

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. 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 the 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

**NEW ISSUE  
BANK QUALIFIED**

**BOOK-ENTRY ONLY  
NON-RATED**

*In the opinion of Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and is excluded from computation of Kansas adjusted gross income. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "LEGAL MATTERS-Opinion of Bond Counsel" herein.*

**\$220,000  
WOODBINE, KANSAS  
GENERAL OBLIGATION BONDS  
SERIES 2009  
(WASTEWATER TREATMENT FACILITY)**

**DATED: As of the Delivery Date shown below**

**DUE: As shown herein**

The Series 2009 General Obligation Bonds (the "Bonds") will be issued by the City of Woodbine, Kansas (the "City") as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean Beneficial Owners (as herein defined) of the Bonds. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as bond registrar and paying agent (the "Paying Agent" and "Bond Registrar"). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner. So long as DTC or its nominee, Cede & Co., is the Owner of the Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. The Bonds will mature annually beginning on February 15, 2012 and semi-annual interest will be payable on February 15 and August 15, beginning August 15, 2010.

The Bonds and the interest thereon will constitute general obligations of the City payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

**MATURITY SCHEDULE**  
(see inside cover)

The Bonds are subject to redemption prior to maturity. The Bonds maturing February 15, 2019 and thereafter are subject to optional redemption beginning February 15, 2018 or thereafter in whole at any time, or in part as determined by the Issuer on any interest payment date at a price equal to 100% of the principal amount plus accrued interest to the redemption date (see "THE BONDS-Redemption of the Bonds" herein).

This cover page contains only a brief description of the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors must read this entire Official Statement to obtain information essential to the making of an informed-investment decision and should give particular attention to matters referred to by the Issuer under the caption "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as and if issued, subject to prior sale, to the approval of legality by Cosgrove, Webb & Oman, Topeka, Kansas, as Bond Counsel, and other conditions. It is expected that the Bonds will be available for delivery to the Depository Trust Company, New York, New York on or about September 10, 2009.

\_\_\_\_\_ **Underwriter** \_\_\_\_\_

This Preliminary Official Statement is dated August 18, 2009.

## MATURITY SCHEDULE

### Serial General Obligation Bonds

<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITY</u>	<u>YIELD/ PRICE</u>
\$5,000	%	02-15-12	%
\$5,000	%	02-15-13	%
\$5,000	%	02-15-14	%
\$10,000	%	02-15-15	%
\$10,000	%	02-15-16	%
\$10,000	%	02-15-17	%
\$10,000	%	02-15-18	%
\$10,000	%	02-15-19	%
\$10,000	%	02-15-20	%
\$10,000	%	02-15-21	%
\$10,000	%	02-15-22	%
\$10,000	%	02-15-23	%
\$15,000	%	02-15-24	%
\$15,000	%	02-15-25	%
\$15,000	%	02-15-26	%
\$15,000	%	02-15-27	%
\$15,000	%	02-15-28	%
\$20,000	%	02-15-29	%
\$20,000	%	02-15-30	%

## REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriters to give any information or to make any representation with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representation must not constitute an offer sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth therein has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expression of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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**THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.**

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**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**CITY OF WOODBINE, KANSAS**

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Jennifer Latzke, Vice-Mayor  
Les Rowlands, Councilmember  
Mary Sue Roller, Councilmember  
Jerry Volkman, Councilmember  
Ralph Fitzgerald, Councilmember

**CITY STAFF**

Shiryl Pauley, City Clerk  
Brian Shippy, Public Works Director

**CITY ATTORNEY**

Nina Miley  
White City, Kansas

**ACCOUNTANT**

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Abilene, Kansas

**BOND COUNSEL**

Cosgrove, Webb & Oman  
Topeka, Kansas

**FINANCIAL ADVISOR**

Cooper Malone McClain, Inc.  
Wichita, Kansas

**UNDERWRITER**

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## OFFICIAL STATEMENT

**\$220,000**  
**CITY OF WOODBINE, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2009**  
**(WASTEWATER TREATMENT FACILITY)**

### INTRODUCTION

#### General Matters

This Official Statement, including the cover page and appendices hereof, is provided to furnish information in connection with the sale by the City of Woodbine, Kansas, (the "Issuer"), of its General Obligation Bonds, Series 2009 (Wastewater Treatment Facility), dated as of the delivery date in the aggregate principal amount of \$220,000 (the "Bonds"), which Bonds are issued pursuant to an ordinance (the "Ordinance") and a resolution (the "Resolution") of the Issuer authorizing the issuance of said Bonds. The Bonds are issued for purposes of paying the costs of constructing a wastewater lagoon system in the City of Woodbine, Kansas (the "Project,").

The Bonds and the interest thereon shall constitute general obligations of the Issuer, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the Issuer.

All financial and other information presented herein has been compiled by Cooper Malone McClain, Inc., Wichita, Kansas (316) 685-5777, Financial Advisor to the City (the "Financial Advisor"). Except for the information expressly attributed to other sources, all information has been provided by the City. The presentation of information herein, including tables of receipts from taxes, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Bond Counsel has not assisted in the preparation this Official Statement, except to the extent described under the section captioned "**LEGAL MATTERS**," and accordingly expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

#### Additional Information

Additional information regarding the City or the Bonds may be obtained from Ms. Sheryl Pauley, City Clerk, at City Hall, 1 South Broadway, Woodbine, Kansas, 67492, (785) 257-359, or from the City's Financial Advisor, Cooper Malone McClain, Inc., 7701 E. Kellogg, Wichita, Kansas, 67207, Attention: Mr. Rick Ensz, P.E., Vice President, (913) 681-8185 or (316) 685-5777.

#### The Issuer

The Issuer is the City of Woodbine, Kansas. A description of the City is contained in *Appendix A* hereof.

#### Authority

The Bonds are being issued pursuant to and in full compliance with the statutes of the State of Kansas, including K.S.A. 10-101 et seq. and K.S.A. 12-621, et seq., and Ordinance No. \_\_\_\_\_, and Resolution No. \_\_\_\_\_ of the City authorizing issuance of the City's General Obligation Bonds, Series 2009. The proceeds of this issue will pay costs related to certain wastewater treatment facility improvements in the City.

### THE BONDS

#### General

The Bonds will be issued as fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof. The Bonds will be dated as of the delivery date and will mature as hereinafter described, and will bear interest from

their dated date at the rates per annum shown on the inside cover page. The principal of and interest on the Bonds will be payable at such place and as is shown on the cover page.

Bonds will be transferable at the office of the Bond Registrar and Paying Agent upon payment, by the Bondowner, of any charge made by the Bond Registrar as reimbursement for any tax, fee or other governmental charge and for all other costs and expenses incurred by the Issuer or the Bond Registrar in connection with such transfer. No transfer of a Note is required to be made by the Bond Registrar on or subsequent to the Record Date and prior to the succeeding Payment Date.

### **Security**

The Bonds and the interest thereon shall constitute general obligations of the Issuer, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the Issuer.

### **Designation of Paying Agent and Bond Registrar**

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

### **Method and Place of Payment of the Bonds**

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

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

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

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

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

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

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

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

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

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

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

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

### **Redemption Prior to Maturity**

The Bonds will be subject to redemption prior to their respective maturities as hereinafter described and as provided in the Resolution. The manner in which notice of redemption shall be given, and selection of the Bonds to be redeemed shall be made, is summarized under "THE RESOLUTION-Redemption of Bonds" in *Appendix C*.

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

The Bonds are transferable only upon the books of the Bond Registrar upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for other Bonds of any denomination authorized by the Resolution in the same aggregate principal amount, series, and maturity, upon presentation to the Bond Registrar, subject to the terms, conditions and limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

## **THE DEPOSITORY TRUST COMPANY**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each scheduled maturity of the Bonds and will be deposited with DTC.

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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor's highest rating: "AAA." The DTC Rules applicable to its Direct Participants and Indirect Participants (collectively, the "Participants") are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

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

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

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

requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

### **THE PROJECT**

A portion of the Bond proceeds, along with other legally available funds, will be used to retire Temporary Notes, Series 2008 in the amount of \$270,000. The Temporary Notes, along with a \$171,000 KDOCH Community Development Block Grant (CDBG) were used to construct a new wastewater lagoon treatment system and doing all things necessary and incidental thereto to make certain wastewater treatment facility improvements within the City. The project had an original estimated total cost of approximately \$460,000.

### **SOURCES AND USES OF FUNDS**

**Sources of Funds**

Series 2009 Bond Proceeds	\$220,000.00
CDBG Grant	171,000.00
Cash from Issuer	<u>75,956.37</u>
Total Sources of Funds	\$466,956.37

**Uses of Funds**

Principal Redemption of Series 2008 Temporary Notes	270,000.00
Interest Due on Series 2008 Temporary Notes	8,726.25
Cost of Construction, Engineering, Observation, Etc. (Grant portion)	171,000.00
Contingencies	0.12
Underwriter's Discount and Cost of Issuance	_____.
Total Uses of Funds	\$466,956.37

### **DEBT SERVICE SCHEDULE**

The following schedule shows actual annual debt service on the Series 2009 Bonds.

<u>DATE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>FISCAL TOTAL</u>
08-15-10					
02-15-11					
08-15-11					
02-15-12	\$5,000.00				
08-15-12					
02-15-13	5,000.00				
08-15-13					
02-15-14	5,000.00				
08-15-14					
02-15-15	10,000.00				
08-15-15					

02-15-16	10,000.00
08-15-16	
02-15-17	10,000.00
08-15-17	
02-15-18	10,000.00
08-15-18	
02-15-19	10,000.00
08-15-19	
02-15-20	10,000.00
08-15-20	
02-15-21	10,000.00
08-15-21	
02-15-22	10,000.00
08-15-22	
02-15-23	10,000.00
08-15-23	
02-15-24	15,000.00
08-15-24	
02-15-25	15,000.00
08-15-25	
02-15-26	15,000.00
08-15-26	
02-15-27	15,000.00
08-15-27	
02-15-28	15,000.00
08-15-28	
02-15-29	20,000.00
08-15-29	
02-15-30	<u>20,000.00</u>
Total	\$220,000.00

### **RISK FACTORS AND INVESTMENT CONSIDERATIONS**

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

#### **Debt Service Source**

The Bonds are general obligations of the Issuer, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

The Issuer may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the Issuer and the assessed valuations provided by the county appraiser. The budget of the Issuer for the next succeeding fiscal year is adopted prior to August 25 of each year. The Issuer may only budget taxes sufficient to pay principal, premium, if any, and interest on the Bonds on an annual basis, so if the Net Revenues of the System are insufficient to pay principal, premium, if any, and interest on the Bonds, a tax levy to provide funds to pay principal, premium, if any, and interest on the Bonds will not be made until the next succeeding fiscal year of the Issuer.

#### **Taxation of Interest on the Bonds**

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excluded from gross income for federal income tax purposes under current provisions of 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 provision of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

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

### **Limitation on Remedies**

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

### **Secondary Market for the Bonds**

There is no established secondary market for the Bonds, and there is no assurance a secondary market will develop for the purchase and sale of the Bonds. The absence of continuing disclosure of financial or other information pertaining to the Issuer may impair the development of a secondary market for the Bonds and could impair the ability of an owner to sell a Note in the secondary market. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal bonds which the Underwriter distributes. The Underwriter intends to continue this practice with respect to the Bonds, but is not obligated to do so. Prices of municipal bonds traded by the Underwriter in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the governmental entities operating the facility subject to bonded indebtedness. From time to time it may be necessary for the Underwriter to suspend indefinitely secondary market trading in selected issues of municipal bonds as a result of the financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the operations of the Issuer, whether or not subject bonds are in default as to principal and interest payments, and other factors which in the opinion of the Underwriter may give rise to uncertainty concerning prudent secondary market practices.

### **Legal Matters**

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer. The changes in laws affecting the taxing authority of the Issuer could limit the ability of the Issuer to collect revenues sufficient to pay principal and interest on the Bonds.

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

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

## **Suitability of Investment**

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

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 bonds.

Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement and additional information in the form of the complete documents summarized herein, copies of which are available and may be obtained from Cooper Malone McClain, Inc., 7701 East Kellogg, Suite 700, Wichita, KS 66207 316-685-5777.

## **EXEMPTION FROM REGISTRATION**

The offering, sale and delivery of the Bonds, including the obligations of the Issuer, are being made under the assumption by the Underwriter that they do not require registration of the Bonds under the Securities Act of 1933, as amended, and the offering, sale and delivery of the Bonds do not require registration or qualification of the Resolution under the Trust Indenture Act of 1939, as amended. No opinion is expressed with respect to the necessity of registering the Bonds under the "blue sky" or securities laws of any state.

## **CONTINUING DISCLOSURE EXEMPTION**

Securities and Exchange Commission Rule 15c2-12 (the "Rule"), provides that brokers, dealers and municipal securities dealers must comply with certain requirements before acting as an underwriter in a primary offering of municipal securities with an aggregate principal amount of \$1,000,000 or more (an "Offering"), including obtaining an undertaking of the Issuer to provide continuing disclosure of financial information.

The Bonds described herein are offered in a primary offering with an aggregate principal amount of less than \$1,000,000. Accordingly, the offering and sale of the Bonds described herein does not constitute an Offering as defined by the Rule, and the continuing disclosure undertaking and other requirements of the Rule do not apply to brokers, dealers and municipal securities dealers acting as underwriters in connection with the Bonds described herein.

The absence of continuing disclosure or other financial information of the Issuer may impair the development of a secondary market for the Bonds and possibly impair the ability of an Owner of the Bonds to sell a Bond in the secondary market.

## **BOND RATING**

The Bonds are not rated and no application for independent rating on the Bonds has been made.

## **FINANCIAL STATEMENTS**

The Issuer does not prepare audited financial statements. The Issuer's Fiscal 2009 Budget Summary (January 1, 2009 to December 31, 2009), prepared by the Issuer and the Issuer's accountant, Pottberg, Gassman & Hoffman, Chartered, Abilene, Kansas, is included as *Appendix B* to the Official Statement. The Accountants have not participated in the preparation of this Official Statement, other than assisting the Issuer with *Appendix B*.

## **FINANCIAL ADVISOR**

Cooper Malone McClain, Inc., Wichita, Kansas, has acted as financial advisor (the "Financial Advisor") to the City of Woodbine. The Financial Advisor has participated in the preparation of this Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the factual information contained herein or of the affairs of the City for the purpose of passing upon the accuracy or completeness of the Official Statement. The financial advisor's fee is contingent upon the actual issuance and delivery of the Bonds. The Financial Advisor reserved the right to bid on this issue of Bonds.

## UNDERWRITER

The Bonds will be sold at public sale by the City on August 18, 2009.

## NON-LITIGATION CERTIFICATE

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 Issuer or its boundaries or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the Transcript of Proceedings leading to the issuance of the Bonds, or the constitutionality or validity of the indebtedness represented by the Bonds shown to be authorized in said Transcript, or the validity of the Bonds or any of the proceedings in relation to the issuance of sale thereof.

## LEGAL MATTERS

### Approval of Bonds

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Cosgrove, Webb & Oman, Topeka, Kansas. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE BONDS," and "LEGAL MATTERS."

### Opinion of Bond Counsel

*Federal Tax Exemption.* In the opinion of Bond Counsel, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institution's interest expense allocable to interest on the Bonds.

*Kansas Tax Exemption.* The interest on the Bonds is excluded from computation of Kansas adjusted income.

*Other Tax Consequences.* Prospective purchasers of the Bonds should be aware that there may be tax consequences of purchasing the Bonds other than those discussed above, including the following: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code); (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds; (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (iv) passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25 percent of the gross receipts of such Subchapter S corporation is passive investment income; and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of the Bonds should consult their own tax advisers as to the applicability of these consequences.

## CONCLUDING STATEMENT

The references to and summaries or descriptions of provisions of the Bonds, the Bond Resolution and all references to other materials not stated to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Copies of the Bond Resolution may be obtained from the Underwriter or, after delivery of the Bonds, from the Issuer. Neither the delivery of this Official Statement nor any

sale of the Bonds described herein shall, under any circumstances, create an implication that there has been no change in the business affairs or financial condition of the Issuer since the date hereof.

### **AUTHORIZATION OF OFFICIAL STATEMENT**

The preparation of this Official Statement and its distribution has been authorized by the Issuer. This Official Statement has been duly approved by the governing body of the Issuer and “deemed final” in accordance with the Securities and Exchange Commission Rule 15c-12 as of the date of the cover hereof.

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the Issuer, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not representations of fact, and no representation is made that any of the estimates or projections will be realized. The descriptions contained in this Official Statement of the Bonds, the Ordinance, and the Resolution do not purport to be complete and are qualified in their entirety by reference thereto.

Neither the Issuer nor any of their officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the Issuer or the Issuer’s ability to made payment required of it; and further, neither the Issuer nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the Issuer by the Ordinance and the Resolution.

### **CITY OF WOODBINE, KANSAS**

By \_\_\_\_\_  
Bart Hettenbach, Mayor

ATTEST:

By \_\_\_\_\_  
Shiryl Pauley, City Clerk

SEAL

*APPENDIX A*

**INFORMATION CONCERNING THE ISSUER**

**GENERAL - - ISSUER**

**Size and Location**

City of Woodbine, Kansas (population 203) is a city of the third class and is located in the east central part of Dickinson County in central Kansas. The City encompasses approximately 0.1 square miles.

**Government and Organization of the Issuer**

The City was incorporated in 1887. The present mayor and councilmembers are as follows:

**Elected Officials**

<u>Name</u>	<u>Title</u>
Bart Hettenbach	Mayor
Jennifer Latzke	Vice-Mayor
Les Rowlands	Councilmember
Mary Sue Roller	Councilmember
Jerry Volkman	Councilmember
Ralph Fitzgerald	Councilmember

**Other Officials**

<u>Name</u>	<u>Title</u>
Shiryl Pauley	City Clerk
Brian Shippy	Public Works Director
Nina Miley	City Attorney

**Municipal Services and Utilities**

The City owns and operates its own sanitary sewer utility system. The City of Herington supplies water to the City. Westar supplies electricity to the City. There is no natural gas supply to the City. M&K Trash provides solid waste services to the City. Telephone service is provided by Tri-County telephone Co., Inc. Eagle Communications operates a cable television system under franchise with the City. Internet services are provided by Tri-County Telephone Co. Inc.

Dickinson County provides law enforcement services to the City and has a sheriff, undersheriff, investigator, detective, 11 road patrol deputies, 11 correctional officers, three (3) secretaries, and 12 reserve deputies. Fire protection is provided by Liberty Township – Woodbine Fire District #1 located in Woodbine, Kansas. The department operates as a volunteer department with 13 members. Dickinson County has nine (9) Emergency Medical Technicians – Basic Level (EMT-B’s), two (2) Emergency Medical Technicians – Defibrillation Level (EMT-D’s) six (6), Emergency Medical Technician – Intermediate Level (EMT-I’s) and four (4) Paramedics (MICT’s) providing Basic Life Support services to the county.

**Transportation and Communication Facilities**

The City is located approximately 15 miles south of Junction City, Kansas and two miles west of U.S. Highway 77, on Kansas Highway Route 209. Kansas City International Airport, located approximately 160 miles from the City, and Wichita Mid-Continent Airport, located approximately 100 from the City, provide regularly scheduled air service.

## **Educational Institutions and Facilities**

Rural Vista Unified School District No. 481, with the district office in Hope, Kansas, serves the cities of Hope, Woodbine, and White City. Preschool through grade 12 programming is offered at attendance centers in Hope and White City, with Woodbine residents attending Hope. For the school year 2008-2009 the district had a total enrollment of 411 students. Kansas State University, located in Manhattan, is approximately 45 miles from the City. The University of Kansas, located in Lawrence, is approximately 110 miles from the City. Wichita State University, located in Wichita, is approximately 100 miles from the City.

## **Medical and Health Facilities**

Medical Service is available at Memorial Hospital, located in Abilene, and Herington Municipal Hospital, located in Herington. In addition, Salina Surgical Hospital, located approximately 20 miles to the west, provides short term acute care.

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

Dickinson County has the Eisenhower Museum, located in Abilene, depicting the life of Dwight D. Eisenhower's military and presidential career. In addition, Abilene has the Heritage Center of Dickinson County, the Seelye Mansion, the Lebold Mansion, and the Great Plains Theatre Festival, all of which are listed on the National Register of Historic Places. Abilene also has two well known eating establishments, the Kirby House and the Brookville Hotel, and his home to the Greyhound Hall of Fame.

The county also has the St. Patrick's cemetery and Prospect Park Farm, both located in Chapman, which are also listed on the National Register of Historic Places. The Post Office Mural, in Hope, the Carnegie Library in Herington, and the Brewer Scout Cabin in Solomon are all listed on the National Register of Historic Places.

There is recreation available in the area including sporting events, parks, swimming pools, golf courses and tennis courts. Additionally, cultural opportunities such as movie theaters and museums are located in the City of Abilene. Nine churches serve the County.

## **ECONOMIC INFORMATION CONCERNING THE CITY**

The economic base of the City and area is manufacturing, agricultural, educational and government. The City of Woodbine, Citizen State Bank and Trust Company, and USD No. 364 provide employment for over 81 full-time and part-time people.

### **Major Employers**

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

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full- &amp; Part-Time Employees</u>
1. USD No. 364	Education	75
2. Citizen State Bank	Financial	5
3. City of Woodbine	Government	1

Source: City Clerk

### **Labor Force**

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

#### **DICKINSON COUNTY**

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
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2003	10,188	9,761	427	4.2
2004	10,602	10,108	494	4.7
2005	10,595	10,119	476	4.5
2006	10,593	10,175	418	3.9
2007	10,323	9,923	400	3.9

**STATE OF KANSAS**

<b><u>Average For Year</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed</u></b>	<b><u>Unemployed</u></b>	<b><u>Unemployed Rate</u></b>
2003	1,447,487	1,366,063	81,424	5.6
2004	1,463,945	1,383,655	80,290	5.6
2005	1,475,795	1,400,839	74,956	5.1
2006	1,470,830	1,407,076	63,754	4.3
2007	1,478,790	1,418,665	60,125	4.1

Source: Kansas Statistical Abstract

**Agriculture**

The following table lists the total value of field crops and livestock/poultry produced in Dickinson County for the years listed.

<b><u>Year</u></b>	<b><u>Total Value of Field Crops</u></b>	<b><u>Total Value of Cattle and Milk</u></b>	<b><u>Total</u></b>
2003	\$50,066,200	\$35,806,600	\$85,872,800
2004	52,878,000	31,931,100	84,809,100
2005	43,599,300	35,701,100	79,300,400
2006	61,826,800	34,763,400	96,590,200
2007	N/A	N/A	N/A

Source: Kansas Statistical Abstract

**Retail Sales Tax Collections**

The following table lists Dickinson County' state sales tax collections over a six year period.

<b><u>Year</u></b>	<b><u>Sales Tax Collections</u></b>	<b><u>Per Capita Sales Tax</u></b>
2003	8,037,113	403.70
2004	8,573,981	424.90
2005	8,799,488	459.83
2006	9,272,216	472.28
2007	9,401,401	485.77

Source: Kansas Statistical Abstract

**Oil Production**

The oil production in barrels for Dickinson County for the years listed is indicated in the following table.

<b><u>Year</u></b>	<b><u>Oil Production</u></b>
2003	12,354
2004	11,795
2005	11,535
2006	12,538
2007	11,070

Source: Kansas Statistical Abstract

## Financial and Banking Institutions

There are currently 10 banks located in Dickinson County. During a five-year period, bank deposits of the County's banks are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2003	\$298,000,000
2004	308,000,000
2005	316,000,000
2006	328,000,000
2007	345,000,000

Source: Kansas Statistical Abstract

## Building Permits

The following table indicates the number of building permits and total valuation of these permits issued within City over a five-year period. These numbers reflect permits issued either for new construction or for major renovation.

<u>Year</u>	<u>Number of Permits Issued</u>		<u>Total Valuation</u>	
	<u>Residential</u>	<u>Non-Residential</u>	<u>Residential</u>	<u>Non-Residential</u>
2003	0	0	\$0	\$0
2004	0	0	0	0
2005	0	0	0	0
2006	0	0	0	0
2007	1	0	130,000	0

Source: City Clerk

## Population Trends

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

<u>Year</u>	<u>Woodbine Population</u>	<u>Dickinson County Population</u>
2000	203	19,349
2001	N/A	19,064
2002	204	18,983
2003	204	19,028
2004	204	18,892
2005	204	18,902
2006	204	18,970
2007	203	18,957

The median age of persons in Dickinson County and the State of Kansas is 40.0 and 35.2 respectively, per the 2000 Census.

Source: Kansas Statistical Abstract

## Personal Income Trends

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

<u>Year</u>	Dickinson Co. <u>Personal Income</u> <sup>1</sup>	Dickinson Co. <u>Per Capita Income</u>	State <u>Per Capita Income</u>
2002	448,345	23,172	28,980
2003	475,905	25,195	29,802
2004	492,432	25,268	30,995
2005	506,595	26,329	32,709
2006	536,398	28,276	34,799

<sup>1</sup> Thousands of dollars

Source: Kansas Statistical Abstract

## **DEBT STRUCTURE OF THE ISSUER AND THE CITY**

### **Current Indebtedness of the City**

The following table sets forth as of December 31, 2008 all of the outstanding general obligations of the City:

#### General Obligation Bonds

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u>	<u>Included Within Debt Limit</u>
GO Bonds, Series 1998 (Water Improvements)	10/01/1998	\$180,000	\$180,000 (100.00%)
GO Bonds, Series 2009 (WWTF) (THIS ISSUE)	09/10/2009	<u>220,000</u>	<u>0</u> (0.00%)
Total		<u>\$400,000</u>	<u>\$180,000</u>

Source: City Clerk and City budget

The following table sets forth as of December 31, 2008 all of the outstanding temporary notes of the City:

#### Temporary Notes

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u>	<u>Included Within Debt Limit</u>
Temporary Notes, Series 2008 (WWTF) <sup>1</sup>	9/17/2008	<u>270,000</u>	<u>\$270,000</u> (0.00%)
Total		<u>\$270,000</u>	<u>\$270,000</u>

<sup>1</sup> To be redeemed with proceeds from THIS ISSUE

Source: City Clerk and City budget

The following table sets forth as of December 31, 2008 all of the outstanding revenue bonds of the City:

#### Revenue Bonds

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u>	<u>Included Within Debt Limit</u>
N/A	N/A	<u>\$0</u>	N/A
Total		<u>\$0</u>	

Source: City Clerk and City budget

**History of Indebtedness**

The following table sets forth general obligation debt information pertaining to the City as of the end of each of the last four years:

<u>Year</u>	<u>Total Debt</u>	<u>Debt As % of Assessed Tangible Valuation</u>	<u>Debt Per Capita</u>
2003	\$192,000	29.05	\$941.18
2004	190,000	24.16	931.37
2005	188,000	23.40	921.57
2006	186,000	21.62	911.76
2007	183,000	21.24	901.48
2008	180,000	18.54	886.70 <sup>1</sup>

<sup>1</sup> Based on 2007 population.

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

**Debt Service Requirements**

The following debt service schedule shows the yearly principal and interest requirements for all outstanding general obligation and temporary note indebtedness of the City.

**Debt Service Schedule**

**Outstanding General Obligation Debt**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$3,000	\$8,550	\$11,550
2010	3,000	8,408	11,408
2011	3,000	8,265	11,265
2012	3,000	8,123	11,123
2013	3,000	7,980	10,980
2014-2038	<u>165,000</u>	<u>120,128</u>	<u>52,050</u>
Total	\$180,000	\$161,454	\$341,454

**Outstanding Temporary Note Debt**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	<u>\$270,000<sup>1</sup></u>	<u>\$8,726<sup>1</sup></u>	<u>\$278,726<sup>1</sup></u>
Total	\$270,000	\$8,726	\$278,726

<sup>1</sup> To be redeemed with proceeds from THIS ISSUE

**Series 2009 General Obligation Bonds**

**(THIS ISSUE)  
Debt Service Schedule**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$0	\$	\$
2011	0		

2012	5,000
2013	5,000
2014	5,000
2015	10,000
2016	10,000
2017	10,000
2018	10,000
2019	10,000
2020	10,000
2021	10,000
2022	10,000
2023	10,000
2024	15,000
2025	15,000
2026	15,000
2027	15,000
2028	20,000
2029	<u>20,000</u>
Total	\$220,000

**Lease Obligations**

The following table sets forth as of December 31, 2008 all of the outstanding lease obligations of the City:

<u>Lease Obligations</u>		
<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u>
N/A	N/A	<u>\$0</u>
Total		<u>\$0</u>

Source: City Clerk and City budget

**Overlapping Indebtedness**

The following table sets forth overlapping indebtedness as of March 26, 2009, and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Amount Applicable to Issuer</u>
Dickinson County	\$553,676	0.47%	\$2,613
USD No. 481	\$2,690,000	3.43%	\$92,292

**Authority to Incur Debt**

Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations .....	\$970,846
Legal limitation of Bonded Debt .....	\$291,254
Outstanding general obligation and temporary note debt (includes THIS ISSUE) <sup>1</sup> .....	\$400,000
Exempt Debt <sup>1</sup> .....	\$220,000
Additional debt capacity (includes THIS ISSUE) <sup>1</sup> .....	\$111,254

Direct debt per capita (includes THIS ISSUE) <sup>1</sup> .....	\$1,970.44
Direct and overlapping debt per capita (includes THIS ISSUE) <sup>1</sup> .....	\$2,437.95
Direct debt as a percentage of Assessed Valuation (includes THIS ISSUE) <sup>1</sup> .....	41.20%
Direct & overlapping debt as a percentage of Assessed Valuation (includes THIS ISSUE) <sup>1</sup> .....	50.98%

<sup>1</sup> Excludes temporary notes to be retired with the proceeds of THIS ISSUE.

**Future Indebtedness - -Issuer**

The Issuer anticipates that it will incur debt in future years in the form of bonds and notes to finance capital projects, but the amounts of such debt and the specific capital projects have not yet been determined.

**FINANCIAL INFORMATION OF THE CITY**

**Accounting, Budgeting and Auditing Procedures**

The City of Woodbine, Kansas prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis of accounting and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The City has obtained a waiver from generally accepted accounting principles from the State of Kansas which allow the municipality to revert to the statutory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

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

The financial records of the City are not audited annually by a firm of independent certified public accountants. Copies of the City's budgets for the past five (5) years are on file in the Clerk's office and are available for review.

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

### Sources of Revenue

The City finances its general operations through the local property tax levy and other miscellaneous sources as indicated below for the 2007 fiscal year:

<u>Source</u>	<u>Percent</u>
State and county taxes	58%
Other	42%

### 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 Dickinson County Appraiser's office determines the assessed valuation that is to be used as a basis for the mill levy on property located in the City.

All property in the state of Kansas has been reevaluated as a result of a bill passed by the 1985 session of the Kansas Legislature requiring county appraisers to reassess property for tax purposes, with an effective date of January 1, 1989.

In conjunction with the November 1986 general election, Kansas voters approved a proposition to modify the state constitution with respect to classification of property for ad valorem taxation. For taxable years 1989 through 1992, real and personal property was divided into classes and assessed at different percentages of fair market value. Land devoted to agricultural use was valued on the basis of its agricultural income or productivity and assessed at 30% of the value so obtained; commercial and industrial machinery and equipment was assessed at 20% of its fair market value; residential property and vacant lots were assessed at 12% of fair market value; and all other property was assessed at 30% of fair market value. Farm machinery and equipment, merchants' and manufacturers' inventories, and livestock were exempt from property taxation.

In conjunction with the November, 1992 general election, Kansas voters approved a proposition to further modify the state constitution with respect to classification of property for ad valorem taxation. The modified classification provisions shall be effective for assessment and taxation of property on and after January 1, 1993 and each year thereafter. Property is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Section 501 of the Internal Revenue Code, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20%

of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

**History of Property Valuations:**

The following table gives the assessed valuation of the City for the years indicated:

<u>Year</u>	<u>Tangible Assessed Valuation<sup>1</sup></u>	<u>Motor Vehicle Assessed Valuation<sup>1</sup></u>	<u>Equalized Assessed Valuation</u>
2004	\$591,397	\$194,942	\$786,339
2005	603,005	200,559	803,564
2006	656,292	204,159	860,451
2007	655,730	205,876	861,606
2008	762,070	208,776	970,846

<sup>1</sup> Dickinson County Clerk's Office

**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 the rate of 18% per annum until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before July of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

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

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

**Tax Rates:**

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser. Prior to July 1, 1999, tax levies were further restricted by a state aggregate tax lid. The funds of the City restricted by such tax lid included the general fund, capital improvement funds and special improvement funds. Levies not effected by such tax lid included debt service payments on bonds, notes and no fund warrants; payments made to a public building commission; expenses related to tort claim liability, employer contributions for employee retirement, health care and benefit programs, expenses incurred for rebates to owners of property in connection with neighborhood revitalization programs and certain expenses incurred for the by cities in administering juvenile delinquency and crime programs. Effective July 1, 1999, the aggregate tax lid is no longer in effect.

The following table shows the City's mill levies by fund (per \$1000 of assessed valuation) for each of the last three years and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Library Fund</u>	<u>Libr. Empl. Benefit</u>	<u>Employee Benefit</u>	<u>Bond &amp; Interest</u>	<u>Industrial Funds</u>	<u>Total Levy</u>
2006 <sup>1</sup>	44.988	0.000	0.000	0.000	0.000	0.000	44.988
2007 <sup>1</sup>	50.062	0.000	0.000	0.000	0.000	0.000	50.062
2008 <sup>1</sup>	49.881	0.000	0.000	0.000	0.000	0.000	49.881
2009 <sup>2</sup>	50.000	0.000	0.000	0.000	0.000	0.000	50.000

<sup>1</sup> Actual

<sup>2</sup> Budgeted

Source: City Budgets

**Aggregate Tax Levies:**

The aggregate tax levies (per \$1000 assessed valuation) of the City and overlapping jurisdictions for the years shown are included in the following table:

<u>Year</u>	<u>City</u>	<u>Dickinson County</u>	<u>School District</u>	<u>State</u>	<u>Other</u>	<u>Total Levy</u>
2006 <sup>1</sup>	44.988	40.190	27.483	1.500	25.679	139.840
2007 <sup>1</sup>	50.062	39.549	27.308	1.500	25.938	144.357
2008 <sup>1</sup>	49.881	37.384	27.592	1.500	25.909	142.266

<sup>1</sup> Actual

Source: Kansas Tax Rate & Fiscal Data Book

**Risk Management**

The City is exposed to various risks of loss related to theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The City manages these various risks of loss through commercial insurance with varying deductibles.

*APPENDIX B*

**FISCAL YEAR 2009 BUDGET SUMMARY**  
(JANUARY 1, 2009 TO DECEMBER 31, 2009)

*APPENDIX C*

**SUMMARY OF PRINCIPAL FINANCING DOCUMENTS**