee shall be a state or national trust company or bank having the powers of a trust company and being duly authorized to execute trust powers having a corporate trust office in the State, in good standing in the State, having a combined capital and surplus of at least ten million dollars ($10,000,000), and subject to supervision and examination by federal or state authority. Such successor Trustee shall be subject to the same duties and obligations and shall have the same rights, privileges and immunities as are specified in the Declaration of Trust for the Trustee. The Trustee shall be entitled to payment or reimbursement for reasonable fees for reasonable fees, charges, advances and expenses.

The Trustee is not liable for the payment of Basic Rent Payments, and the Owners have no right to look to the Trustee for any payments of the Certificates or for any other payments other than from funds held under the Declaration of Trust.

MISCELLANEOUS

The reference herein to the Declaration of Trust, Lease Agreement and other documents referred to in this Preliminary Official Statement are brief summaries of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions, reference is made to such documents.

The agreement of the Trustee and the College with the owners of the Certificates is fully set forth in the Declaration of Trust and the Lease, and neither any advertisement of the Certificates nor this Preliminary Official Statement is to be construed as constituting an agreement with the purchasers of the Certificates. So far as any statements are made in this Preliminary Official Statement involving matters of opinion, estimates, projections or forecasts, whether or not expressly stated as such, they are not to be construed as representations of fact. Copies of the documents mentioned under this caption are on file at the office of the Financial Advisor and, following delivery of the Certificates, will be on file with the Trustee, the College and the Underwriter.

The Appendices attached hereto are an integral part of this Preliminary Official Statement and must be read together with all of the foregoing statements.

AUTHORIZATION OF PRELIMINARY OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the College. This Official Statement is approved by the governing body of the College as of the date on the cover page hereof.

PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS

____

Dwane DeWeese, Chairperson

$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the Lease Agreement Between the College and Trustee

Appendix A

INFORMATION CONCERNING THE COLLEGE

* Subject to change.

Appendix A

GENERAL INFORMATION CONCERNING THE COLLEGE

History and General Information

Founded in 1938, Pratt Community College (the "Issuer" or the "College") offers broad-based educational programs that meet the diverse needs of south-central Kansas. Situated on an 80-acre campus in Pratt, Kansas, just 75 miles west of Wichita, the campus offers modern, state-of-the-art facilities.

The College is a comprehensive public two-year community college open to all who desire to continue their education. High school graduates will find that the College offers the general education courses they need for transfer to a four-year institution. Those students interested in entering the work force after one or two years of College will find work force development programs to prepare them for jobs in their chosen fields including automotive technology, agriculture mechanics, electrical power distribution, wildlife outfitting and operations, nursing, and allied health. In addition to traditional and nontraditional students the College enrolls significant numbers of high school students in concurrent enrollment courses. Which allow the student to enroll in courses for high school and college credit during high school. The College has approximately 867 FTE students and enrolls 1,727 students annually. The College is large enough to provide a diversity of opportunity, yet small enough to assure students personal attention.

Location

The main campus of the College is located at 348 NE SR 61 Pratt, Kansas 67214 in the city of Pratt, Pratt County, Kansas. The College's taxing district is contiguous with the boundaries of Pratt County and includes all of the county and all cities within Pratt County. The population of the City of Pratt, Kansas is estimated to be 6,496 and the population of Pratt County is estimated to be 9,164.

The City of Pratt is the county seat of Pratt County, located approximately 75 miles west of Wichita. It is easily reached via US Highways 281 and 54/400 or Kansas Highway 61. Interstate Highways 135 and 70 are within approximately 88 miles.

Other Attendance Locations

The College offers electrical power distribution classes at the following locations WSU Tech - Center City location, Coffeyville Community College and Dodge City Community College. The College provides LPN and RN programs at the Cowley County Community College site in Winfield.

Board of Trustees and Administration

The College is governed by the Board of Trustees consisting of seven members, all being elected at large. Responsibilities of the Trustees include the selection of a president, the establishment of a basic policy of the College district, and the overall welfare of the College. Current members of the Board of Trustees are as follows:

Board Member	Position	Term Expires
Dwane DeWeese	Chairperson	2021
Mike Koler	Vice-Chairperson	2021
Ed Barrett	Trustee	2024
Kim DeClue	Trustee	2024
Michele Hamm	Trustee	2024
Stan Reimer	Trustee	2024
Jeff Shumway	Trustee	2021
Kent Adams	Treasurer	N/A
Donna Meier	Clerk	N/A

The Board of Trustees appoints the President, who is the chief executive officer of the College. The current President is Dr. Michael Calvert, Ed. D., who was appointed President in 2013. Other principal staff members and their current position is as follows:

Name	Position
Dr. Michael Calvert	President
Kent L. Adams	Vice-President of Finance and Operations
Lisa Miller	Vice-President of Students and Enrollment Management
Monette DePew	Vice-President of Instruction
Jerry Sanko	Chief Information Officer

Accreditation

The College is an accredited institution of higher education, having been formally recognized and accredited by a number of agencies. The College is an institution coordinated by the Kansas State Board of Regents and is accredited by the Higher Learning Commission. The accreditation assures acceptance of the College credits on an equal standing with all accredited institutions, not only in Kansas, but also throughout the United States.

Programs are approved by numerous state and national organizations including the Kansas State Board of Nursing, the National Automotive Technicians Education Foundation, Inc., and the Association of Collegiate Business Schools and Programs.

The College is fully accredited by the Higher Learning Commission. In March of 2020, the Higher Learning Commission reaffirmed the College's accreditation. The College is a member of the American Association of Community Colleges, Association of Community College Trustees, and the Kansas Association of Community College Trustees.

The College was notified in August of 2015 that the ADN Nursing program would no longer be accredited by the Accreditation Commission for Education in Nursing (ACEN). The College is still able to provide the ADN Nursing with the accreditation of the Kansas State Board of Nursing. The College made the decision to suspend the ADN nursing program during the 2017-2018 school year in order to improve the quality of the program. The College restarted enrollment in the ADN program in the fall of 2018, with approval of the Kansas State Board of Nursing. The PN program was not impacted by this decision.

Ten-Year Enrollment and Credit Hour Summary

Enrollment at the College since 2011 is shown below:

Academic Year	Total Credit Hours	Headcount
2020-2021(1)	25,502	1,691
2019-2020	25,999	1,727
2018-2019	26,850	1,751
2017-2018	26,161	1,640
2016-2017	26,856	1,641
2015-2016	26,417	1,640
2014-2015	31,162	1,994
2013-2014	33,276	2,285
2012-2013	33,909	2,325
2011-2012	34,870	2,417

(1) As of April 26, 2021.

Tuition

For school year 2020/2021, tuition and fees per credit hour are as follows:

Residency	Tuition	General Fees	Total	One-Time Semester Fee
Pratt County	$63	$49	$112	$ 0
In – State (Outside of the County)	63	53	116	50
Out-of-State	75	57	132	100
International	91	61	152	150

Faculty/Employees

The College employs 39 full-time faculty members, six people in administrative positions, 94 in support staff positions, and 20 adjunct faculty members. Educational levels of employees range from Doctoral Degrees to those completing studies at an institution of higher learning. Fifty-six percent of the full-time employees hold a Bachelor's Degree or higher. The College has never experienced a strike or work slow-down. Employee relations are characterized as good.

College Facilities

The College's main campus facilities, completed in 1968, included the main building and Novotny Residence Hall. Porter residence hall was established in 1982, Scholarship residence hall was added in 1985, the indoor rodeo facility was added in 1986, the auto/diesel facility was added in 1987 and the Riney Student Conference Center was added in 1989. The campus also consists of outdoor rodeo facilities, an indoor sports arena, and Stanion Baseball Field. North Residence Hall was added in 2002, Chandler Hall (nursing) was added in 2006 and Wojeiechowski residence hall was added in 2010.

Curriculum Description

The College's degree programs are designed for students who plan to transfer to a four-year college or university to complete a bachelor's degree, for students who plan to enter the job market immediately after completing the programs and for students who wish to continue their education on a short-term basis. The College offers two-year curricula leading to the Associate of Arts, Associate of Science, Associate of Applied Science and Associate of General Studies Degrees. The minimum requirements for each degree include completion of 64 semester hours.

Following is a summary of the programs offered at the College:

Nursing
Registered Nurse
LPN to RN Nurse
LPN
Allied Health
CAN
CMA
Humanities and Fine Arts
Art
General Studies
English
Theater
Public Speaking
Music
History
Literature
Philosophy
Graphic Design
Technical
Automotive Technology
Agriculture
Ag. Economics
Animal Science
Ag. Power Technology
Criminal Justice
Electrical Power Technology
Information Network Technology
Wildlife Outfitting & Operations
Math & Science
Mathematics
Biology
Chemistry
Physics
Physical Science
Pre-Chiropractic
Pre-Dentistry
Pre-Medicine
Pre-Nursing
Wildlife Biology
Business
Accounting
Business Administration
Marketing
Economics
Pre-Law
Modern Distribution & Sales Manager
Social Science
Psychology
Sociology
Education
Political Science
Athletics
Basketball M & W
Baseball
Softball
Soccer M & W
Volleyball
Cross-Country M & W
Track M & W
Rodeo M & W
Wrestling
Cheer M & W
Athletic Training

Other Educational Facilities.

Pratt Unified School District No. 382 is headquartered in Pratt and has a full-time equivalent enrollment of 1,255 and operates one elementary school, one middle school and one senior high school.

Skyline Schools Unified School District No. 438 is headquartered in Pratt and has a full-time equivalent enrollment of 344 and operates one elementary school and one high school.

The following universities or colleges offering bachelor's or advanced degrees are also located in the region:

Name	Location	Estimated Distance from the College (in Miles)	Estimated Enrollment (FTE)
Barton County Community College	Great Bend, KS	53	4,108
Hutchinson Community College	Hutchinson, KS	54	4,174
Newman University	Wichita, KS	75	2,066
Wichita Technical Institute	Wichita, KS	75	2,015
Friends University	Wichita, KS	76	2,024
Wichita State University	Wichita, KS	80	11,743

Student Health Facilities.

No health facilities are located on the campus of the College. Pratt Regional Medical Center serves the community with a total of 69 acute and 15 skilled beds. Medical personnel within the community include ten medical doctors, seven dentists, four chiropractors, two optometrists, and one osteopath.

Recreational, Cultural and Religious Facilities Available to Students.

At the College, many opportunities are offered to participate in extracurricular activities. Student activities include campus picnics, dances, movie nights, pool and volleyball tournaments and intramural sports. Students are encouraged to get involved in a variety of clubs and organizations such as Student Senate, President's Ambassadors, Phi Theta Kappa, Fine Arts Club, Student Nursing Organization, and activities such as drama, music, art, and spirit squad.

A wide variety of cultural and entertainment options are available to residents at the Pratt County Historical Museum, Vernon Filley Art Museum, All Veterans Museum Complex, B-29 All Veterans Memorial, and Pratt Public Library. There are eight sites registered with the Kansas Historical Society located within the County, of which six are located in or around the City of Pratt.

The County has recreational activities available through sporting events, one theater, one golf courses, two public swimming pools, a teen center, one skate park, public parks that feature playground equipment, picnic facilities, including shelter houses, summer recreational programs, and many different clubs and other organizations. Birdwatching and other nature activities are available at Pratt Sandhills; Texas Lake Wildlife Area, located outside the City of Cullison; and a fish hatchery, located outside the City of Pratt. The Pratt Education Center of the Kansas Department of Wildlife and Parks, which includes grassland displays and aquariums, is also located in the County.

The County has 21 churches that serve the local communities.

FINANCIAL INFORMATION CONCERNING THE COLLEGE

Community colleges in the State of Kansas finance their operations through student tuition, auxiliary operations, student fees, and a property tax levy, as well as State aid.

Under K.S.A. 71-601 *et seq*. and K.S.A. 71-1801 *et seq*., the community college state funding is on the basis of an annual operating grant and state aid from the State general fund, in an amount determined by the State Board of Education. The operating grant relates to students who are Kansas residents and to “non-tiered” course credit hours, with non-tiered describing courses that are not technical in nature, and are instead generally designed to contribute to academic knowledge or skills across multiple disciplines, such as mathematics, writing, humanities and sciences. The state aid relates to students who are Kansas residents and to “tiered technical” course credit hours, and is determined by considering (1) costs of high-demand, high-tech training, (2) target industries critical to Kansas, (3) program growth, (4) local taxing authority for credit-hours generated by students from the college taxing district and (5) other factors deemed necessary or advisable by the State Board of Education. The operating grant is distributed by method established by the State Board of Education, while the state aid is distributed on each August 1 and January 1, with one half of the aid being distributed on each of such dates.

The College maintains eight basic fund groups. All funds (the “Funds”) are segregated for accounting purposes. In the current fiscal year, property taxes are levied for the general fund and capital outlay funds.

Property tax revenues for each tax-supported Fund are set and a budget is adopted by the Board, after a public hearing. The Board then certifies the property tax revenues to the County Clerk not later than August 25. The County Clerk receives assessments of real and personal property from the County Assessor and certifies such assessments and the total levy for all purposes (state, county, city, school and other taxing jurisdictions) to the County Treasurer, who is charged with the levying and collection to taxes. See “**Property Tax Levies and Collections--Tax Collections”** for information regarding the property tax imposition and payment process.

Accounting, Budgeting and Auditing Procedures

The College follows an accrual basis of accounting for all funds of the College.

The Kansas statues require the adoption of budgets for all funds on an 18-month basis unless exempted by a specific statute. Under state law, budgetary control is exercised at the fund level. Upon publishing appropriate notice, the Board conducts a public hearing to approve the budget. The College uses program-based budgeting for all governmental funds, except the Capital Projects Fund, in order to measure more accurately the results of educational programs. Budgets are prepared under the modified accrual basis of accounting, further modified by the encumbrance method of accounting in which purchase orders, contracts and commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation. Open encumbrances that do not lapse are reported as reservations of funds balances because the commitment will be honored through subsequent years; budget appropriations.

The College may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the College 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 College) 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 Tax Act"). The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

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

The College cannot predict the impact of the Revenue Neutral Tax Act on any ratings on the Certificates, or the general rating of the College. A change in any rating on the Certificates or a change in the general rating of the College may adversely impact the market price of the Certificates 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 College 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 Allen, Gibbs & Houlik, L.C., Certified Public Accountants, Pratt, Kansas. Copies of the audit reports for the past five (5) years are on file with the College and are available for review. The audit for the Fiscal Year ended June 30, 2020 is attached hereto as ***APPENDIX B***.

The financial information contained in the Appendices to this Preliminary 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 Pratt 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 County.

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

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

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

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

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the College taxing district for each of the last five years.

Levy Year	Budget Year	Real Property	Personal Property	Utilities	Motor Vehicle Valuation	Total Valuation
2020	2021	$104,119,908	$5,074,286	$64,157,297	$11,694,344	$185,045,835
2019	2020	103,205,958	8,053,514	62,339,491	11,698,436	185,297,399
2018	2019	101,543,944	7,493,798	58,961,078	11,446,795	179,445,615
2017	2018	99,325,433	7,557,942	57,308,813	11,071,472	175,263,660
2016	2017	94,372,769	6,291,799	59,914,983	11,308,335	171,887,886

Source: County Clerk

Property Tax Levies and Collections

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

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

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

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

The tax levies per $1,000 of the assessed valuation of tangible taxable property were as follows:

Levy Year	Budget Year	General Fund	Employee Benefits	Capital Outlay	Vocational	Total
2020	2021	38.119	0.000	0.000	0.000	38.119
2019	2020	39.011	0.000	0.000	0.000	39.011
2018	2019	39.481	0.000	0.000	0.000	39.481
2017	2018	39.413	0.000	0.000	0.000	39.413
2016	2017	39.641	0.000	0.000	0.000	39.641

Source: County Clerk

Sources of Revenue

The College finances its general operations through the local property tax levy, tuition, fees and other miscellaneous sources as indicated below for the current Fiscal Year:

Source	Percent
Operating Revenue	
Auxiliary enterprises	8.70%
Student tuition and fees, net discounts	6.28%
Non-Operating	
Governmental appropriations	71.06%
Other	5.96%
Grants and gifts	5.40%
Capital contributions	2.55%
Investment income	0.06%
Total	100.00%

Source: College's 2020 Audited Financial Statements

Tax Collection Record. The following table sets forth tax collection information (not including special assessments) for the College for the years indicated:

Levy Year	Budget Year	Taxes Levied	Taxes Collected	Percentage Collected
2020	2021	$6,645,064	In Process	N/A
2019	2020	6,779,607	$6,712,621	99.01%
2018	2019	6,666,458	6,640,255	99.61%
2017	2018	6,498,196	6,237,008	95.98%
2016	2017	6,419,198	6,293,560	98.04%

Source: County Clerk/Treasurer

Major Taxpayers. The following table sets forth the ten largest taxpayers for the College based on total assessed valuation in the most recent tax collection period (2020/21):

	Taxpayer	Assessed Valuation	Taxes Levied
1.	Northern Natural Gas Co.	$30,737,042	$4,059,704
2.	Mid-America Pipeline Co., LLC	5,121,440	734,851
3.	Pratt Energy LLC	4,519,947	647,307
4.	Union Pacific Railroad Co.	4,109,015	612,447
5.	BNSF Railway	3,664,887	539,516
6.	Southern Pioneer Electric	2,868,784	403,960
7.	Northern States Power Co.	2,196,700	296,317
8.	Kansas Gas Services	2,262,673	384,201
9.	Ninnescah REC Assn. Inc.	2,082,172	295,998
10.	The Scoular Co.	1,826,912	261,610

Source: County Clerk

Risk Management

The College is exposed to various risks of loss from torts; cyber security, theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accidental benefits. Commercial insurance coverage is purchased for claims arising from such matters.

Defined Benefit Pension Plan

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

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

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

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for more than 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, 85% of which comes from the State General Fund. State legislation enacted in 2003 made certain pre-1962 Board employees (which are part of a small group of pre-1962 Board and University of Kansas Hospital Authority employees known as the "TIAA Group"), special members of the State/School Group.

(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. State legislation enacted in 2003 made certain pre-1962 employees of the University of Kansas Hospital Authority (which are a part of a small group of pre-1962 Board and University of Kansas Hospital Authority employees known as the "TIAA Group"), special members of the Local Group.

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 College'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) or KPERS Tier 2 members (covered employment on or after July 1, 2009) or KPERS Tier 3 members (covered employment on or after January 1, 2015).

The 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 14.41% of the employee's gross salary for the period beginning July 1, 2019, through June 30, 2020, and is projected to change to 14.23% for the period beginning July 1, 2020, through June 30, 2021, and 14.09% for the period beginning July 1, 2021, through June 30, 2022. . In addition, the College 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, 2019 (the "2019 Valuation Report") the KPERS School Group, of which the College is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately $5.582 billion at the end of 2019. The amount of the UAAL in 2019 changed from the previous year's amount due to the factors discussed in the 2019 Valuation Report; such report also includes additional information relating to the funded status of the KPERS School Group, including recent trends in the funded status of the KPERS School Group. A copy of the 2019 Valuation Report is available on the KPERS website at kpers.org/about/reports.html. The College has no means to independently verify any of the information set forth on the KPERS website or in the 2019 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS School Group. The 2019 Valuation Report sets the employer contribution rate for the period beginning July 1, 2022, for the KPERS School Group, and KPERS' actuaries identified that an employer contribution rate of 14.83% of covered payroll would be necessary, in addition to additional employer contributions of 0.68% for the period beginning July 1, 2021 (related to contribution reductions for the KPERS School Group approved by the Legislature), and statutory contributions by covered employees to eliminate the UAAL by the end of the actuarial periods set forth in the 2019 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 13.86%. 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 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.

The College is required to implement GASB 68 – Accounting and Financial Reporting for Pensions. KPERS produces a Schedule of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer (the "GASB 68 Report") which provides the net pension liability allocated to each KPERS participant, including the College. The GASB 68 Report is available on the KPERS website at kpers.org/about/reports.html. The College has no means to independently verify any of the information set forth on the KPERS website or in the GASB 68 Report. It is important to note that under existing State law, the College has no legal obligation for the UAAL or the net pension liability calculated by KPERS, and such figures are for informational purposes only.

COLLEGE'S AUTHORITY TO INCUR DEBT

Estimated Actual Valuation[1]	$1,156,536,468
Equalized Assessed Valuation of Tangible Valuation for Computation on Bonded Debt Limitations[2]	$185,045,835
Legal limitation of Bonded Debt[3]	$5,551,375
Outstanding general obligation debt as of June 14, 2021	$0
Population (2019 estimated)	9,164
Direct general obligation debt per capita	$0
Ratio of direct general obligation debt to equalized assessed valuation	0.00%
Underlying and overlapping debt	$9,636,684
Direct and overlapping debt	$9,636,984
Direct and overlapping debt per capita	$1,052
Direct & overlapping debt as a percentage of equalized assessed valuation	5.21%
Direct & overlapping debt as a percentage of estimated actual valuation	0.83%

(1) Estimated based upon an average assessment ratio of 16%.
(2) Includes motor vehicle valuation.
(3) Pursuant to K.S.A. 71-201.

Overlapping/Underlying General Obligation Indebtedness

The following table sets forth overlapping and underlying general obligation indebtedness and the percent attributable (on the basis of assessed valuation) to the College taxing district as of June 14, 2021:

Jurisdiction	2020 Assessed Valuation	General Obligation Debt Outstanding	Percent Applicable To the College	Amount Applicable To the College
Pratt County	$173,630,019	$ 590,000	100.00%	$ 590,000
City of Byers	131,053	0	100.00%	0
City of Coats	1,096,257	0	100.00%	0
City of Cullison	953,464	0	100.00%	0
City of Iuka	1,667,625	0	100.00%	0
City of Pratt	42,865,797	0	100.00%	0
City of Preston	624,049	96,684	100.00%	96,684
City of Sawyer	992,840	0	100.00%	0
U.S.D. No. 254	58,790,469	0	5.98%	0
U.S.D. No. 310	43,576,978	5,485,000	2.51%	137,463
U.S.D. No. 332	66,163,520	0	46.02%	0
U.S.D. No. 349	23,525,023	0	2.90%	0
U.S.D. No. 351	41,290,155	3,740,000	2.21%	82,537
U.S.D. No. 382	100,416,934	8,730,000	100.00%	8,730,000
U.S.D. No. 438	38,596,431	0	90.84%	0
U.S.D. No. 474	20,233,674	0	7.43%	0
TOTAL				$9,636,684

Several cities and water districts have issued utility revenue bonds which are paid from receipt of the utility service being sold. Several cities have also issued industrial revenue bonds which are paid by the industry for which the bonds are issued. The County's Public Building Commission has also issued revenue bonds for various public building projects. Revenue bonds are not considered a general obligation indebtedness under Kansas law and are not included in the total stated herein for underlying indebtedness.

Source: County Clerk

DEBT STRUCTURE OF THE COLLEGE

GENERAL OBLIGATION BONDS

As of June 14, 2021, the College had no outstanding General Obligation Bonds.

CERTIFICATES OF PARTICIPATION

Description of Indebtedness	Series	Maturity Date	Original Amount	Amount Outstanding
Lease Agreement Refunding Certificates of Participation(1)	2012	05/01/2028	$2,825,000	$ 0
Lease Agreement Refunding Certificates of Participation	2020	05/01/2030	1,280,000	1,130,000
Lease Agreement Refunding Certificates of Participation(2)	2021	05/01/2028	1,330,000	1,330,000
TOTAL				$2,460,000

(1) Issue being refunded by the Certificates.
(2) This issue and subject to change.

REVENUE BOND OBLIGATIONS
(As of June 14, 2021)

Description of Indebtedness	Series	Maturity Date	Original Amount	Amount Outstanding
City of Pratt Kansas Industrial Revenue Bonds (Pratt Community College Track and Field Facility)(1)	2019	04/01/2039	$2,720,000	$2,610,000

(1) The College subleases the facilities financed by the Industrial Revenue Bonds, and the payments under the sublease are intended to fund all debt service payments on such bonds.

CAPITAL LEASE OBLIGATIONS
(As of June 14, 2021)

Purpose	Series	Maturity Date	Original Amount	Amount Outstanding
Lease Purchase Agreement – Bus	2018	04/01/2023	$ 73,355	$ 28,339
Lease Purchase Agreement – Fleet Vehicles	2018	09/09/2025	158,539	101,689
Total				$130,028

LOAN OBLIGATIONS

As of June 14, 2021, the College had no loans outstanding.

Debt Payment Record

The Issuer has never been delinquent in any payments of its debt agreements.

Future Indebtedness

The College from time to time will lease small equipment and such leases may or may not have a purchase option in accordance with the terms of said lease. Periodically, the College reviews all its outstanding debt obligations for refunding opportunities and will complete issues as needed when sufficient savings can be achieved. Other than the potential projects detailed above, the College does not have plans to issue any additional debt at this time.

REGIONAL, ECONOMIC, AND DEMOGRAPHIC INFORMATION REGARDING THE COLLEGE DISTRICT

General

Pratt County, Kansas (the "County") occupies approximately 1,303 square miles in southeast Kansas. The county seat is the City of Pratt.

The economy of the County is diversified among agricultural, manufacturing, wholesale, retail and service industries.

Transportation

The County is served by U.S. Highways 400 and 281. Regularly scheduled air service is available at Wichita Dwight D. Eisenhower National Airport, Wichita, Kansas.

Population Trends

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

Year	County Population	City Population
2019	9,164	6,496
2018	9,378	6,630
2017	9,547	6,748
2016	9,584	6,771
2015	9,691	6,849

Source: State of Kansas

Labor Force

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

PRATT COUNTY

Average For Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2020	4,926	4,748	178	3.6%
2019	4,907	4,783	124	2.5%
2018	4,952	4,815	137	2.8%
2017	4,931	4,769	162	3.3%
2016	5,104	4,897	207	4.1%

STATE OF KANSAS

Average For Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2020	1,497,003	1,408,995	88,008	5.9%
2019	1,486,620	1,439,563	47,057	3.2%
2018	1,482,220	1,432,387	49,833	3.4%
2017	1,478,783	1,425,216	53,567	3.6%
2016	1,484,001	1,422,122	61,879	4.2%

Currently, the Kansas Department of Labor estimates an unemployment rate of 2.5% for the County and 3.8% for the State of Kansas for the month of March 2021.

Source: Kansas Statistical Abstract (2016 – 2019 data); Kansas Department of Labor (2020 data & March 2021 estimate)

Retail Sales and Use Tax Collections

The following table lists the State of Kansas sales tax collections (excluding local sales tax) for the years indicated for the County:

Year	Sales and Use Tax Collections	Per Capita Sales and Use Tax
2020	$12,556,245	Not Available
2019	13,300,005	$1,502.66
2018	13,323,406	1,088.43(1)
2017	10,248,905(1)	1,110.96(1)
2016	11,143,956(1)	1,154.54(1)

(1) Use tax collections not included.

Source: Kansas Statistical Abstract (2016 – 2019 data); Kansas Department of Revenue (2020 data)

Effective July 1, 2015, the statewide sales and use tax was increased from 6.15% to 6.50%.

Oil Production

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

Year	Oil Production
2020	334,315
2019	422,434
2018	344,962
2017	290,413
2016	298,633

Source: Kansas Statistical Abstract (2016 -2019 data); Kansas Geological Survey (2020 data)

Financial and Banking Institutions

There are currently three banks located in the County with three different branch locations. During a five-year period, bank deposits of the County's banks were as follows:

Year	Total Bank Deposits (thousands of dollars)
2020	$350,644
2019	304,000
2018	304,000
2017	301,000
2016	303,000

Source: Kansas Statistical Abstract (2016 -2019 data); FDIC (2020 data)

Personal Income Trends

The County's per capita income and the State of Kansas per capita income are listed for the years indicated in the following table.

Year	Pratt County Personal Income ($000)	Pratt County Per Capita Income	State of Kansas Per Capita Income
2019	$493,861	$53,891	$53,426
2018	443,834	47,327	51,471
2017	447,330	46,856	48,559
2016	437,064	45,604	47,228
2015	439,275	44,207	46,994

Source: Kansas Statistical Abstract (2015 -2018 data); U.S. Department of Commerce – Bureau of Economic Analysis (2019 data)

$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the Lease Agreement Between the College and Trustee

Appendix B

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

* Subject to change.

PRATT COMMUNITY COLLEGE

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

AND

INDEPENDENT AUDITOR'S REPORT

AGH
CPAs & ADVISORS

PRATT COMMUNITY COLLEGE

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

AND

INDEPENDENT AUDITOR'S REPORT

PRATT COMMUNITY COLLEGE

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Pratt Community College
Pratt, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activity and the discretely presented component unit of Pratt Community College (College), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the discretely presented component unit of the College, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedules of receipts, expenditures, changes in unencumbered cash, and comparison with budget are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of receipts, expenditures, changes in unencumbered cash, and comparison with budget are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of receipts, expenditures, changes in unencumbered cash, and comparison with budget are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020
Wichita, KS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Pratt Community College's (College) financial performance provides an overview of the College's financial activities for the fiscal year ended June 30, 2020. This discussion and analysis should be utilized in conjunction with the financial statements with supplementary information for the year ended June 30, 2020 and the independent auditor's report.

Financial Highlights

- The College reported net position of $31,710,432. Of this amount, $18,627,807 is unrestricted and available to meet ongoing obligations. This represents a $1.8 million increase in total net position from 2019.

- Total assets and deferred outflows of resources increased by $2,089,859, primarily related to an increase in capital assets, which included a $3.7 million addition for a new track and field complex.

- Unrestricted cash and cash equivalents increased by $736,647. The critical point in the year for cash at the College is December 31 each year due to the timing of cash receipts. The increased cash is a result of student tuition, fees, housing receipts, taxes and state aid.

Overview of the Basic Financial Statements

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the College, as well as its component unit, the Pratt Community College Foundation, Inc. The following discussion focuses on the College.

The attached reports contain the following components: 1) basic financial statements, 2) notes to the financial statements, 3) required supplementary information, and 4) supplementary financial information.

The basic financial statements provide both long-term and short-term information about the College's overall financial status. The required supplementary information provides additional information regarding the College's pension and OPEB liabilities. The supplementary financial information provides a schedule of receipts, expenditures, changes in unencumbered cash, and comparison with budget on a statutory basis by fund. These schedules, which have been provided in the past, focus on the individual parts of the College, reporting the College's operations in more detail than the basic financial statements. The two perspectives allow the user of this data to address relevant questions, broaden the basis of comparison, and enhance accountability.

Financial Analysis of the College
Net Position

As of June 30,

	2020	2019	Increase (Decrease)
Current Assets	**$ 25,814,581**	$ 24,661,915	$ 1,152,666
Non-current assets:			
Restricted cash and deposits held	**234,647**	2,187,283	(1,952,636)
Capital assets, net of depreciation	**12,774,825**	9,919,535	2,855,290
Deferred outflows	**63,650**	29,111	34,539
Total assets and deferred outflows	**38,887,703**	36,797,844	2,089,859
Current liabilities	**1,722,682**	1,117,782	604,900
Non-current liabilities	**5,366,676**	5,714,869	(348,193)
Deferred inflows	**87,913**	68,078	19,835
Total liabilities and deferred inflows	**7,177,271**	6,900,729	276,542
Net position			
Net investment in capital assets	**7,149,999**	6,021,804	1,128,195
Restricted for:			
Programs	**6,162,775**	5,823,778	338,997
Unrestricted	**18,397,658**	18,051,533	346,125
Total net position	**$ 31,710,432**	$ 29,897,115	$ 1,813,317

Long-term Debt and Capital Assets

Capital assets, net of accumulated depreciation, increased by $2,855,290 due to ongoing capital acquisitions, which included construction of the new track and field complex. The College refunded Series 2006 and Series 2009 Certificates of Participation and issued new Series 2020 Certificates of Participation. See Note 6 for additional information on the College's long-term debt.

Operating Results

Total revenues decreased $86,151, primarily due to a decrease in operating revenues related to a decrease in enrollment and refunds of room and board due to COVID-19. The decrease in operating revenues was offset by an increase in governmental appropriations, which included $460,000 in CARES Act funding and an increase in other revenue, which primarily consisted of insurance proceeds of approximately $600,000 from a wind and hail storm that occurred in fall 2019.

Financial Analysis of the College
Operating Results for the Years Ended

As of June 30,

	2020	2019	Increase (Decrease)
Operating revenues			
Tuition and fees	**$ 1,152,395**	$ 1,573,251	$ (420,856)
Auxiliary	**1,598,129**	2,266,693	(668,564)
Non-operating revenues			
Governmental appropriations	**13,046,324**	12,876,674	169,650
Grants and gifts	**990,716**	1,058,046	(67,330)
Capital contributions	**468,369**	368,863	99,506
Investment income	**10,297**	47,207	(36,910)
Other	**1,094,103**	255,750	838,353
Total Revenues	**18,360,333**	18,446,484	(86,151)
Expenses:			
Operating expenses			
Instruction	**4,293,833**	4,550,316	(256,483)
Academic support	**756,364**	569,105	187,259
Student services	**2,383,065**	2,262,526	120,539
Institutional support	**3,266,462**	2,635,147	631,315
Operations and maintenance	**472,534**	1,020,402	(547,868)
Equipment	**--**	6,775	(6,775)
Depreciation	**921,648**	826,378	95,270
Scholarships and fellowships	**1,720,710**	1,775,143	(54,433)
Auxiliary	**2,675,081**	2,533,978	141,103
Interest expense	**57,319**	205,877	(148,558)
Total expenses	**16,547,016**	16,385,647	161,369
Increase in net position	**1,813,317**	2,060,837	(247,520)
Net position, beginning of year	**29,897,115**	27,836,278	2,060,837
Net position, end of year	**$ 31,710,432**	$ 29,897,115	$ 1,813,317

Notes to the Financial Statements

The notes provide additional narrative and financial information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements begin on page 10 of this report.

Basic Financial Statements

The basic financial statements report information about Pratt Community College as a whole using accounting methods similar to those used in private-sector companies. The statement of net position presents information on all of the College's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position will determine if the College as a whole is better or worse off.

The statement of revenues, expenses and changes in net position shows how the College's net position changed during the most recent fiscal year. All changes in net position are taken into account regardless of when cash is received or paid.

The statement of cash flows utilizes the direct method of calculating cash flows (i.e. the amounts received and paid in cash).

Next Year's Budget

The College's enrollment trend has stabilized and is expected to trend-up as new programs gain enrollment. The state restored the remainder of the prior four percent budget cut plus provided some additional funding. The College will continue to monitor the state funding situation. The College continues to focus on developing additional programs to grow enrollment.

PRATT COMMUNITY COLLEGE

STATEMENT OF NET POSITION

June 30, 2020

	College	Foundation
ASSETS		
Current assets:		
Cash	$ 24,927,558	$ 911,931
Receivables, net of allowance for uncollectible accounts of $49,983	887,023	18,100
Total current assets	25,814,581	930,031
Noncurrent assets:		
Restricted cash	234,647	--
Other investments	--	3,262,843
Beneficial interest in South Central Community Foundation	--	569,575
Capital assets	31,513,045	165,452
Accumulated depreciation	(18,738,220)	--
Total noncurrent assets	13,009,472	3,997,870
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	27,148	--
Deferred outflows related to OPEB	36,502	--
Total deferred outflows of resources	63,650	--
Total assets and deferred outflows of resources	$ 38,887,703	$ 4,927,901
LIABILITIES		
Current liabilities:		
Accounts payable	$ 768,854	$ 338
Deposits held in custody for others	166,789	--
Salaries payable	203,835	--
Certificates of participation	365,000	--
Capital leases	203,639	--
Accrued interest	14,565	--
Total current liabilities	1,722,682	338
Noncurrent liabilities:		
Certificates of participation	2,415,000	--
Capital leases	2,641,187	--
Net pension liability	104,712	--
Total OPEB liability	205,777	--
Total noncurrent liabilities	5,366,676	--
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	33,241	--
Deferred inflows related to OPEB	54,672	--
Total deferred inflows of resources	87,913	--
NET POSITION		
Net investment in capital assets	7,149,999	165,452
Restricted for:		
Scholarships (expendable)	--	510,269
Programs (expendable)	6,162,775	--
Restricted for scholarships (nonexpendable)	--	473,624
Unrestricted	18,397,658	3,778,218
Total net position	31,710,432	4,927,563
Total liabilities, deferred inflows of resources and net position	$ 38,887,703	$ 4,927,901

The accompanying notes are an integral part of these financial statements.

PRATT COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2020

	College	Foundation
Operating revenues:		
Student tuition and fees	$ 1,152,395	$ --
Auxiliary enterprises - dormitory	1,598,129	--
Net investment income (loss)	--	104,981
Grants and gifts	--	767,005
Total operating revenues	2,750,524	871,986
Operating expenses		
Education and general		
Instruction	4,293,833	--
Academic support	756,364	--
Student services	2,383,065	--
Institutional support	3,266,462	138,076
Operation and maintenance of plant	472,534	413,604
Depreciation	921,648	--
Scholarships and fellowships	1,720,710	245,080
Total education and general	13,814,616	796,760
Auxiliary enterprises	2,675,081	--
Total operating expenses	16,489,697	796,760
Operating income (loss)	(13,739,173)	75,226
Nonoperating revenues (expenses):		
Governmental appropriations	13,046,324	--
Grants and gifts	990,716	--
Capital contributions	468,369	--
Investment income	10,297	--
Interest expenses	(57,319)	--
Other	1,094,103	--
Total nonoperating revenues (expenses)	15,552,490	--
Change in net position	1,813,317	75,226
Net position, beginning of year	29,897,115	4,852,337
Net position, end of year	$ 31,710,432	$ 4,927,563

The accompanying notes are an integral
part of these financial statements.

PRATT COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

Year Ended June 30, 2020

	College	Foundation
Cash flows from operating activities:		
Tuition and fees	$ 736,376	$ --
Auxiliary enterprise revenue	1,598,129	--
Income from grants and other	--	630,229
Payments to suppliers and employees	(13,203,142)	(413,362)
Payments for scholarships	(1,720,710)	(245,080)
Net cash flow from operating activities	(12,589,347)	(28,213)
Cash flows from noncapital financing activities		
Governmental appropriations, grants and gifts	14,037,040	--
Other	1,094,103	--
Net cash flow from noncapital financing activities	15,131,143	--
Cash flows from capital and related financing activities		
Acquisition of capital assets	(3,397,217)	--
Payments on capital leases	(112,626)	--
Proceeds from issuance of capital leases	--	--
Payment on certificates of participation	(1,470,000)	--
Proceeds from issuance of certificates of participation	1,280,000	--
Interest paid on long-term debt	(68,239)	--
Net cash flow from capital and related financing activities	(3,768,082)	--
Cash flows from investing activities		
Investment purchases and earnings reinvested	--	(182,502)
Investment maturities and sales	--	115,589
Interest and dividends received on investments	10,297	81,175
Net cash flow from investing activities	10,297	14,262
Net change in cash and cash equivalents	(1,215,989)	(13,951)
Cash and cash equivalents, beginning of year	26,378,194	925,882
Cash and cash equivalents, end of year	$ 25,162,205	$ 911,931
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	$ (13,739,173)	$ 75,226
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	921,648	--
Net unrealized gain on investments	--	(104,981)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
Accounts receivable	(416,019)	1,300
Deferred outflows	(34,539)	--
Accounts payable	657,169	242
Salaries payable	9,442	--
Other payables	(8,100)	--
Net pension liability	(9,319)	--
Total OPEB liability	9,709	--
Deferred inflows	19,835	--
Total adjustments	1,149,826	(103,439)
Net cash flows from operating activities	$ (12,589,347)	$ (28,213)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITES		
Capital Contributions	$ 468,369	

The accompanying notes are an integral part of these financial statements.

1. NATURE OF ORGANIZATION

Pratt Community College (College), established in 1938, is a public institution of higher education that grants associate degrees and occupational certificates. The College's mission is to provide high quality instruction and services that meet the educational and occupational training needs of its students and regional business and industry while providing activities for the lifetime enrichment of citizens in south central Kansas. The College is governed by a seven-member Board of Trustees, elected at large.

Financial reporting entity - The College follows Governmental Accounting Standards Board (GASB) Statement No. 61, *Financial Reporting Entity Omnibus* which amends GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* an amendment of GASB Statement 14. Under this amendment, entities that are legally separate tax-exempt organizations are required to be reported in the College's financial statements if the resources of the affiliated organization benefit the College, the College is entitled to or can otherwise access the resources, and the resources are considered significant to the College.

Pratt County Community College Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement funds to provide scholarships to students at the College and to provide other financial support to the College. The College provides personnel services related to administration and accounting activities for the Foundation. Grants and gifts revenue and institutional support expense of $138,076 was recognized by the Foundation for these services for the year ended June 30, 2020. The majority of the resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College or its constituents, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The Foundation is a nonprofit organization that reports under standards of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from the Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. The Foundation does not issue separate financial statements.

Accounting principles generally accepted in the United States of America (GAAP) require the reporting entity to include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Pratt Community College Foundation meets the requirements to be included in the reporting entity of the College.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of accounting - The accounting records of the College are maintained in accordance with accounting principles generally accepted in the United States of America. The College accounts for all activities within one business-type activity fund and applies all statements issued by the Government Accounting Standards Board (GASB).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when realized or realizable and earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The College's primary operating revenues are charges for student tuition, fees and dormitory charges. Operating expenses include the cost of providing the tuition and dormitory facilities, including administrative charges and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The College first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

<u>Cash and cash equivalents</u> - Cash and cash equivalents are reported at fair value and changes in unrealized gains and losses are recorded in the statements of revenues, expenses, and changes in net position. The College considers all unrestricted investments with an original maturity of three months or less to be cash equivalents. Restricted cash consists of funds for debt service, operation, construction, and maintenance and replacement.

<u>Deposits and investments</u> - Kansas statutes authorize the College to invest in certain specified securities, including time deposits, repurchase agreements, and U.S. government obligations. Investments are recorded at fair value.

<u>Receivables and deferred revenues</u> - Property taxes are recognized as revenue in the period for which they are levied. In Kansas, taxes are levied in November and are due by December 20. Taxpayers may elect to pay in two installments, with the second half due by May 10 of the following year. As of June 30, 2020, the County Treasurer had distributed to the College approximately 100% of the 2019 tax levied.

Tuition and fees for summer sessions are reported within the fiscal year in which the programs are predominantly conducted. Accordingly, tuition and fees collected for the 2020 summer session have been included in the current year's revenues.

<u>Capital assets</u> - Capital assets over $5,000 are recorded at cost or estimated acquisition value at date of donation in the case of gifts. The costs of maintenance, repairs, and minor replacements are charged to the appropriate operations and maintenance expense accounts. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Estimated service lives range from 5 to 40 years. The depreciation expense on assets acquired under capital leases is included with depreciation expense on owned assets.

<u>Compensated absences</u> - The College provides paid vacations and sick leave to employees. Employees are paid for accumulated vacation when employment is terminated. Employees are not paid for accumulated sick leave upon termination. Management of the College has determined the liability for accrued vacation and considers the liability to be immaterial in amount at June 30, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions - The employer contributions for community colleges are funded by the State of Kansas on behalf of these employers for active employees. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68. The state is treated as a nonemployer contributing entity in the Kansas Public Employees Retirement System (KPERS). Since these employers do not contribute directly to KPERS for active employees, there is no net pension liability or deferred inflows or outflows to report in their financial statements for active employees. See Note 8 for disclosures regarding the state's portion of the College's total proportionate share of the collective net pension liability that is associated with the College. The College recognizes pension expense associated with the College as well as revenue in an amount equal to the state's total proportionate share of the collective pension expense associated with the College.

The College does make contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937, known as "working after retirement" employees. The resulting proportional share of the "working after retirement" contributions and resulting net pension liability, deferred inflows of resources and deferred outflows of resources are attributable to the College. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of KPERS and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statements. Actual results could differ from those estimates.

Net position - *Net investment in capital assets*: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included in this component.

Restricted net position - non-expendable: Restricted non-expendable net position includes endowment corpus amounts.

Restricted net position - expendable: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

3. CASH AND INVESTMENTS

College

Deposits: At year-end, the College's carrying amount of deposits was $25,162,205 and the bank balance was $25,517,952.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its deposits or investments that are in the possession of an outside party. As of June 30, 2020, approximately $935,000 of the College's deposits exposed to custodial credit risk. All other deposits were either fully insured or collateralized. The College has no formal policy regarding custodial credit risk.

Investments: During the year, the College's idle funds were held in interest bearing demand deposit accounts.

Foundation

Deposits: At year-end, the Foundation's carrying amount of deposits was $911,931 and the bank balance was $1,480,203.

Investments include the following at June 30, 2020:

Equity	$ 1,823,099
Fixed income	1,310,608
Cash management fund	129,136
Investment in South Central Community Foundation	569,575
	$ 3,832,418

Investment income consists of the following for the year ended June 30, 2020:

Unrealized loss	$ (55,716)
Realized gain	101,326
Dividends and interest income	81,175
Investment management expenses	(21,804)
	$ 104,981

4. FAIR VALUE OF FINANCIAL INSTRUMENTS - FOUNDATION

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

The following describes three levels of inputs that may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

4. FAIR VALUE OF FINANCIAL INSTRUMENTS - FOUNDATION (CONTINUED)

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Foundation's investments classified as Level 1 in the fair value hierarchy are based on quoted prices in active markets. The Foundation's beneficial interest in the South Central Community Foundation (SCCF) is valued by the SCCF based on estimates of the underlying investments of the fund as provided by fund managers and other market data. Because the Foundation has an undivided interest in the SCCF Fund (Fund), its unit of account for the fair value measurement purposes is the Fund. The Fund is classified as Level 3 in the fair value hierarchy because no observable inputs exist for an undivided interest in the Fund.

The following table sets forth the Foundation's financial assets that were measured at fair value on a recurring basis as of June 30, 2020.

	2020 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total Fair Value
Equity investments	$ 1,823,099	$ --	$ --	$ 1,823,099
Fixed income investments	1,310,608	--	--	1,310,608
Cash management fund	129,136	--	--	129,136
Community Foundation	--	--	569,575	569,575
	$ 3,262,843	$ --	$ 569,575	$ 3,832,418

5. CAPITAL ASSETS

Capital assets are comprised of the following at June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
College:				
Land	$ 458,000	$ --	$ --	$ 458,000
Construction in progress	886,480	--	(886,480)	--
Building and improvements	18,109,036	3,994,957	--	22,103,993
Equipment, furniture and fixtures	8,282,590	668,462	--	8,951,052
Less accumulated depreciation	(17,816,571)	(921,649)	--	(18,738,220)
Total	$ 9,919,535	$ 3,741,770	$ (886,480)	$ 12,774,825
Foundation: Land	$ 165,452	$ --	$ --	$ 165,452

6. LONG-TERM DEBT AND CAPITAL LEASES

The following is a summary of changes in long-term debt of the College for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within one year
Certificates of Participation *					
Series 2006	$ 555,000	$ --	$ (555,000)	$ --	$ --
Series 2009	705,000	--	(705,000)	--	--
Series 2012	1,710,000	--	(210,000)	1,500,000	215,000
Series 2020	--	1,280,000	--	1,280,000	150,000
Capital lease obligations	2,957,452	--	(112,626)	2,844,826	203,639
	$ 5,927,452	$ 1,280,000	$ (1,582,626)	$ 5,624,826	$ 568,639

* The College's Certificates of Participation have been issued as direct placement debt.

Certificates of Participation, Series 2012

Certificates of Participation totaling $2,825,000 were issued during the year ended June 30, 2012, pursuant to an installment purchase agreement with the College as lessee and a local bank as the lessor and trustee. The certificates, with interest rates ranging from 2.0% to 2.8%, were issued to refund Student Dormitory Revenue Bonds, Series 2009. Principal payments for the Certificates of Participation, Series 2012 are due annually through 2028. Annual debt service requirements under the certificates to maturity are as follows:

Year ending June 30,	Principal	Interest
2021	$ 215,000	$ 35,882
2022	215,000	31,582
2023	200,000	26,960
2024	185,000	22,460
2025	190,000	18,020
2026-2029	495,000	24,270
	$ 1,500,000	$ 159,174

Certificates of Participation, Series 2020

Certificates of Participation totaling $1,280,000 were issued during the year ended June 30, 2020, pursuant to an installment purchase agreement with the College as lessee and a local bank as the lessor and trustee. The certificates, with interest rates ranging from 1.625% to 2.0%, were issued to refund Certificates of Participation, Series 2006 and Series 2009. Principal payments for the Certificates of Participation, Series 2020 are due annually through 2030. Annual debt service requirements under the certificates to maturity are as follows:

6. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Year ending June 30,	Principal	Interest
2021	$ 150,000	$ 25,474
2022	160,000	22,194
2023	160,000	18,994
2024	160,000	15,794
2025	160,000	12,594
2026-2030	490,000	20,019
	$ 1,280,000	$ 115,069

Capital Leases

Equipment, vehicles and campus improvements, with a net depreciated cost of $3,779,642, have been acquired under capital leases. The equipment and the related liability under the capital leases are recorded at the present value of the future payments due under the leases as determined with interest rates ranging from 3.0% to 4.0% and expire in various years through 2039.

The following is a schedule by years of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2020:

Year ending June 30,	
2021	$ 203,639
2022	211,539
2023	215,149
2024	210,480
2025	227,480
2026-2030	1,029,734
2031-2035	1,031,350
2036-2039	1,073,552
Total future minimum lease payments	4,202,923
Less: amount representing interest	(1,358,097)
Present value of future minimum lease payments	2,844,826
Less: current portion	(203,639)
	$ 2,641,187

7. RISK MANAGEMENT

The College is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.

8. DEFINED BENEFIT PENSION PLAN AND EMPLOYEE BENEFITS

General Information about the Pension Plan

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

Benefits provided: KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Legislature. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points".

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement, a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015 was created. Normal retirement ages for KPERS 3 is 65 with five years of service or 60 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the accounts balance at retirement.

Contributions: K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions 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. Kansas law establishes the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2

8. DEFINED BENEFIT PENSION PLAN AND EMPLOYEE BENEFITS (CONTINUED)

and KPERS 3 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

With the exception of contributions made by the College directly to KPERS for KPERS retirees filing KPERS covered positions under K.S.A. 74-4937 (known as "working after retirement" employees), employer contributions for the College's active employees are funded by the State of Kansas on behalf of the employer. Therefore, the College is considered to be in a special funding situation as defined by GASB 68, *Accounting and Financial Reporting for Pensions.*

State law provides that the 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 16.15% and 14.41%, respectively for the fiscal year ended June 30, 2020.

For the year ended June 30, 2020, College contributions to the plan for "working after retirement" payments were $12,882.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At June 30, 2020, the College reported a liability for its proportionate share of the KPERS' collective net pension liability that reflected a reduction for state pension support provided to the College. The amount recognized by the College as its proportionate share of the collective net pension liability, the related state support, and the total portion of the collective net pension liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	$ 104,712
State's proportionate share of the collective net pension liability associated with the College	7,663,168
	$ 7,767,880

The collective net pension liability was measured by KPERS as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The College's proportion of the collective net pension liability was first based on the ratio of the total actual contributions made for the College (including on behalf contributions from the state and contributions paid by the College) to KPERS, relative to the total employer and nonemployer contributions of the state/school subgroup within KPERS for the fiscal year ended June 30, 2019. The resulting proportion was then allocated to the College based on the ratio of the College's actual contributions paid directly to KPERS for "working after retirement" employees relative to the total employer and nonemployer contributions of the College for the fiscal year ended June 30, 2019. As of the measurement date of June 30, 2019, the College's "working after retirement" contributions were 1.348% of total contributions made for the

8. DEFINED BENEFIT PENSION PLAN AND EMPLOYEE BENEFITS (CONTINUED)

College (including on-behalf contributions made by the state). The total local allocation percentage for the College as of the measurement date of June 30, 2019 was .001619%., a decrease of 0.000129% from the prior measurement date.

For the year ended June 30, 2020, the College recognized pension expense of $841,190 and revenue of $845,902 for support provided by the state in the form of non-employer contributions to KPERS on the College's behalf. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 910	$ 2,708
Net difference between projected and actual earnings on pension plan investments	1,741	--
Changes in proportionate share	8,803	30,494
Changes in assumptions	2,812	39
College contributions subsequent to the measurement date	12,882	--
	$ 27,148	$ 33,241

The $12,882 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Deferred (Outflows) Inflows of Resources
2021	$ 8,473
2022	6,339
2023	2,482
2024	1,542
2025	139
	$ 18,975

8. DEFINED BENEFIT PENSION PLAN AND EMPLOYEE BENEFITS (CONTINUED)

Actuarial assumptions: The total pension liability for KPERS in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP-2014 Combined Mortality, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using scale MP-2016.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study were as follows:

- Price inflation assumption lowered from 3.00 percent to 2.75 percent.
- Investment return assumption was lowered from 8.00 percent to 7.75 percent.
- General wage growth assumption was lowered from 4.00 to 3.5 percent.
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.85%
Fixed income	13	1.25
Yield driven	8	6.55
Real return	11	1.71
Real estate	11	5.05
Alternatives	8	9.85
Short-term investments	2	(0.25)
Total	100%	

8. DEFINED BENEFIT PENSION PLAN AND EMPLOYEE BENEFITS (CONTINUED)

Discount rate: The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The state/school subgroup employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS' Board of Trustees may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the collective net pension liability to changes in the discount rate: The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.75% as well as what the College's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
College's proportionate share of the net pension liability	$ 143,325	$ 104,712	$ 72,309

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

9. POST-EMPLOYMENT HEALTHCARE PLAN

The College participates in two other post-employment benefit plans (OPEB), which are separately disclosed in this section under the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.*

<u>The College's OPEB Plan</u>

Plan Description: The College provides for medical, dental and prescription drug insurance coverage to qualifying retirees and their dependents. Retirees must contribute carrier charged premiums to maintain coverage. Coverage is provided on a fully-insured basis with two medical plan options. Retirees and spouses have the same benefit as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches the Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies. The retiree healthcare program operates

9. POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

as a single-employer defined benefit plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report.

Benefits provided: As provided by K.S.A. 12-5040, the College allows retirees to participate in the College's group health insurance plan. The funding policy of the College is to pay premiums as they become due through the general operating assets of the College. The contribution requirements of plan members and the College are established and may be amended by the Board of Trustees. The required contribution is based on projected pay-as-you-go financing requirements. Retirees pay 100% of their premiums; the College is not required to share costs of retiree premiums.

Members covered by benefit terms. At June 30, 2020, the following members were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	116
	117

Total OPEB Liability: The College's total OPEB liability of $205,777 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

Actuarial Assumptions and other inputs: The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Salary increases, including inflation	1.50%
Discount Rate	2.60% as of June 30, 2020
Healthcare cost trend rates	7.0% for 2020, decreasing by 0.5% per year until 2023 and then decreasing by 0.25% per year to an ultimate rate of 4.5% for 2029 and later years
Retiree share of benefit cost	Retirees pay 100% of COBRA rates

The discount rate was based on the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement.

The actuarial assumptions used in the July 1, 2019 valuation were based reasonable expectations of future experience under the postretirement insurance program based on years of experience information provided by the College.

9. POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Change in the total OPEB liability:

Total OPEB liability, beginning of year	$	196,068
Service cost		17,818
Interest		6,267
Changes in benefit terms		(8,871)
Difference between expected and actual experience		(35,049)
Effect of assumption changes or inputs		39,544
Benefit payments		(10,000)
Net changes		9,709
Total OPEB liability, end of year	$	205,777

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate decreased from 3.00% on June 30, 2019 to 2.60% on June 30, 2020.

Change in benefit terms. The $1,000 deductible plan was eliminated effective July 1, 2020. This change lowered the Total OPEB Liability by $8,871. This is treated as a change in benefit terms and is fully recognized in the income statement without deferral.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.60%) or 1-percentage-point higher (3.60%) than the current discount rate:

	1% Decrease (1.60%)	Current Discount Rate (2.60%)	1% Decrease (3.60%)
Total OPEB liability	$ 228,197	$ 205,777	$ 185,686

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease	Current Trend Assumption	1% Decrease
Total OPEB liability	$ 177,124	$ 205,777	$ 241,040

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2020, the College recognized OPEB expense of $13,280. At June 30, 2020, the College reported deferred outflows and inflows of resources related to OPEB from the following sources:

9. POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ --	$ 33,370
Changes in assumptions	36,502	21,302
	$ 36,502	$ 54,672

Amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ending June 30,	Deferred (Outflows) Inflows of Resources
2021	$ 1,934
2022	1,934
2023	1,934
2024	1,934
2025	1,934
Thereafter	8,500
	$ 18,170

KPERS Death and Disability OPEB Plan

*Plan Description***.** The College participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Special Funding Situation

The employer contributions for the College, as defined in K.S.A. 74-4931 (2) and (3), are made by the State of Kansas on behalf of the College. Therefore, the College is considered to be in a special funding situation. Accordingly, the state is required to recognize the total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense for the OPEB plan attributable to the College. The College records revenue and OPEB expense in an amount equal to the expense recognized by the state on behalf of the College.

Benefits provided: Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

9. POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Long-term disability benefit: Monthly benefit is 60% of the member's monthly compensation, with a minimum of $100 and maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

Members covered by benefit terms: At June 30, 2020, the following members were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	--
Active employees	128
	128

Total OPEB Liability

At June 30, 2020, the state support provided to the College reduced the College's total OPEB liability to zero. The state reported a liability of $44,709 measured as of June 30, 2019, and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019.

For the year ended June 30, 2020 the College recognized OPEB expense and revenue of $10,800 for support provided by the state in the form of non-employer contributions on the College's behalf.

9. POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50% to 11.50%, including price inflation
Discount Rate	3.50%
Healthcare cost trend rates	Not applicable for coverage in this plan
Retiree share of benefit cost	Not applicable for coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2019.

The actuarial assumptions used in the December 31, 2018 valuation were based on actuarial experience study for the period July 1, 2013 through December 31, 2015. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2018 KPERS pension valuation.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.

10. BUDGETARY INFORMATION

For the purpose of levying taxes, the College used several tax levy funds. Kansas statutes require budgets be adopted for all funds unless exempted by a specific statute. The statutes provide for the following sequence and timetable in the adoption for the legal budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes.

To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held and the governing body may amend the budget at that time. The College did not amend its budget during the fiscal year ended June 30, 2020.

10. BUDGETARY INFORMATION (CONTINUED)

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Trustees providing the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of the amount originally adopted by the Board of Trustees.

All legal operating budgets are prepared using the statutory basis of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

Encumbered appropriations are not reappropriated in the ensuing year’s budget but are carried forward until liquidated or canceled.

Accordingly, the data presented in the budgetary comparison statements included as supplementary information differ from the data presented in the financial statements prepared in accordance with GAAP.

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

11. ENDOWMENTS - FOUNDATION

The Foundation’s investment in the South Central Community Foundation was established for the benefit of the Foundation, and includes donor-restricted funds. As required by generally accepted accounting principles, net position associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as nonspendable restricted net position (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in nonspendable restricted net position is classified as spendable restricted net position until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA.

11. ENDOWMENTS – FOUNDATION (CONTINUED)

In accordance with SPMIFA, the Foundation considers the following factors in making determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

The Foundation is subject to the South Central Community Foundation's (SCCF) spending policy and donor agreements for scholarships. SCCF's primary investment objective is to achieve an annualized total return (net of fees and expenses), through appreciation and income, equal to or greater than the rate of inflation (as measured by the broad, domestic Consumer Price Index) plus any spending and administrative expenses thus, at a minimum, maintaining the purchasing power. The assets are to be managed in a manner that will meet the primary investment objective, while at the same time attempting to limit volatility in year-to-year spending. The Foundation's investment and spending policy covers amounts not invested at South Central Community Foundation. The Foundation's primary investment objective is to preserve the real purchasing power of the principal and provide a stable source of perpetual financial support to beneficiaries in accordance with the Foundation's spending policy. In order to preserve the purchasing power both of principal and of withdrawals made available for spending, the long-term annualized total rate of return objective is inflation plus the Foundation's current spending rate and management fee assessment. To satisfy its long-term rate of return objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and from current yield (interest and dividends). Asset allocation guidelines and the investment manager structure should ensure adequate diversification in order to reduce volatility of investment returns.

Endowment net position composition by type of fund as of June 30, 2020 is as follows:

	Unrestricted	Restricted for Scholarships Expendable	Restricted for Scholarships Nonexpendable	Total
Board-designated endowment funds	$ 5,933	$ --	$ --	$ 5,933
Donor-restricted endowment funds	--	--	473,624	473,624
Accumulated investment gains	--	250,373	--	250,373
	$ 5,933	$ 250,373	$ 473,624	$ 729,930

Changes in endowment net position for the year ended June 30, 2020 are as follows:

	Unrestricted	Restricted for Scholarships Expendable	Restricted for Scholarships Nonexpendable	Total
Endowed net position, beginning of year	$ 5,933	$ 235,899	$ 473,624	$ 715,456
Net appreciation	200	24,053	--	24,253
Donations	--	6,762	--	6,762
Amounts appropriated for expenditure	(200)	(16,341)	--	(16,541)
Endowed net position, end of year	$ 5,933	$ 250,373	$ 473,624	$ 729,930

12. RELATED PARTY TRANSACTIONS

During 2019, the City of Pratt (City) issued Series 2019 Industrial Revenue Bonds in the principal amount of $2,720,000, for which the Pratt Community College Foundation is named as the primary obligor. The bonds are being used to pay a portion of the costs of acquiring, constructing and equipping a track and field facility, which will be owned by the City, but available for the use of the College. Concurrently with the issuance of the bonds, a lease agreement was entered into between the College and the Foundation under which the rights and responsibilities of the Foundation will be performed by the College. As a result, the College has recorded a capital lease obligation for the repayment of this obligation over the 20-year term of the agreement. During the year ended June 30, 2020, construction of the track and field complex was completed and the asset was placed in service.

The Foundation recorded in-kind revenue and expense for the value of administrative services performed by College staff. For the year ended June 30, 2020, the value of in-kind services was $138,076. In addition, the Foundation provided scholarships of $245,080 to the College for the year ended June 30, 2020.

13. PENDING GOVERNMENTAL ACCOUNTING STANDARDS

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement were originally effective for financial statements for the College's fiscal year ending June 30, 2021 and now postponed until June 30, 2022 per GASB Statement No. 95.

GASB Statement No. 90, *Major Equity Interests*, improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this statement were originally effective for financial statements for the College's fiscal year ending June 30, 2020 and now postponed until June 30, 2021 per GASB Statement No. 95.

GASB Statement No. 91, *Conduit Debt Obligations*, provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not

13. PENDING GOVERNMENTAL ACCOUNTING STANDARDS (CONTINUED)

a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The provisions of this statement were originally effective for the College's fiscal year ending June 30, 2022 and now postponed until June 30, 2023 per GASB Statement No. 95.

GASB Statement No. 92, *Omnibus 2020,* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: effective date of GASB 87 for interim financial reports; intra-entity transfers between primary governments and component unit pension or OPEB plans; applicability of Statements No. 73 and 74 for reporting assets accumulated for postemployment benefits; applicability of certain requirements of GASB 84 to postemployment benefit arrangements; measurement of asset retirement obligations in government acquisitions; reporting by public entity risk pools for amounts recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements in authoritative literature and terminology used related to derivative instruments. Certain provisions of this statement were effective upon issuance and did not impact the Department's financial reporting, other provisions of this statement are were originally effective for financial statements for the College's fiscal year ending June 30, 2021 and now postponed until June 30, 2022 per GASB Statement No. 95.

GASB Statement No. 93, *Replacement of Interbank Offered Rates,* provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The provisions of this statement were originally effective for financial statements for the College's fiscal year ending June 30, 2021 and now postponed until June 30, 2022 per GASB Statement No. 95.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for financial statements for the College's fiscal year ending June 30, 2023.

13. PENDING GOVERNMENTAL ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, *Leases*. The new defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The provisions of this statement will be effective for financial statements for the College's fiscal year ending June 30, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* provides the following guidance: 1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) addresses relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefit provided through those plans. The first two provisions of this statement are effective immediately. The last provision will be effective for financial statements for the College's fiscal year ending June 30, 2022.

14. RISKS AND UNCERTAINTIES

As a result of the COVID-19 pandemic, on March 23, 2020, Pratt Community College requested students to leave campus immediately and converted the remainder of the spring semester to virtual learning. Students living on-campus received credits for their unused room and board through the end of the semester, resulting in lost revenue of $389,076, which would have been included in Auxiliary enterprises on the Consolidated Statement of Activities for the fiscal year ended June 30, 2020.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Higher Education Emergency Relief Fund allocated funding of $518,364 to Pratt Community College. At least one-half of this funding must be distributed directly to students as emergency aid for expenses related to the disruption of campus operations during the pandemic. The other one-half of the funds may be used for institutional purposes. During the year ended June 30, 2020, $230,149 was disbursed to qualifying students and recorded as revenue within Grants and Contracts and as expense within Scholarship and fellowships on the Consolidated Statement of Activities. Pratt Community College expects to disburse the remainder of the funds during the fiscal year ending June 30, 2021.

14. RISKS AND UNCERTAINTIES (CONTINUED)

Pratt Community College puts the health and safety of staff, students, and the community as a top priority. The College put together a return to campus task force and developed a plan for COVID-19 protocols allowing the College to have students return to campus for the fall 2020 semester.

The full extent of COVID-19's effect on the College's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the College's operations.

PRATT COMMUNITY COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

As of June 30, 2020

Schedule of Changes in the College's Total OPEB Liability and Related Ratios
Last Three Fiscal Years*

	2020	2019	2018
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018
Service cost	$ 17,818	$ 20,332	$ 20,491
Interest cost	6,267	7,013	7,153
Changes in benefit terms	(8,871)	--	--
Differences between expected and actual experience	(35,049)	(1,217)	--
Changes in assumptions or other inputs	39,544	(15,251)	(11,341)
Benefit payments	(10,000)	(14,000)	(14,000)
Net change in OPEB liability	9,709	(3,123)	2,303
Total OPEB liability, beginning	196,068	199,191	196,888
Total OPEB liability, ending	$ 205,777	$ 196,068	$ 199,191
Covered-employee payroll	$ 4,854,469	$ 4,366,128	$ 4,366,128
Total OPEB liability as a percentage of covered-employee payroll	4.24%	4.49%	4.56%

* GASB 75 requires presentation of ten years. As of June 30, 2020, only three years of information is available.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 3.00% on June 30, 2017 to 3.30% on June 30, 2018.
- The discount rate decreased from 3.30% on June 30, 2018 to 3.00% on June 30, 2019.
- The discount rate decreased from 3.00% on June 30, 2019 to 2.60% on June 30, 2020.

Change in benefit terms. The $1,000 deductible plan was eliminated effective July 1, 2020. This change lowered the Total OPEB Liability by $8,871. This is treated as a change in benefit terms and is fully recognized in the income statement without deferral.

PRATT COMMUNITY COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

As of June 30, 2020

Schedule of Changes in the College's Proportionate Share of the Death & Disability
Total OPEB Liability and Related Ratios
Last Three Fiscal Years*

	2019	2019	2018
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017
Service cost	$ 10,839	$ 10,724	$ 11,118
Interest cost	1,881	1,723	1,058
Effect of economic/demographic gains or losses	(6,369)	(11,694)	--
Changes in assumptions or other inputs	575	(361)	(778)
Benefit payments	--	--	--
Net change in OPEB liability	6,926	392	11,398
Total OPEB liability, beginning	37,783	37,391	25,993
Total OPEB liability, ending	$ 44,709	$ 37,783	$ 37,391
State's proportionate share of the total OPEB liability	$ 44,709	$ 37,783	$ 37,391
College's proportionate share of the total OPEB liability	$ --	$ --	$ --
Covered payroll	$ 5,449,595	$ 5,113,257	$ 4,941,380
College's proportionate share of the total OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

* GASB 75 requires presentation of ten years. As of June 30, 2020, only three years of information is available.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.

PRATT COMMUNITY COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the College's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Seven Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
College's proportion of the collective net pension liability	0.00162%	0.00175%	0.00199%	0.00169%	0.00232%	0.00000%	0.00000%
College's proportionate share of the collective net pension liability	$ 104,712	$ 114,031	$ 134,335	$ 113,782	$ 160,770	$ --	$ --
State's proportionate share of the collective net pension liability	7,663,168	7,662,276	7,684,833	7,662,362	8,276,566	8,176,669	9,620,564
Total	$ 7,767,880	$ 7,776,307	$ 7,819,168	$ 7,776,144	$ 8,437,336	$ 8,176,669	$ 9,620,564
College's covered payroll	$ 6,351,312	$ 6,222,645	$ 5,245,417	$ 4,703,472	$ 5,263,690	$ 5,536,462	$ 5,658,730
College's proportionate share of the collective net pension liability as a percentage of covered payroll	1.65%	1.83%	2.56%	2.42%	3.05%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

* GASB 68 requires presentation of ten years. As of June 30, 2020, only seven years of information is available.

^ Covered payroll is measured as of the measurement date, the most recent of which was June 30, 2019.

PRATT COMMUNITY COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of College's Contributions
Kansas Public Employees Retirement System
Last Seven Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	12,882	$ 10,423	$ 10,008	$ 9,912	$ 7,910	$ --	$ --
Contributions in relation to the contractually required contribution	12,882	10,423	10,008	9,912	7,910	--	--
Contribution deficiency (excess)	--	$ --	$ --	$ --	$ --	$ --	$ --
College's covered payroll	6,403,495	$ 6,351,312	$ 6,222,645	$ 5,245,417	$ 4,703,472	$ 5,536,462	$ 5,658,730
Contributions as a percentage of covered payroll	0.20%	0.16%	0.16%	0.19%	0.17%	0.00%	0.00%

* GASB 68 requires presentation of ten years. As of June 30, 2020, only seven years of information is available.

Note: Contractually required contributions for the College consist of "working after retirement" contributions for KPERS retirees who are filling KPERS covered positions as College employees under K.S.A. 74-4937.

Changes in benefit terms for KPERS: Effective January 1, 2014, KPERS Tier 1 members' employee contribution rate increased to 5.0% and then on January 1, 2015, increased to 6.0% with an increase in benefit multiplier to 1.85% for future years of service. For Tier 2 members retiring after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85% multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

Changes in assumptions for KPERS: As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014.
- Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

SUPPLEMENTARY FINANCIAL INFORMATION

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN UNENCUMBERED CASH, AND COMPARISON WITH BUDGET (REGULATORY BASIS)

For Year Ended June 30, 2020

GENERAL FUND

	Actual	Budget	Over (Under) Budget
RECEIPTS			
General property tax:			
Ad valorem property tax	$ 6,454,758	$ 6,512,526	$ (57,768)
Delinquent tax	44,740	--	44,740
Motor vehicle tax	437,836	399,259	38,577
State aid	1,239,768	1,235,205	4,563
Student tuition and fees	209,570	1,110,322	(900,752)
Interest	9,277	--	9,277
Other	480,658	1,683,123	(1,202,465)
Total receipts	8,876,607	10,940,435	(2,063,828)
EXPENDITURES			
Instruction	1,603,447	1,600,331	3,116
Academic support	330,342	341,905	(11,563)
Student services	2,336,404	2,505,399	(168,995)
Institutional support	2,331,538	1,766,095	565,443
Operation and maintenance	692,358	623,485	68,873
Scholarships	150,613	200,000	(49,387)
Transfers	1,491,961	3,950,019	(2,458,058)
Total expenditures	8,936,663	10,987,234	(2,050,571)
EXCESS (DEFICIT) OF RECEIPTS OVER EXPENDITURES	(60,056)	$ (46,799)	$ (13,257)
UNENCUMBERED CASH, BEGINNING OF YEAR	11,259,019		
UNENCUMBERED CASH, END OF YEAR	$ 11,198,963		

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN
UNENCUMBERED CASH, AND COMPARISON WITH BUDGET
(REGULATORY BASIS)

For Year Ended June 30, 2020

AUXILIARY FUNDS

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Student sources	$ 93,324	$ 1,900,000	$ (1,806,676)
Gifts and grants	911,225	350,000	561,225
Other	455,379	1,100,000	(644,621)
Total receipts	1,459,928	3,350,000	(1,890,072)
EXPENDITURES			
Salaries and benefits	1,707	100,000	(98,293)
General operating expense	231,267	800,000	(568,733)
Supplies	111,661	600,000	(488,339)
Scholarships	950,702	1,850,000	(899,298)
Total expenditures	1,295,337	3,350,000	(2,054,663)
EXCESS OF RECEIPTS OVER EXPENDITURES	164,591	$ --	$ 164,591
UNENCUMBERED CASH, BEGINNING OF YEAR	1,224,676		
UNENCUMBERED CASH, END OF YEAR	$ 1,389,267		

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN UNENCUMBERED CASH, AND COMPARISON WITH BUDGET (REGULATORY BASIS)

For Year Ended June 30, 2020

STUDENT HOUSING FUND

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Student sources	$ 1,504,805	$ 1,850,000	$ (345,195)
Other	969	500,000	(499,031)
Total receipts	1,505,774	2,350,000	(844,226)
EXPENDITURES			
Salaries and benefits	196,056	199,311	(3,255)
General operating expense	936,481	565,897	370,584
Supplies	161,431	1,226,662	(1,065,231)
Transfers	358,130	358,130	--
Total expenditures	1,652,098	2,350,000	(697,902)
EXCESS OF RECEIPTS OVER EXPENDITURES	(146,324)	$ --	$ (146,324)
UNENCUMBERED CASH, BEGINNING OF YEAR	5,730,097		
UNENCUMBERED CASH, END OF YEAR	$ 5,583,773		

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN UNENCUMBERED CASH, AND COMPARISON WITH BUDGET (REGULATORY BASIS)

For Year Ended June 30, 2020

POST-SECONDARY/TECHNICAL EDUCATION FUND

	Actual	Budget	Over (Under) Budget
RECEIPTS			
State aid	$ 1,727,743	$ 1,579,109	$ 148,634
Student tuition and fees	756,954	546,875	210,079
Transfers	1,148,986	1,934,776	(785,790)
Other receipts	64,136	512,868	(448,732)
Total receipts	3,697,819	4,573,628	(875,809)
EXPENDITURES			
Instruction	1,850,718	2,181,073	(330,355)
Academic support	333,609	153,017	180,592
Institutional support	975,495	1,177,397	(201,902)
Operation and maintenance	333,750	359,954	(26,204)
Transfers out	--	702,187	(702,187)
Total expenditures	3,493,572	4,573,628	(1,080,056)
DEFICIT OF RECEIPTS OVER EXPENDITURES	204,247	$ --	$ 204,247
UNENCUMBERED CASH, BEGINNING OF YEAR	6,273,069		
UNENCUMBERED CASH, END OF YEAR	**$ 6,477,316**		

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN
UNENCUMBERED CASH, AND COMPARISON WITH BUDGET
(REGULATORY BASIS)

For Year Ended June 30, 2020

ADULT BASIC EDUCATION FUND

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Other receipts	$ --	$ 5,000	$ (5,000)
EXPENDITURES	--	5,000	(5,000)
EXCESS OF RECEIPTS OVER EXPENDITURES	--	$ --	$ --
UNENCUMBERED CASH, BEGINNING OF YEAR	40,891		
UNENCUMBERED CASH, END OF YEAR	$ 40,891		

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN
UNENCUMBERED CASH, AND COMPARISON WITH BUDGET
(REGULATORY BASIS)

For Year Ended June 30, 2020

ADULT SUPPLEMENTAL EDUCATION FUND

	Actual	Budget	Over (Under) Budget
RECEIPTS	$ --	$ 20,000	$ (20,000)
EXPENDITURES	--	20,000	(20,000)
EXCESS OF RECEIPTS OVER OVER EXPENDITURES	--	$ --	$ --
UNENCUMBERED CASH, BEGINNING OF YEAR	1,107		
UNENCUMBERED CASH, END OF YEAR	$ 1,107		

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN UNENCUMBERED CASH, AND COMPARISON WITH BUDGET (REGULATORY BASIS)

For Year Ended June 30, 2020

UNEXPENDED PLANT FUND

	Actual	Budget	Over (Under) Budget
RECEIPTS			
General property tax:			
Ad valorem property tax	$ --	$ --	$ --
Delinquent tax	6	--	6
Transfers in	250,000	--	250,000
Miscellaneous income	606,832	1,250,000	(643,168)
Total receipts	856,838	1,250,000	(393,162)
EXPENDITURES	880,322	1,250,000	(369,678)
EXCESS OF RECEIPTS OVER EXPENDITURES	(23,484)	$ --	$ (23,484)
UNENCUMBERED CASH, BEGINNING OF YEAR	796,825		
UNENCUMBERED CASH, END OF YEAR	$ 773,341		

PRATT COMMUNITY COLEGE

SCHEDULE OF RECEIPTS, EXPENDITURES, CHANGES IN
UNENCUMBERED CASH, AND COMPARISON WITH BUDGET
(REGULATORY BASIS)

For Year Ended June 30, 2020

RETIREMENT OF INDEBTEDNESS PLANT FUND

	Actual	Budget	Over (Under) Budget
RECEIPTS AND TRANSFERS IN	$ 428,255	$ 428,855	$ (600)
EXPENDITURES			
Principal	210,000	330,000	(120,000)
Interest and fees	68,239	98,855	(30,616)
Total expenditures	278,239	428,855	(150,616)
DEFICIT OF RECEIPTS OVER EXPENDITURES	150,016	$ --	$ 150,016
UNENCUMBERED CASH, BEGINNING OF YEAR	506,364		
UNENCUMBERED CASH, END OF YEAR	$ 656,380		

$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the Lease Agreement Between the College and Trustee

Appendix C

DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS

* Subject to change.

APPENDIX C

DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS

The summaries of the Declaration of Trust, the Lease, and the Site Lease contained in this Appendix C do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents, copies of which may be viewed at the principal corporate office of the Trustee, or will be provided by the Trustee to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

Definitions

The definitions of certain words and terms used in this Official Statement are set forth below:

"Additional Certificates" means any Certificates executed and delivered pursuant to *Section 3.09* of the Declaration of Trust in addition to the Series 2021 Certificates.

"Authorized Representative" means the Chairperson, the President, or the Vice President of Finance and Operations or any other person designated as an Authorized Representative by the Chairperson, such designation being approved by the governing body of the College by a resolution that is filed with the Trustee.

"Available Revenues" means, for any Fiscal Year, any balances of the College from previous Fiscal Years encumbered to pay Rent, amounts budgeted or appropriated by the College for such Fiscal Year plus any unencumbered balances of the College from previous Fiscal Years that are legally available to pay Rent during such Fiscal Year, plus all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Declaration of Trust.

"Basic Rent" means the Basic Rent Payments under the Lease, comprised of a Principal Portion and an Interest Portion.

"Basic Rent Payment" means a payment of Basic Rent.

"Basic Rent Payment Date" means each May 1 and November 1 during the Lease Term, which, after issuance of the Series 2021 Certificates will commence November 1, 2021.

"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 corporate trust office or designated payment office of the trustee, or any paying agent, as applicable, 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.

"Certificate Payment" means the payments to be made to the Owners of the Certificates, whether representing Interest Portion only or Principal Portion and Interest Portion of Basic Rent under the Lease.

"Certificates" means the Series 2021 Certificates and any Additional Certificates evidencing proportionate ownership interests in the right to receive Basic Rent Payments under the Lease pursuant to the Declaration of Trust, issued pursuant to the Declaration of Trust.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"College" means Pratt Community College, Pratt, Kansas.

"Costs of Issuance Account" means the Fund by that name established pursuant to the Declaration of Trust.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the College or the Trustee and related to the authorization, execution, sale and delivery of the Site Lease, the Lease, the Declaration of Trust, or the Certificates, including advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees of parties to the transaction and all other initial fees and disbursements contemplated by the Lease and the Declaration of Trust.

"Declaration of Trust" means the Declaration of Trust, dated as of May 15, 2012, as amended and supplemented by a First Supplemental Declaration of Trust, dated as of June 14, 2021, made by the Trustee, as the same may from time to time be further amended or supplemented in accordance with its terms.

"Directive" means an instrument in writing executed in one or more counterparts by the Owners of Certificates, as determined from the records of the Trustee, or their lawful attorneys-in-fact, representing no less than a majority of the aggregate unpaid Principal Portion represented by the then Outstanding Certificates.

"Disclosure Undertaking" means the College's Continuing Disclosure Undertaking relating to certain obligations contained in the SEC Rule.

"Event of Default" with respect to the Lease has the meaning specified under the caption "SUMMARY OF THE LEASE - Events of Default" and with respect to the Declaration of Trust has the meaning specified under the caption "SUMMARY OF THE DECLARATION OF TRUST - Events of Default."

"Event of Lease Default" means an Event of Default under the Lease.

"First Supplemental Lease" means a First Supplemental Lease Agreement, dated as of June 14, 2021, between Trustee, as lessor, and the College, as lessee.

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

"Funds" means, collectively, the Redemption Fund, the Costs of Issuance Account, the Lease Revenue Fund, the Prepayment Fund, the Rebate Fund and all accounts therein.

"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 College.

"Improvements" means the improvements described in the Lease Agreement, including any modifications, additions, improvements, replacements or substitutions thereto or therefor.

"Interest Portion" means the portion of each Basic Rent Payment that represents the payment of interest.

"Investment Securities" means and includes any of the following securities, if and to the extent the same are permitted by law:

(a) Government Obligations;

(b) other obligations issued by or on behalf of agencies or instrumentalities of the United States of America except for the Federal Farm Credit Bank;

(c) negotiable certificates of deposit issued by banks or trust companies rated investment grade or better, repurchase agreements, and investment agreements (in each case, with banks or trust companies rated investment grade or better) continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the Trustee by lodging with a bank or trust company (which may or may not be the bank or trust company issuing such negotiable certificates of deposit, repurchase agreement or investment agreement), as collateral security, Government Obligations having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit; and

(d) money market funds rated in the highest rating category by a nationally recognized rating service consisting of Government Obligations.

"Lease" or "Lease Agreement" means, collectively, a certain Lease Agreement, dated as of May 15, 2012, by and between the College and the Trustee, as amended and supplemented by the First Supplemental Lease, date as of June 14, 2021, as amended and supplemented from time to time in accordance with its terms.

"Lease Revenue Fund" means the fund by that name established pursuant to the Declaration of Trust.

"Lease Revenues" means the Basic Rent Payments, Supplemental Rent Payments and all other amounts due and owing pursuant to or with respect to the Lease, including prepayments, insurance proceeds, condemnation proceeds, and any and all interest, profits or other income derived from the investment thereof in any fund or account established pursuant to the Declaration of Trust.

"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 College, with notice to the Trustee.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all reasonable expenses, including attorneys' fees, incurred in the collection thereof.

"Notice by Mail" or **"Notice"** of any action or condition "by Mail" means a written notice meeting the requirements of the Declaration of Trust mailed by first-class mail to the Owners of specified Certificates at the addresses shown on the registration books maintained by the Registrar.

"Outstanding" means, as of the date of determination, all Certificates theretofore executed and delivered pursuant to the Declaration of Trust except (i) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation, (ii) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to the Declaration of Trust, (iii) Certificates whose payment or prepayment has been provided for in accordance with the Declaration of Trust, and (iv) Certificates paid or deemed to be paid pursuant to the Declaration of Trust.

"Owner" means the registered owner of such Certificate as shown on the register kept by the Registrar.

"Prepayment Date" means any date set for prepayment of the Principal Portion of Basic Rent represented by Certificates which will be a Basic Rent Payment Date.

"Prepayment Fund" means the fund by that name created pursuant to the Declaration of Trust.

"Prepayment Price" means with respect to any Certificate (or portion thereof) the amount specified in the Declaration of Trust.

"Principal Portion" means the principal portion of the Basic Rent Payments.

"Proceeds" means the aggregate moneys initially paid to the Trustee for the Certificates.

"Project" means the Real Property and the Improvements.

"Purchase Price" means the amount designated as such in the Lease that the College must pay to the Trustee to purchase the Trustee's interest in the Project.

"Real Property" means the real property described in the Lease and Site Lease.

"Record Date" means the fifteenth day (whether or not a Business Day) of the month prior to the applicable Basic Rent Payment Date.

"Redemption Fund" means the fund by that name created pursuant to the Declaration of Trust.

"Refunded Certificates" means the Series 2012 Certificates maturing in the years 2022 to 2028, inclusive, in the aggregate principal amount of $1,285,000.

"Refunded Certificates Redemption Date" means July 1, 2021.

"Registrar" means the Trustee when acting in that capacity, or its successor as Registrar.

"Rent" means, collectively, Basic Rent and Supplemental Rent.

"Rent Payment" means a payment of Rent.

"Series 2012 Certificates" means the Refunding Certificates of Participation, Series 2012, evidencing a proportionate interest in Basic Rent Payments to be made by Pratt Community College, Pratt, Kansas, pursuant to a Lease Agreement, dated as of May 15, 2012, executed and delivered pursuant to a Declaration of Trust, dated as of May 15, 2012, in the original principal amount of $2,560,000.

"Series 2021 Certificates" means the $1,330,000 aggregate principal amount of Refunding Certificates of Participation, Series 2021, evidencing a proportionate interest in Basic Rent Payments to be made by Pratt Community College, Pratt, Kansas, pursuant to a Lease Agreement, executed and delivered pursuant to the Declaration of Trust.

"Site Lease" means the Site Lease, dated as of May 15, 2012, as amended and supplemented by a First Supplemental Site Lease, dated as of June 14, 2021, by and between the College, as lessor, and the Trustee, each as further amended and supplemented.

"Special Tax Counsel" means Gilmore & Bell, P.C., or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds or other obligations issued by states and political subdivisions.

"State" means the State of Kansas.

"State" means the State of Kansas.

"Supplemental Declaration of Trust" means any amendment or supplement to the Declaration of Trust entered pursuant to the Declaration of Trust.

"Supplemental Lease" means any amendment or supplement to the Lease entered pursuant to the Lease.

"Supplemental Rent" means all amounts due under the Lease other than Basic Rent.

"Supplemental Rent Payment" means a payment of Supplemental Rent.

“Tax Compliance Agreement” with respect to any series of Certificates means the tax compliance agreement or some other form of federal tax certificate delivered by the College concurrently with the execution and delivery of such series of Certificates or any replacement thereof made in accordance with the provisions thereof.

“Term” means, as of issuance of the Series 2021 Certificates, the period until May 1, 2028.

“Trust Estate” means the assets, property and interests held by the Trustee pursuant to the Declaration of Trust, the Site Lease and the Lease.

“Trustee” means Security Bank of Kansas City, Kansas City, Kansas, and its successor or successors and their respective assigns, as successor in interest to UMB Bank, N.A., Kansas City, Missouri.

“Trustee's Expenses” means, collectively, all out-of-pocket expenses, disbursements and advances (including reasonable attorneys' fees) incurred by the Trustee under the Declaration of Trust in connection with the Certificates, the Site Lease, and the Lease.

SUMMARY OF THE DECLARATION OF TRUST

General Provisions

The Declaration of Trust is made by the Trustee. The Declaration of Trust authorizes the Trustee to execute and deliver the Series 2021 Certificates, provides the terms of the Series 2021 Certificates and provides for various Funds related to the Project and the Lease, and provides for the refunding of the Refunded Certificates.

Trust Estate and Issuance of Series 2021 Certificates

The Trustee has executed and delivered the Declaration of Trust in order to provide for the issuance of, security for, and payment of the principal of, premium, if any, and interest on the Series 2021 Certificates. It further declares that it will hold in trust for the Owners of the Certificates as a part of the Trust Estate all of the assets, property and interests received by it under the terms of the Declaration of Trust, the Site Lease and the Lease and all agreements and instruments contemplated thereby (except any compensation, indemnification or other amounts which may be due directly to the Trustee under the Declaration of Trust).

Additional Certificates

Upon the execution and delivery of a Supplemental Lease that provides for an increase in the amount of Basic Rent payable under the Lease and so long as no Event of Default exists, Additional Certificates evidencing the right of the Owners thereof to receive the Principal Portion and the Interest Portion of such additional Basic Rent may be executed and delivered under and equally and ratably secured by the Declaration of Trust on a parity with the Certificates and any other Additional Certificates, at any time and from time to time, upon compliance with the conditions provided in Section 3.09 of the Declaration of Trust, for the purpose of providing funds to pay all or any part of the cost of (a) repairing, replacing or restoring the Improvements, (b) improving, upgrading or modifying the Improvements, (c) additional improvements to the Real Property or the acquisition of additional real property to be included as a part of the Real Property or the acquisition, purchase, construction or equipping of additions to or expansions of or remodeling or modification of the Improvements, and (d) refunding any or all of the Certificates theretofore Outstanding under the Declaration of Trust.

Establishment of Funds

There is established with the Trustee the following funds and accounts:

(a) Redemption Fund, including a Costs of Issuance Account;

(b) Lease Revenue Fund, including the Principal Account and the Interest Account; and

(c) Prepayment Fund.

All funds and accounts established pursuant to the Declaration of Trust (other than the Rebate Fund) are held by the Trustee as a part of the Trust Estate for the benefit of the Certificate Owners. The money in all of the funds and the accounts will be held in trust and applied as provided in the Declaration of Trust.

Application of Proceeds of Series 2021 Certificates and Other Moneys

The Proceeds of the Series 2021 Certificates and certain other moneys of the College will be deposited in the Redemption Fund as set forth in the Declaration of Trust. Moneys deposited in the Redemption Fund will be applied to pay costs of the refunding and redeeming the Refunded Certificates and Costs of Issuance as provided in the Lease.

Application of Lease Revenues

Lease Revenues will be deposited, as received, pursuant to the Lease, as follows:

(a) The Basic Rent shall be deposited to the Lease Revenue Fund, as provided in the Declaration of Trust.

(b) Optional prepayments of the Principal Portion of Basic Rent (in amounts equal to the applicable Prepayment Price) shall be deposited to the Lease Revenue Fund.

(c) Payments of Supplemental Rent pursuant to the Lease shall be applied as provided in the Lease.

Undesignated payments of Rent which are insufficient to discharge the full amount then due shall be applied first to the Interest Portion of Basic Rent, next to the Principal Portion of Basic Rent and finally to Supplemental Rent.

Disbursements from the Redemption Fund

Moneys in the Redemption Fund shall be immediately deposited with the respective paying agents for the Refunded Certificates. The balance of moneys in the Redemption Fund shall be in the Costs of Issuance Account and shall be applied to pay Costs of Issuance, upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative of the College. Upon payment of all Costs of Issuance, or on October 1, 2021, whichever is earlier, any balance remaining in the Redemption Fund and Cost of Issuance Account shall be transferred and deposited to the credit of the Lease Revenue Fund without further authorization as provided in the Lease. In the event of the acceleration of all the Certificates pursuant to the Lease, any moneys then remaining in the Redemption Fund shall be transferred to the credit of the Lease Revenue Fund and shall be used to pay the Interest Portion and Principal Portion of Basic Rent.

Application of Moneys in the Lease Revenue Fund

Except as otherwise provided in the Declaration of Trust, all amounts in the Lease Revenue Fund shall be used and withdrawn by the Trustee solely to distribute Basic Rent as received from the College to those entitled thereto, as represented by the Certificates, when due and payable (including principal and accrued interest with respect to any Certificates paid prior to maturity) pursuant to the Declaration of Trust.

Application of Moneys in the Prepayment Fund

All amounts deposited in the Prepayment Fund shall be used and withdrawn by the Trustee solely to prepay Principal Portions of Basic Rent represented by Certificates.

Investment of Moneys in Various Funds

Moneys held in the Redemption Fund, the Lease Revenue Fund, and the Prepayment Fund, shall, subject to the requirements of the Tax Compliance Agreement and as provided in the Declaration of Trust, be invested and reinvested by the Trustee, pursuant to written direction of the College, signed by an Authorized Representative of the College, in Investment Securities that mature or are subject to prepayment by the holder prior to the date such funds will be needed.

The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities held by the Trustee in any fund held under the Declaration of Trust whenever the cash balance in such Fund is insufficient for the purpose of such Fund. Any such Investment Securities will be held by or under the control of the Trustee and will be deemed at all times a part of the Fund or Account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities will be credited to such Fund or Account, and any loss resulting from such Investment Securities shall be charged to such Fund or Account.

For purposes of determining the amount in any Fund or account, the value of any investments shall be computed at the market value thereof (excluding accrued interest), the purchase price thereof (excluding accrued interest) or principal amount, whichever is lower.

The Trustee may make any and all investments through its own bond department or short-term investment department.

Amendments to the Declaration of Trust, the Lease or the Site Lease

The Declaration of Trust, the Lease and the Site Lease and the rights and obligations of the College and of the Owners of the Certificates and of the Trustee may be modified or amended from time to time by an amendment or supplement thereto which the parties thereto may enter into when the written consent of the Trustee and the College, if not a party thereto, and the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have been filed with the Trustee. No such modification or amendment shall (i) extend the nominal maturity of any Certificate, or reduce the Principal Portion of Basic Rent represented thereby, or extend the time of payment or reduce the amount of any prepayment price provided in the Declaration of Trust for the payment of any Certificate, or reduce the Interest Portion of Basic Rent payable with respect thereto, or extend the time of payment of the Interest Portion of Basic Rent payable with respect thereto without the consent of the Owner of each Certificate so affected, (ii) reduce the aforesaid percentage of Certificates the consent of the Owners of which is required to effect any such modification or amendment or, except in connection with the delivery of any Additional Certificates, permit the creation of any lien on the moneys in the Redemption Fund, the Lease Revenue Fund and the Prepayment Fund or deprive the Owners of the trust created by the Declaration of Trust with respect to the moneys in the Redemption Fund, the Lease Revenue Fund and the Prepayment Fund, or (iii) create a preference or priority of any Certificate or Certificates over any other Certificate or Certificates without the consent of the Owners of all of the Certificates then Outstanding.

Notwithstanding the preceding paragraph, the Declaration of Trust, the Lease or the Site Lease and the rights and obligations of the College, of the Trustee and of the Owners of the Certificates may also be modified or amended from time to time by an agreement which the parties thereto may enter into without the consent of any Certificate Owners, only to the extent permitted by law and only for any one or more of the following purposes: (i) to add to the covenants and agreements of the Trustee in the Declaration of Trust, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Payment of Rent pursuant to the Lease (or any portion thereof), or to surrender any right or power in the Declaration of Trust reserved to or conferred upon the College; provided, however, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests in the Trust Estate of the Owners of the Certificates; (ii) to add to the covenants and agreements of the College in the Site Lease or the Lease, other covenants and agreements thereafter to be observed or to surrender any right or power therein reserved to or conferred upon the Trustee or the College; provided, however, that no such covenant, agreement or surrender shall materially adversely affect the interests in the Trust Estate of the Owners of the Certificates; (iii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Declaration of Trust, the Site Lease or the Lease, or in regard to matters or questions arising under the Declaration of Trust, the Site Lease or the Lease as the Trustee and the College may deem necessary or desirable and not inconsistent with said agreements, or as may be requested by the College, the Trustee or the Trustee and which shall not, in any such case adversely affect the interests in the Trust Estate of the Owners of the Certificates; (iv) to modify, amend or supplement the Declaration of Trust in such manner as to permit the qualification of the Declaration of Trust under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests in the Trust Estate of the Owners of the Certificates; (v) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the Interest Portion of Basic Rent from gross income for purposes of federal income taxation; (vi) to provide for the execution and delivery of Additional Certificates in accordance with the provisions of *Section 3.09* of the Declaration of Trust; or (vii) to make any other change which does not have a materially adverse effect on the rights of the Certificate Owners in the Lease, Basic Rent payable pursuant to the Lease, or any other property rights constituting a part of the Trust Estate.

Opinion of Counsel

In executing or accepting any Supplemental Declaration of Trust or Supplemental Lease permitted by the Declaration of Trust or modification thereby of the Declaration of Trust or the Lease, the Trustee shall be entitled to receive, and, subject to the Declaration of Trust shall be fully protected in relying upon, an opinion of Special Tax Counsel addressed and delivered to the Trustee stating that the execution of such Supplemental Declaration of Trust or Lease is authorized and permitted by and in compliance with the terms of the Declaration of Trust or Lease. The Trustee may, but shall not be obligated to enter into any such Supplemental Declaration of Trust or Supplemental Lease which affects the Trustee's own rights, duties or immunities under the Declaration of Trust or Lease or otherwise.

Defaults

The occurrence of any of the following events, subject to the provisions permitting waivers of defaults, is defined as an “Event of Default” under the Declaration of Trust:

(a) Default in the due and punctual payment to the Certificate Owner of any Interest Portion of Basic Rent represented by a Certificate; or

(b) Default in the due and punctual payment to the Certificate Owner of the Principal Portion of Basic Rent represented by a Certificate, whether at the stated payment date thereof or the prepayment date set therefor in accordance with the terms of the Declaration of Trust; or

(c) Any Event of Lease Default.

Acceleration

Upon the occurrence of an Event of Default under the Declaration of Trust, the Trustee may, and upon receipt of a Directive shall, by notice in writing delivered to the College, declare the Principal Portion and Interest Portion of Basic Rent represented by all Certificates Outstanding to the end of the then current Fiscal Year immediately due and payable.

Other Remedies Upon an Event of Default

Upon the occurrence of an Event of Lease Default, the Trustee may exercise any remedies available under the Lease and, to the extent consistent therewith, may sell, lease or manage any portion of the Project or the Trustee's interest in the Project and apply the net proceeds thereof to make Certificate Payments and, whether or not it has done so, may pursue any other remedy available to it under the Lease or at law or in equity.

No remedy by the terms of the Declaration of Trust conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, but each and every such remedy is cumulative and in addition to any other remedy given to the Trustee or to the Certificate Owners under the Declaration of Trust or now or hereafter existing at law or in equity or by statute.

Rights of Certificate Owners

If an Event of Default under the Declaration of Trust shall have occurred and be continuing and if instructed to do so by a Directive and if indemnified as provided in the Declaration of Trust, the Trustee shall be obligated to exercise such one or more of the rights and the remedies conferred by the Declaration of Trust as the Trustee, upon the advice of counsel, shall deem to be in the interests of the Certificate Owners.

Any other provision in the Declaration of Trust to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have the right, at any time, by a Directive executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the Declaration of Trust, or for the appointment of a receiver or any other proceedings under the Declaration of Trust; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Declaration of Trust, and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceeding so directed would involve it in personal liability.

No Owner of any Certificate shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Site Lease, the Lease or the Declaration of Trust, for the execution of any trust thereof, for the appointment of a receiver or to enforce any other remedy thereunder, unless (a) an Event of Default under the Declaration of Trust has occurred; (b) the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding shall have issued a directive to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceeding in its own name; (c) such Certificate Owners have provided to the Trustee indemnification satisfactory to the Trustee; and (d) the Trustee shall thereafter fail or shall refuse to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceedings. Such notification, request and indemnity are at the option of the Trustee to be conditions precedent to the execution of the powers and the trusts of the Declaration of Trust and to any action or cause of action for the enforcement of the Declaration of Trust or for the appointment of a receiver or for any other right or remedy thereunder.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of *Article IX* of the Declaration of Trust shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including the Trustee's fees and expenses), be deposited into the Lease Revenue Fund and all moneys in the Lease Revenue Fund together with all moneys in the Prepayment Fund shall be applied as follows:

(a) unless the Principal Portions of Basic Rent represented by all the Certificates shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of the Interest Portions of Basic Rent represented by the Certificates in the order of the maturity of the installments of such interest and, to the payment ratably, according to the amount due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid Principal Portions of Basic Rent represented by any Certificates that shall have become due (other than Principal Portions of Basic Rent represented by Certificates with respect to the payment of which moneys are held pursuant to the provisions of this Declaration of Trust) in the order of such due dates, with interest from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the Principal Portions of Basic Rent represented by Certificates due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified respecting the Certificates.

(b) If the Principal Portions of Basic Rent represented by all Certificates shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Principal Portions and the Interest Portions of the Basic Rent then due and unpaid upon the Certificates without preference or priority of principal over the interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified respecting the certificates.

(c) If the Principal Portions of the Basic Rent represented by all Certificates shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of *Article IX* of the Declaration of Trust, then subject to the provisions of subparagraph (b) above in the event that the Principal Portions of Basic Rent represented by all the Certificates shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subparagraph (a) above.

Whenever moneys are to be applied as above set forth, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for the application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be a Basic Rent Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the Principal Portion and the Interest Portion of all Certificates have been paid under the provisions of this subsection and all expenses and charges of the Trustee have been paid, any balance remaining in the Lease Revenue Fund shall be paid to the College.

Defeasance

When (i) all or a portion of the obligations of the College under the Lease shall have been satisfied in connection with the prepayment of Rent Payments in accordance with the Lease by the irrevocable deposit in escrow of cash or Government Obligations (maturing as to principal and interest in such amounts and at such times as are necessary to make any required payments without reinvestment of any earnings thereon) or both cash and such Government Obligations, and (ii) the College shall have delivered to the Trustee an opinion of counsel to the effect that the conditions for such discharge contained in the Declaration of Trust have been satisfied or irrevocably provided for and if the Certificates to be defeased cannot be prepaid until more than 90 days after irrevocable deposit in escrow described above, an accountant's certificate verifying the sufficiency of cash or Government Obligations or both so deposited for the payment of the Principal Portion and Interest Portion of the Certificates and any applicable Prepayment Price to be paid with respect to the Certificates, and (iii) the College shall have deposited sufficient moneys to pay the fees, compensation and expenses of the Trustee (or has made provision satisfactory to the Trustee for their payment), thereupon the obligations created by the Declaration of Trust shall cease, determine and become void except for the right of the Certificate Owners and the obligation of the Trustee to apply the moneys and Government Obligations referred to below to the payment of the Certificates as set forth in the Declaration of Trust.

Payment of Certificates After Discharge of Declaration of Trust

Notwithstanding any provisions of the Declaration of Trust, any moneys held by the Trustee in trust for the payment of the Principal Portions or Interest Portions of Basic Rent represented by any Certificates and remaining unclaimed for four years after the Principal Portion of Basic Rent represented by all of the Certificates has become due and payable (whether at maturity or upon call for prepayment or by acceleration as provided in the Declaration of Trust), if such moneys were so held at such date, or four years after the date of deposit of such moneys if deposited after said date when all of the Certificates became due and payable, shall be repaid to the College free from the trusts created by the Declaration of Trust, and all liability of the Trustee with respect to such moneys shall thereupon cease. In the event of the repayment of any such moneys to the College as aforesaid, the Owners of the Certificates with respect to which such moneys were deposited shall thereafter be deemed to be general unsecured creditors of the College as lessors under the Lease for amounts equivalent to the respective amounts deposited for the payment of amounts represented by such Certificates and so repaid to the College (without interest thereon), subject to any applicable statute of limitations.

The Trustee

The Trustee shall, prior to an Event of Default under the Declaration of Trust and after the curing of all Events of Default which may have occurred, perform only such duties as are specifically set forth in the Declaration of Trust. The Trustee shall, during the existence of any Event of Default under the Declaration of Trust, exercise such of the rights and powers vested in it by the Declaration of Trust, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee may be removed at any time by a Directive or by action of the governing body of the College provided no event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, all Event of Default, or shall resign at any time the Trustee shall cease to be eligible, or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the property or affairs for the purpose of rehabilitation, conservation or liquidation, and thereupon a successor Trustee shall be appointed by the College, unless removed by Directive, in which case a successor Trustee shall be appointed by a Directive. Written notice of any removal by Directive or resignation pursuant to this subsection (b) shall be given by the Trustee to the College.

The Trustee may at any time resign by giving written notice of such resignation to the College and by giving the Certificate Owners Notice by Mail of such resignation at the addresses listed on the registration books kept by the Trustee. Upon receiving such notice of resignation, a successor Trustee shall be appointed by a Directive.

SUMMARY OF THE LEASE

General

The Lease has been entered into between the Trustee and the College and contains the terms and conditions under which the Project will be leased to and used by the College.

Lease Term

The Term of the Lease terminates on May 1, 2028.

Change or Termination by Act of the Kansas Legislature

The College is authorized to enter into the Lease pursuant to K.S.A. 71-201, provided the Lease and any assignment is subject to change or termination at any time by act of the Kansas legislature. If the Lease is terminated pursuant to these provisions, the College agrees peaceably to deliver possession of the Project to the Trustee.

Payment for Refunding

Costs and expenses of every nature incurred in the refunding and redemption of the Refunded Certificates shall be paid by the Trustee from the Redemption Fund upon receipt by the Trustee.

Excess Funds

Upon redemption of the Refunded Bonds, and upon the earlier payment of all Costs of Issuance or October 1, 2021 any amounts remaining in the Redemption Fund shall be transferred to the Lease Revenue Fund.

Enjoyment of Project

The Trustee shall provide the College during the Lease Term with quiet use and enjoyment of the Project, and the College shall during the Lease Term peaceably and quietly have, hold and enjoy the Project, without suit, trouble or hindrance from the Trustee, except as expressly set forth in the Lease. The College shall have the right to use the Project for any essential governmental or proprietary purpose of the College, subject to the limitations contained in the Lease. Notwithstanding any other provision in the Lease, the Trustee shall have no responsibility to cause the Improvements to be constructed or to maintain or repair the Project.

Compliance with Laws

The College shall comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project, as to the manner and use or the condition of the Improvements. The College shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried by the provisions of the Lease. The College shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the College to comply with the foregoing provisions. Notwithstanding any provision contained in this paragraph, however, the College shall have the right, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer and during such contest or review, the College may refrain from complying therewith, if the College furnishes, on request, to the Trustee, at the College's expense, indemnity satisfactory to the Trustee.

Basic Rent

The College will promptly pay all Basic Rent, subject to change or termination of the Lease by action of the Kansas Legislature, on each Basic Rent Payment Date. A portion of each Basic Rent Payment is paid as, and represents payment of, interest. To provide for the timely payment of Basic Rent, the College shall pay to the Trustee for deposit in the Lease Revenue Fund not less than five business days before each Basic Rent Payment Date, the amount due on such Basic Rent Payment Date.

The College will, in accordance with the requirements of law and its normal budgeting procedures, fully budget and appropriate sufficient funds for the current Fiscal Year to make the Basic Rent Payments scheduled to come due during the Lease Term, and to meet its other obligations for the Lease Term and such funds will not be expended for other purposes.

Supplemental Rent

The College will pay as Supplemental Rent (a) all Impositions (as defined in the Lease); (b) all amounts required and all other payments which the College has agreed to pay or assume under the Lease; (c) all expenses, including attorneys' fees to the extent permitted by law, incurred in connection with the enforcement of any rights under the Lease or the Site Lease by the Trustee; and (d) all fees and charges of the Trustee as provided in the Lease; and (e) any payments required to be made pursuant to the Tax Compliance Agreement.

Rent Payments to Constitute a Current Expense and Limited Obligation of the College

The obligation of the College to pay Rent under the Lease is limited to payment from Available Revenues and constitutes a current expense of the College and not in any way be construed to be a debt of the College in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the College, nor shall anything contained therein constitute a pledge of the general tax revenues, funds or moneys of the College.

Net Lease; Rent Payments to be Unconditional

The Lease is intended to be net, net, net to the Trustee. Subject to change or termination of the Lease by action of the Kansas Legislature, the obligations of the College to make payment of the Rent Payments and to perform and observe the other covenants and agreements contained therein will be absolute and unconditional in all events without abatement, diminution, deduction, setoff or defense, for any reason, including any failure of the Project to be constructed or installed, any defects, malfunctions, breakdowns or infirmities in the Project or any accident, condemnation or unforeseen circumstances.

Nothing in the Lease will be construed as a waiver by the College of any rights or claims the College may have against the Trustee, but any recovery upon such rights and claims shall be from the Trustee separately.

Increased Basic Rent

Notwithstanding any other provision of the Lease, the Trustee and the College may enter into a Supplemental Lease or Supplemental Leases that increase the amount of Basic Rent payable by the College on any Basic Rent Payment Date to provide funds to pay the costs of (a) repairing, replacing or restoring the Improvements, (b) improving, upgrading or modifying the Improvements, (c) additional improvements to the Project or the acquisition of additional real property to be included in the Project or the acquisition, purchase construction or equipping of additions to or expansions or remodeling or modification of the Improvements, and (d) refunding any or all of the Certificates Outstanding from time to time. Each such Supplemental Lease shall include an amended Exhibit A reflecting separately the Principal Portion and the Interest Portion of Basic Rent allocable to the original Lease and to each Supplemental Lease due on each Basic Rent Payment Date as well as the total Basic Rent on each Basic Rent Payment Date.

Disclaimer of Warranties

The Trustee makes no warranty or representation, either express or implied, as to the value, design, condition or fitness for particular purpose or fitness for use of the Improvements or any part thereof, or warranty with respect thereto. In no event will the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the Lease or the existence, furnishing, functioning or the College's use of the Improvements or any part thereof.

Deficiency of Redemption Fund

If the Redemption Fund shall be insufficient to pay fully for refunding and redemption of the Refunded Certificates, or if the Costs of Issuance Account shall be insufficient to pay all Costs of Issuance, the Lessee shall pay, in cash, the full amount of any such deficiency by making direct payments to the Trustee or of Costs of Issuance, as applicable. The Lessor is not obligated to pay and shall not be responsible for any such deficiency and the Lessee shall save the Lessor whole and harmless from any obligation to pay such deficiency.

Impositions

The College shall bear, pay and discharge, before the delinquency thereof, as Supplemental Rent, all taxes and assessments, general and special, if any, which may be lawfully imposed upon or against or be payable for or in respect of the Project, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Trustee or encumber the Project (all of the foregoing being herein referred to as "Impositions").

Contest of Impositions

The College shall have the right, in its own name or in the Trustee's name, to contest the validity or amount of any Imposition which the College is required to bear, pay and discharge pursuant to the terms of the Lease by appropriate legal proceedings instituted at least ten days before the Imposition complained of becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the College that, in the opinion of counsel, by nonpayment of any such items the interest of the Trustee in the Project will be endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the College shall promptly pay such taxes, assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment in form satisfactory to the Trustee.

Insurance

The College will, during the Lease Term, cause the Improvements to be kept continuously insured against such risks customarily insured against for facilities such as the Improvements and will pay (except as otherwise provided in the Lease) as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) Insurance insuring the Improvements against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the greater of the Principal Portion of the Certificates then Outstanding or the replacement value of the Improvements and issued by such insurance company or companies authorized to do business in the State as may be selected by the College. The replacement value of the Improvements may be determined from time to time at the request of the Trustee or the College (but not less frequently than every five years) by an architect, contractor, appraiser, appraisal company or one of the insurers, to be selected, subject to the insurer's approval, and paid by the College. The policy or policies of such insurance shall name the College and the Trustee as insureds, as their respective interests may appear. All proceeds from such policies of insurance shall be applied as provided in the Lease. During acquisition, construction and installation of the Improvements, the College shall cause to be provided, insofar as the Improvements are concerned, the insurance required by subparagraph (b) below in lieu of the insurance required by this subparagraph (a) to the extent appropriate;

(b) [RESERVED];

(c) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the College and the Trustee are named as insureds, in an amount not less than $500,000 combined single limit for bodily injuries and property damage;

(d) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State;

(e) A leasehold owners policy of title insurance, subject to any permitted encumbrances identified in the Lease, insuring the Trustee's interest in the Real Property under the Site Lease, on the standard ALTA form, subject only to such exceptions as shall be acceptable to the Trustee, with such endorsements and affirmative coverages as may be reasonably required by the Trustee, and issued by a company acceptable to the Trustee and authorized to issue such insurance in the State.

Maintenance and Modification of Improvements by the College

The College will at its own expense (a) keep the Improvements in a safe condition, (b) with respect to the Improvements, comply with all applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision or agency thereof, or by the government of the United States of America or any agency thereof, and (c) keep the Improvements in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; provided, however, that the College will have no obligation to operate, maintain, preserve, repair, replace or renew any element or unit of the Improvements the maintenance, repair, replacement or renewal of which becomes uneconomical to the College because of damage, destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations. The College shall not permit or suffer others to commit a nuisance in or about the Improvements or itself commit a nuisance in connection with its use or occupancy of the Improvements. The College will pay all costs and expenses of operation of the Improvements.

The College may, also at its own expense, make from time to time any additions, modifications or improvements to the Project that it may deem desirable for its business purposes and that do not materially impair the structural strength or effective use, or materially decrease the value, of the Improvements. All such additions, modifications or improvements made by the College shall (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be pursued to completion with due diligence and (c) when completed, be deemed a part of the Project.

During the Lease Term, the Improvements will be used by the College only for the purpose of performing essential governmental or proprietary functions of the College consistent with the permissible scope of the College's authority.

Financial Statements

The College will annually provide the Trustee with current financial statements, budgets, proofs of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of the College to continue the Lease as may be requested by the Trustee.

Continuing Disclosure

The College covenants and agrees that it will comply and carry out all of the provisions of the Disclosure Undertaking Notwithstanding any other provision of the Lease, failure of the College to comply with the Disclosure Undertaking shall not be considered a default or an Event of Default under the Lease; provided, however, that the Trustee, pursuant to the Declaration of Trust may (and, at the request of the Owners of Certificates of a majority of the aggregate principal amount in Outstanding Certificates, shall) or any Owners of Certificates may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the College to comply with its obligations under this Section.

Damage, Destruction and Condemnation

The College will bear the risk of loss with respect to the Improvements during the Lease Term. If (a) the Improvements or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Project or any part thereof shall be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the College and the Trustee will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Improvements, unless the College shall have exercised its option to prepay all Rent Payments under the Lease by making payment as provided in the Lease. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the College and shall be held and appropriated by the College for the exclusive purpose of paying Rent under the Lease.

If the College determines that the repair, restoration, modification or improvement of the Improvements is not economically feasible or in the best interest of the College, then, in lieu of making such repair, restoration, modification or improvement and if permitted by law, the College shall promptly prepay all Rent Payments under the Lease. Any balance of the Net Proceeds remaining after prepaying the Lease shall belong to the College.

In the Lease, the College acknowledges the provisions pertaining to eminent domain in the Site Lease. The Trustee and College have agreed that the terms of the Site Lease are incorporated in and made a part of the Lease to the same extent as if set forth in full in the Lease. Incorporation of provisions of the Site Lease survives the termination of the Lease for any reason.

If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to above, and the College has not elected to prepay all Rent Payments under the Lease, the College shall complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if the College shall make any payments as provided in this paragraph, the College will not be entitled to any reimbursement therefor from the Trustee nor will the College be entitled to any diminution of Rent.

Prepayment

The College shall have the option to prepay the Basic Rent Payments in whole or in part, upon giving written notice to the Trustee at least 60 days before the date of such prepayment, on any date occurring on or after May 1, 2026, at the Prepayment Price equal to 100% of the Principal Portion of Basic Rent being so prepaid plus the Interest Portion of Basic Rent accrued thereon to such prepayment date.

The Principal Portion of Basic Rent prepaid pursuant to the provisions of the Lease shall be in integral multiples of $5,000. Upon any partial prepayment, the amount of each Interest Portion of Basic Rent coming due thereafter shall be reduced by the amount of such Interest Portion attributable to such prepaid Principal Portion determined by applying the annual interest rate corresponding to such prepaid Principal Portion.

Assignment and Subleasing by the College

Except as provided in the Lease, none of the College's right, title and interest in, to and under the Site Lease, the Lease and in the Project may be assigned or encumbered by the College for any reason; except that the College may sublease any one or more parts of the Project if the College obtains an opinion of Special Tax Counsel that such subleasing will not adversely affect the exclusion of the Interest Portion of the Basic Rent Payments from gross income for purposes of federal income taxation. Any such sublease of all or part of the Project shall be subject to the Site Lease, the Lease and the rights of the Trustee in, to and under the Site Lease, the Lease and the Project.

Events of Default

Any of the following shall constitute an "Event of Default" under the Lease:

(a) Failure by the College to make any deposits into the Lease Revenue Fund required by the Lease to pay Basic Rent at the time specified in the Lease;

(b) Failure by the College to make any Supplemental Rent Payment when due and the continuance of such failure for ten days after written notice specifying such failure and requesting that it be remedied is given to the College by the Trustee;

(c) Failure by the College to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as referred to in subparagraph (a) or (b) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the College by the Trustee unless such party shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, such party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the College within the applicable period and diligently pursued until the default is corrected;

(d) Any statement, representation or warranty made by the College in or pursuant to the Site Lease or the Lease or the execution, delivery or performance of either of them shall prove to have been false, incorrect or misleading or breached in any material respect on the date when made;

(e) Any provision of the Lease or the Site Lease at any time for any reason cease to be valid and binding on the College, or is declared to be null and void, or the validity or enforceability thereof is contested by the College or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of the Trustee; or

(f) The College becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for the College or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian for the College or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed by the College or a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the State and, if instituted against the College, is consented to or acquiesced in by the College or is not dismissed within 60 days.

In the event the College fails to comply with the Disclosure Undertaking, such failure shall not be an Event of Default under the Lease.

Remedies on Default

Whenever any Event of Default under the Lease exists, the Trustee will have the right, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to the College, the Trustee may declare all Rent payable by the College under the Lease to the end of the Lease Term to be due;

(b) With or without terminating the Lease, the Trustee may take possession of the Project (in which event the College shall take all actions necessary to authorize, execute and deliver to the Trustee for the remainder of the Trustee's leasehold term under the Site Lease all documents necessary to vest in the Trustee for the remainder of the Trustee's leasehold term under the Site Lease all of the College's interest in the Project), and sell the Trustee's interest in the Project or lease the Project or, for the account of the College, sublease the Project continuing to hold the College liable for the difference between (a) the Rent payable by the College under the Lease for the Lease Term, as the case may be, and (b) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of the Trustee in exercising its remedies under the Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling or leasing or subleasing the Project and all brokerage, auctioneers and attorney's fees);

(c) The Trustee may terminate any rights the College may have in any funds held by the Trustee under the Declaration of Trust; and

(d) The Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the Project and under the Lease.

SUMMARY OF THE SITE LEASE

Generally

The College and the Trustee have entered into the Site Lease under which the College leases the site for the Improvements constituting the Real Property to the Trustee on the terms and conditions set forth therein.

Term

The term of the Site Lease ends on May 1, 2028, unless terminated as provided therein.

Rental

As and for rental under the Site Lease and in consideration for the leasing of the Real Property to the Trustee, the Trustee enters into the Lease simultaneously with the delivery of the Site Lease, and directs the Trustee to make deposits from the proceeds of the sale of the Certificates into the funds and accounts established and as set forth in the Declaration of Trust.

Assignments and Subleases

The Trustee will hold the Site Lease and its rights thereunder for the benefit of owners of the Certificates. The Trustee and its assigns may assign the Site Lease and its rights thereunder or lease or sublease the Project without the written consent of the College (i) if the Lease is terminated for any reason, or (ii) if any Event of Default under the Lease has occurred.

Termination

The Site Lease will terminate at the end of its stated term, provided, however, in the event the College makes or prepays all of the Rent Payments pursuant to the Lease, then the Site Lease is considered assigned to the College and terminated through merger of the leasehold interest under the Site Lease with the fee interest of the College, if the College is the owner of the fee interest.

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$1,330,000*
PRATT COMMUNITY COLLEGE
PRATT COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2021
Evidencing Proportionate Interests In and Rights to Receive Payment Under the
Lease Agreement Between the College and Trustee

Appendix D

FORM OF DISCLOSURE UNDERTAKING

* Subject to change.

APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of June 14, 2021 (the "Continuing Disclosure Undertaking"), is executed and delivered by **PRATT COMMUNITY COLLEGE, PRATT COUNTY, KANSAS** (the "College").

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the College in connection with a certain Lease (as defined herein) by and between the College and the Trustee (as defined herein) and issuance by the Trustee of Lease Agreement Refunding Certificates of Participation, Series 2021 (the "Certificates") pursuant to the Declaration of Trust (as defined herein) and a Resolution adopted by the governing body of the College.

2. The College is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Certificates 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 College is the only "obligated person" with responsibility for continuing disclosure hereunder.

The College covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Declaration of Trust, 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 College pursuant to, and as described in, ***Section 2*** of this Continuing Disclosure Undertaking, which may include the College's CAFR, so long as the CAFR contains the Financial Information and Operating Data.

"Beneficial Owner" means any registered owner of any Certificates 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 Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates 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 trustee, the paying agent or the Dissemination Agent, as applicable, is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"CAFR" means the College's Comprehensive Annual Financial Report, if any.

"College" means Pratt Community College, Pratt County, Kansas, and any successors or assigns.

"Designated Agent" means Gilmore & Bell, P.C. or one or more other entities designated in writing by the College to serve as a designated agent of the College for purposes of this Disclosure Undertaking.

"Declaration of Trust" means the Declaration of Trust, dated as of May 15, 2012, as amended and supplemented by a First Supplemental Declaration of Trust, dated as of June 14, 2021, made by the Trustee.

"Dissemination Agent" means any entity designated in writing by the College to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the College 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 College as the Fiscal Year of the College for financial reporting purposes.

"GAAP" means generally accepted accounting principles, as applied to governmental units, as in effect at the time of the preparation of the financial information described in ***Section 2(a)(1)***.

"Lease" means the Lease Agreement dated as of May 15, 2012, as amended and supplemented by a First Supplemental Lease Agreement, dated as of June 14, 2021, by and between the College and the Trustee.

"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 Certificates required to comply with the Rule in connection with the offering of the Certificates.

"Trustee" means Security Bank of Kansas City, Kansas City, Kansas, and its successor or successors and their respective assigns, as successor in interest to UMB Bank, N.A., Kansas City, Missouri.

Section 2. Provision of Annual Reports.

(a) The College shall, not later than the last day of the seventh month after the end of the College's Fiscal Year, commencing with the fiscal year ending June 30, 2021, file with the MSRB, through EMMA, the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the College for the prior Fiscal Year, prepared in accordance with GAAP. A more detailed explanation of the accounting basis is contained in the Official Statement relating to the Certificates. 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 Certificates, 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 Certificates, 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 College.

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 College 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 College 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 College 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 College's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under ***Section 3***, and the Annual Report deadline provided above shall automatically become the last day of the seventh month after the end of the College's new fiscal year.

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

Section 3. Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the College 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 Certificates ("Material Events"):
s

(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 Certificates, or other material events affecting the tax status of the Certificates;
(7) modifications to rights of certificate holders, if material;
(8) certificate calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Certificates, 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 College has not submitted the Annual Report to the MSRB by the date required in ***Section 2(a)***, the College shall send a notice to the MSRB of the failure of the College to file on a timely basis the Annual Report, which notice shall be given by the College in accordance with this ***Section 3***.

Section 4. Termination of Reporting Obligation. The College's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If the College'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 College, and the College shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, the College 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 College 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 College. 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 College pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the College may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Special Tax Counsel or other counsel experienced in federal securities law matters provides the College with its written opinion that the undertaking of the College 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 College 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 College. 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 College 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 College 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 College 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 College fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the College 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 Declaration of Trust or the Certificates, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the College 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 College, the Participating Underwriter, and the Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Declaration of Trust or the Certificates 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 College has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

PRATT COMMUNITY COLLEGE,
PRATT COUNTY, KANSAS

(SEAL)

____
Chairman

____
Secretary

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 the final Official Statement relating to the Certificates:

FINANCIAL INFORMATION CONCERNING THE COLLEGE

- Assessed Valuation
- Property Tax Levies and Collections
  - --Tax Rates
  - --Tax Collection Record
  - --Major Taxpayers

DEBT STRUCTURE OF THE COLLEGE*

- General Obligation Bonds
- Certificates of Participation
- Revenue Bond Obligations
- Capital Lease Obligations
- Loan Obligations

COLLEGE'S AUTHORITY TO INCUR DEBT

- Overlapping/Underlying General Obligation Indebtedness

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