City of Carthage, Missouri
CITY COUNCIL

January 10, 2023 - 6:30 PM
CITY HALL COUNCIL CHAMBERS

AGENDA

1. **Call to Order**
2. **Invocation**
3. **Pledge of Allegiance to Flag**
4. **Calling of the Roll**
5. **Reading and Consideration of Minutes of Previous Meeting**
   1. Approval of December 13, 2022 Minutes
6. **Presentations/Proclamations**
7. **Public Comments**
   (Each person addressing the Council shall state their name and address or the organization or firm represented and is limited to no more than five (5) minutes. The time may be extended by the chair if deemed necessary. Once a person has had their say on a particular issue they are not permitted to once again speak on the issue unless called to answer any further questions by the Council or Chair)
8. **Reports of Standing Committees**
   1. Agendas and Minutes of Standing Committees
9. **Reports from Special Committees and Board Liaisons**
   1. Agendas and Minutes from Special Committees
10. **Report of the Mayor**
11. **Reports/Remarks of Councilmembers**
    (Each Councilmember is limited to no more than two (2) minutes. The time may be extended by the Chair if deemed necessary. Once a Councilmember has had their say on a particular issue they are not permitted to once again speak on the issue unless permitted by the Chair)
12. **Administrative Reports**
    1. Financial Reports
    2. City Administrator's Report
13. **Report of Claims Presented Against the City**
    1. Motion and a second to approve the Claims
14. **Public Hearings**
15. **Old Business**
    1. C.B. 22-43 -- An Ordinance to amend Chapter 6 Buildings and Building Regulations by adding Article X Public Art Policy

2. C.B. 22-50 -- An Ordinance authorizing the Mayor to execute a Memorandum of Understanding between the City of Carthage, the Carthage Economic Development Corporation, and the Carthage Water and Electric Plant to agree upon general terms and commit to the financial terms of the agreement
3. C.B. 22-51 -- An Ordinance to amend Section 207 - Resignation and Retirement of the Personnel Policy Manual of the City of Carthage
4. C.B. 22-52 -- An Ordinance to amend Section 503 - Holidays Authorized of the Personnel Policy Manual of the City of Carthage by amending Subsection 09 and adding Subsection 10
5. C.B. 22-53 -- An Ordinance rezoning certain property at 828 and 830 West Fairview in the City of Carthage from District A, to District F, Light Industrial, as requested by Philip K and Sharon R Brown, in the City of Carthage, Missouri
6. C.B. 22-54 -- An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission to provide funding for ADA compliant sidewalks and crossings on HH Highway from Steadley Elementary to Creekside Subdivision, in the City of Carthage, Missouri
7. C.B. 22-55 -- An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission providing replacement of Bridge #0720005 on McGregor Street over Missouri/Northern Arkansas Railroad

16. New Business

1. C.B. 23-01 -- An Ordinance authorizing the Mayor to enter into a contract with Play and Park for Playground Equipment at Municipal Park for $879,640.63, in the City of Carthage, Missouri
2. C.B. 23-02 -- An Ordinance authorizing the Mayor to enter into a contract with Play and Park for Playground Equipment at Carter Park for $531,193.60, in the City of Carthage, Missouri
3. C.B. 23-03 -- An Ordinance authorizing the Mayor to enter into a contractual agreement with Baker Tilly US, LLC, for grant writing services, in the City of Carthage, Missouri
4. C.B. 23-04 -- An Ordinance imposing a sales tax at a rate of three-percent on all tangible personal property retail sales of Adult Use Marijuana sold within the City of Carthage, Missouri, pursuant to Article XIV, Section 2.6(5) of the Missouri Constitution subject to the approval by the voters of the City at the General Municipal Election to be held April 4, 2023; designating the form of ballot; and directing the City Clerk to provide notice of said election

17. Mayor’s Appointments

18. Resolutions

19. Closing Comments

20. Executive Session

21. Adjournment

22. Additional Packet Correspondence (items not discussed or voted on)

1. Packet Correspondence documents

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

City of Carthage, Missouri
CITY COUNCIL

December 13, 2022 - 6:30 PM
CITY HALL COUNCIL CHAMBERS

MINUTES

The Carthage City Council met in regular session on the above date in the Council Chambers at 06:30 PM with Mayor Dan Rife presiding.

Fire Chief Ryan Huntley gave the invocation.

Police Chief Bill Hawkins led the flag salute.

The following Council Members answered roll call: Robin Harrison, Brandi Ensor, David Armstrong, Ceri Otero, Robin Blair, Alan Snow, Ed Hardesty, Tiffany Cossey, Mark Elliff. Council Member Trudy Blankenship was absent. City Administrator Greg Dagnan and City Attorney Nate Dally were also present.

The following Department Heads were present: Police Chief Bill Hawkins, Fire Chief Ryan Huntley, Public Works Director Zeb Carney, Assistant City Administrator Traci Cox, and City Clerk Miranda Deal.

Mr. Elliff made a motion, seconded by Mrs. Harrison, to approve the minutes of the November 22, 2022 Council Meeting. Motion carried unanimously.

During Citizen's Participation, Abi Almandinger with Vision Carthage, presented their Quarter 4 projects that they have been working on. These projects included a planting day after the Maple Leaf Festival, the light tunnel, lights on all the buildings on the square, and Hometown Holidays.

Katie Fields, the City's new Tourism Director, presented items she has been working on recently and some upcoming projects with surrounding cities and counties. The City is now the DMO for Carthage, she recently completed a tourism guide which has been distributed at various locations, and the Experience Carthage MO website is up and running and since September, it has seen almost 2000 viewers from 14 countries. There will also be an ad for Carthage in the Food & Travel magazine that is nationally known about. The cost will also include being featured on their website and social media for 3 months. There will be talks in the near future about planning something for the Route 66 centennial in 2026, that year will also be the 60th year for the Maple Leaf Festival.

Mr. Snow reported that the Budget Ways & Means Committee met on December 12. Council Bills 22-49 and 22-50 were discussed and forwarded to council. Council Bill 22-49 is for a new website service to replace CivicPlus beginning July 1, and 22-50 discusses the MOU with CWEP and the CEDC for the Economic Development Director. The committee also approved a 3% COLA for January 1, 2023, 1% of the COLA will go towards last December's CPI number and the other 2% will go towards this December's number which will come out in January. October's CPI number came out at 7.4, the November number isn't available yet. Mr. Snow made a motion, seconded by Ms. Otero to approve the 3% COLA effective January 1, 2023.

Motion carried after a roll call vote of 9 yeas and 0 nays. Ayes: Armstrong, Blair, Cossey, Elliff, Ensor, Hardesty, Harrison, Otero, and Snow. The sales and use tax numbers are higher than projections and around 70% of the use tax that was projected for the year has already been received.

Mrs. Harrison reported that the Committee on Insurance, Audit & Claims met on this date and approved the claims. Also discussed was Council Bill 22-51 which requires department heads and salaried employees to give a 30-day notice for resignations. Council Bill 22-52 is just putting in writing that the exempt/salaried employees don't get extra paid time for holidays, they just get 8 hours for the holiday. The committee also cancelled the December 27 Insurance Audit & Claims meeting. The next meeting will be on January 10.

Mr. Elliff reported that the Public Safety Committee is between meetings with the next meeting scheduled for December 19.

Ms. Otero reported that the Public Service Committee is between meetings with the next meeting scheduled for December 20.

Mr. Armstrong reported that the Public Works Committee met on December 6. The City was awarded a grant to help pay for the bridge replacement on McGregor Street, that appears in Council Bill 22-55. There were two lot splits approved that appear in Resolutions 1990 and 1991. There is a Cub Cadet that the recycling center no longer uses and appears in Resolution 1992 as a surplus item. The new dump truck that was ordered finally arrived after a very long waiting period and it was in the Christmas Parade. There may need to be future discussions about Baker Boulevard and truck traffic, either the road will need to be widened into a potential 3 lane road or there will need to be signs prohibiting truck traffic. He also reported that the Krytek lumberyard did not have insurance so the costs will be billed to the property as a lien.

Special Committee and Board Liaison Reports were given by Mr. Elliff for the Jasper County Commission and the Planning, Zoning & Historic Preservation. Ms. Otero for the Carthage Humane Society, and Ms. Blair for the Carthage Tree Board.

Mayor Rife reported on the lighting of Sparkle in the Park, and the Christmas parade events. He also reminded Council that the CRM dinner is on Thursday.

Mr. Snow made a motion, seconded by Mr. Armstrong to cancel the December 27 Council Meeting due to the holidays. Motion carried.

During reports from Council Members, Mr. Armstrong thanked all the students in attendance for coming to the meeting, Ms. Otero thanked Katie for coming and presenting and also thanked her for all the hard work she went through to become the DMO for Carthage. Mr. Snow mentioned that Council Bill 22-49 was for a new website and app development from the company Apptegy, they reached out after discovering that we had CivicPlus, also he will be making a motion to amend Council Bill 22-50, the MOU with the CEDC, and Resolution 1993 when those come up.

City Attorney Nate Dally thanked Zeb for all the work his department has done throughout the year, which included finishing his new office space. He commented on the great Christmas Parade. He also updated the committee on the railroad lawsuit, oral arguments are set for January 10 and he will let the council know if it will be made available to watch online.

Police Chief Bill Hawkins reported that the parade went really well, the 47th annual Laverne Williams Christmas party was held on December 10. There are ongoing police car issues both with getting new cars and keeping the oldest cars running. He also reported that Officer Eckols has put in his resignation, and the LEST grant is due soon so he will be working on that.

Fire Chief Ryan Huntley reported that he also had someone resign recently, but they have found a replacement that will be starting on Thursday.

Public Works Director Zeb Carney reported that he is doing well with staffing at this time and he has had four guys complete the same day CDL program.

City Administrator Greg Dagnan reported that he will be sending out an MML webinar to the council regarding the marijuana legalization amendment that was recently passed. The distributors will have to collect a 3% tax, the City can get that 3% tax if it is sent to the voters and approved. He thanked Katie for her work on the DMO. He also mentioned the error on Resolution 1993, there was an email with the correct amount that was approved and it was missed when preparing the Resolution. He also mentioned that the budget committee has many questions on the new website contract which were hopefully answered with the email he had sent out, and that the City had two floats in the Christmas parade.

The Committee on Claims filed a report in the amount of $4,290,534.77 against the following funds: General Revenue $408,164.10, Public Health $188,811.66, Lodging $8,133.54, Parks/Stormwater $311,360.78, Golf $55,773.33, Parks & Recreation $1,275.46, Myers Park $2,357.50, Public Facilities $29,974.06, ARPA $124,088.45, Public Library $25,000.00, Payroll $635,595.89, and Carthage Water & Electric $2,500,000.00. Mrs. Harrison made a motion, seconded by Ms. Blair, to accept the report and allow the claims. Motion carried.

There was no Old Business.

Under new business, C.B. 22-48 -- An Ordinance amending the Annual Operating and Capital Budget of the City of Carthage for Fiscal Year 2021-2022 and 2022-2023 for specified funds (General Fund, Fire Protection Tax Fund, Parks/Stormwater Sales Tax Fund and Civic Enhancement Fund) for carry-over items and emergency purchases; and to be considered an emergency ordinance due to unforeseen circumstances which delay would hinder the effective delivery of Municipal Service was placed on first reading.

Mr. Armstrong made a motion, seconded by Mr. Snow, to follow emergency protocol and advance Council Bill 22-48 to second reading. Motion carried.

C.B. 22-48 -- An Ordinance amending the Annual Operating and Capital Budget of the City of Carthage for Fiscal Year 2021-2022 and 2022-2023 for specified funds (General Fund, Fire Protection Tax Fund, Parks/Stormwater Sales Tax Fund and Civic Enhancement Fund) for carry-over items and emergency purchases; and to be considered an emergency ordinance due to unforeseen circumstances which delay would hinder the effective delivery of Municipal Service was placed on second reading.

Ms. Deal mentioned that this Council Bill needed to be amended prior to being approved, the amended version was on everyone's desk. The appropriation under Section IV-Civic Enhancement Fund, is to be moved to the Parks/Stormwater Sales Tax Fund in Section III. There will be nothing under the Civic Enhancement Fund.

Mr. Armstrong made a motion, seconded by Mr. Elliff to amend Council Bill 22-48 to remove Section IV-Civic Enhancement Fund, the appropriation under that Fund is to be added to the Parks/Stormwater Sales Tax Fund in Section III. Motion carried.

C.B. 22-48 was passed as amended after a roll call vote of 9 yeas and 0 nays. Ayes: Robin Harrison, Brandi Ensor, David Armstrong, Ceri Otero, Robin Blair, Alan Snow, Ed Hardesty, Tiffany Cossey, and Mark Elliff. The Council Bill was approved and numbered Ordinance 22-48.

C.B. 22-49 -- An Ordinance authorizing the Mayor to execute a Master Service Agreement, and Statement of Work (SOW) for Apptegy Website Services, 2201 Brookwood Drive, Suite 115, Little Rock, AR 72202 was placed on first reading with no action taken.

Mr. Armstrong mentioned that if this Council Bill were to be advanced to second reading and passed tonight, the company has offered a reduced price for signing before the end of December.

Mr. Armstrong made a motion, seconded by Mrs. Harrison, to suspend the rules and forward Council Bill 22-49 to second reading. Motion carried.

C.B. 22-49 -- An Ordinance authorizing the Mayor to execute a Master Service Agreement, and Statement of Work (SOW) for Apptegy Website Services, 2201 Brookwood Drive, Suite 115, Little Rock, AR 72202 was placed on second reading.

Ms. Otero mentioned that she had reviewed the email that was sent out and just wants to make sure that if there is a change to website providers, that the right company is chosen so there isn't a lot of switching between providers. Mr. Snow mentioned that the website we are currently paying for is not working properly and that the City needed a website that functioned properly all the time. Mr. Armstrong said that the current site being paid for is for the flashiness, the new site looks to be utilitarian which is better than what the City originally had, but not better than the current. The council needs to decide if they want pretty or functional and what the value of each of those is and what is willing to be spent. Mr. Hardesty brought up the app that will be offered with the new company and that the big thing for the public is the ease of use, something that is understandable and something that is easy to get information to and from the public. Ms. Cossey asked what is not currently working on the website, Mr. Dagnan mentioned that the agendas and minutes are not appearing properly and that citizens shouldn't have to search multiple places to get the information. The app with the current site refers people back to the website, the new company, Apptegy, builds their app out separately from the website so it will be easier to use with mobile devices. Mr. Snow said that if the contract is approved and signed, they would be building out the website and getting everything ready so the websites can be switched July 1 after our current contract expires. Ms. Ensor asked what the contract length is with Apptegy, Mr. Snow said it was a 1 year contract with the option of a 1 year renewal. Mr. Dagnan told the Council that Apptegy said anything our current site is doing, they can also do with the exception of Civic Clerk, most cities choose to keep the Civic Clerk portion and switch to Apptegy for the other stuff.

C.B. 22-49 was passed after a roll call vote of 9 yeas and 0 nays. Ayes: Robin Harrison, Brandi Ensor, David Armstrong, Ceri Otero, Robin Blair, Alan Snow, Ed Hardesty, Tiffany Cossey, and Mark Elliff. The Council Bill was approved and numbered Ordinance 22-49.

Mr. Hardesty made a motion, seconded by Mr. Armstrong, to take a 10 minute recess. Motion carried at 7:30 pm.

Once everyone returned, Mayor Rife called the meeting to order at 7:37 pm.

C.B. 22-50 -- An Ordinance authorizing the Mayor to execute a Memorandum of Understanding between the City of Carthage, the Carthage Economic Development Corporation, and the Carthage Water and Electric Plant to agree upon the general terms and commit to the financial terms of the agreement was placed on first reading.

Mr. Snow made a motion, seconded by Mr. Elliff to amend the Responsibilities and Obligations of the Parties paragraph 2 to state that the City would pay $20,000 in FY 23, $70,000 in FY 24, and $70,000 in FY 25. Motion carried.

C.B. 22-51 -- An Ordinance to amend Section 200 - General Employment Policies of the Personnel Policy Manual of the City of Carthage by amending subsection 207 - Resignation and Retirement was placed on first reading with no action taken.

Ms. Ensor asked if there was a penalty for not following the new policy, Mr. Dagnan mentioned that it would just affect their status to be rehired.

C.B. 22-52 -- An Ordinance to amend Section 503 - Holidays Authorized of the Personnel Policy Manual of the City of Carthage by amending Subsection 09 and adding Subsection 10 was placed on first reading with no action taken.

C.B. 22-53 -- An Ordinance rezoning certain property at 828 and 830 West Fairview in the City of Carthage from District A, to District F, Light Industrial, as requested by Philip K and Sharon R Brown, in the City of Carthage, Missouri was placed on first reading with no action taken.

C.B. 22-54 -- An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission to provide funding for ADA compliant sidewalks and crossings on HH Highway from Steadley Elementary to Creekside Subdivision, in the City of Carthage, Missouri was placed on first reading with no action taken.

Mr. Armstrong thanked City officials and Zeb for pursuing these grants every year.

C.B. 22-55 -- An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission providing replacement of Bridge #0720005 on McGregor Street over Missouri/Northern Arkansas Railroad was placed on first reading with no action taken.

Mr. Armstrong made a motion, seconded by Mr. Snow, to approve the Mayor's reappointment of Steve Cottrell and Steve Weldon to the Civil War Museum Board until December 2025. Motion carried.

Mr. Armstrong mentioned that he has worked with these gentlemen for a long time and believes that they are a great asset and the City is lucky to have them.

Mr. Elliff made a motion, seconded by Mr. Snow, to approve the Mayor's reappointment of John H. Patrick to the Police Personnel Administration Board until December 2026. Motion carried.

Ms. Blair made a motion, seconded by Mr. Armstrong, to approve the Mayor's appointment of

Jason Cutler to the Carthage Tree Board until December 2023. Motion carried.

Mr. Hardesty made a motion, seconded by Mr. Snow, to approve the Mayor's appointment of Abi Almandinger as the Parks and Recreation Director effective December 28, 2022. Motion carried with 8 yeas, Mr. Elliff abstained.

Mr. Armstrong made a motion, seconded by Mrs. Harrison, to approve Resolution 1990 -- A Resolution of the City Council of the City of Carthage amending an Administrative Lot Split for property located at 415 N. Parsons Street, in the City of Carthage, Missouri. Resolution 1990 was adopted after a roll call vote of 9 yeas and 0 nays. Ayes: Robin Harrison, Brandi Ensor, David Armstrong, Ceri Otero, Robin Blair, Alan Snow, Ed Hardesty, Tiffany Cossey, and Mark Elliff.

Mr. Armstrong made a motion, seconded by Ms. Ensor, to approve Resolution 1991 -- A Resolution of the City Council of the City of Carthage amending an Administrative Lot Split for property located at 3002 Grand Ave, in the City of Carthage, Missouri. Resolution 1991 was adopted after a roll call vote of 9 yeas and 0 nays. Ayes: Robin Harrison, Brandi Ensor, David Armstrong, Ceri Otero, Robin Blair, Alan Snow, Ed Hardesty, Tiffany Cossey, and Mark Elliff.

Mr. Elliff made a motion, seconded by Mr. Armstrong, to approve Resolution 1992 – A Resolution approving the declaration as surplus to the City’s needs and authorizing the disposition of a 2008 Cub Cadet 4x+B35:H354 EFI Tracker Utility Vehicle, Serial No. 1E22BG400031. Resolution 1992 was adopted after a roll call vote of 9 yeas and 0 nays. Ayes: Robin Harrison, Brandi Ensor, David Armstrong, Ceri Otero, Robin Blair, Alan Snow, Ed Hardesty, Tiffany Cossey, and Mark Elliff.

Resolution 1993 -- A Resolution approving the recommendation of the McCune-Brooks Regional Hospital Trust for the distribution of funds ($2,000,000) from the Restricted Trust Fund to Missouri Southern Foundation.

Mr. Snow made a motion, seconded by Mrs. Harrison, to amend Resolution 1993 to the amount of $75,000 for 5 years. Motion carried.

Ms. Otero was concerned at where the discrepancy came from. Mr. Dagnan stated that the application was for two-million, but the Board only approved $75,000 for 5 years which was written in an email that City Hall staff missed when preparing the Resolution. Mr. Armstrong stated he would be voting no to this because it exceeds the mandate of the trust, and that the money should be designated for our community and not others. The trust should not be allowed to send money outside of Carthage and he urges others to vote against this with him to send a message to outside organizations who ask the trust for money. Mrs. Harrison rebutted Mr. Armstrong and stated at the meeting it was presented that 13% of the graduates in the health science program are Carthage alumni and residents. Ms. Otero stated that Missouri Southern is the closest university to us and that this was a great opportunity to help the community. Mr. Hardesty agreed with Mr. Armstrong in that it doesn't follow the wording interpretation of the trust and this money is meant to benefit the citizens of Carthage. Mr. Snow stated he believes this is a better benefit to the community than some of the other requests that have been received by the trust and that this will have a bigger impact. Ms. Cossey stated she believes it fits the wording of the trust agreement, but she has other concerns.

Ms. Otero made a motion, seconded by Mrs. Harrison to adopt the amended resolution.

Ms. Cossey voiced her concerns with the lack of funding and what will happen if they don't

meet the requirements for the building renovations. Brad Hodson with Missouri Southern was present to answer her question. He stated that they currently have $6.5 million raised towards the project and they still have other organizations to ask for funding, this is a State match project, so Missouri Southern needs to raise $15 million and the State will contribute the other $15 million. The university has 5 years to meet the $15 million match. Ms. Cossey asked about the number of nurses this would create. Mr. Hodson stated that the State Board of Nursing determines the cohort numbers, they are hoping to get approved for 30 more spots to get a total of 60 per year and also offer 2 and 4 year nursing degree options with State approval. There were questions on the number of students turned away from the nursing program, Mr. Hodson stated that there are far more than 30 and 60 pre-nursing majors, so there are plenty of students to fill the spots should they become available. There were also questions about how many of the 13% of Carthage alumni/residents actually return to Carthage to work, the university tries to get a first year destination survey from students to try and determine that amount. Mr. Armstrong asked about the budget cuts that the university went through and how that will affect the new building, Mr. Hodson stated that they are able to take care of the current things they have and they are working on a better plan for the future to make sure they are able to sustain everything they have. Ms. Cossey asked if the program is self-supporting, Mr. Hodson explained that everything is under one operating budget and some programs do make more than others and help fund the other programs. They would need to add 3-4 faculty members for a second cohort of students.

Resolution 1993 was adopted after a roll call vote of 7 yeas and 2 nays. Ayes: Robin Harrison, Brandi Ensor, Ceri Otero, Robin Blair, Alan Snow, Tiffany Cossey, and Mark Elliff. Nays: David Armstrong and Ed Hardesty.

During Closing Comments, Holiday wishes were extended to all, as well as happy birthday wishes to the Mayor. Mr. Hardesty stated that he was proud of the organizations that the City has like Vision Carthage and Experience Carthage. Mr. Elliff thanked Katie for coming to the meeting and presenting and congratulated Abi on her appointment. Ms. Ensor thanked everyone for their wisdom and all of the questions to help her understand things better. Ms. Otero encouraged someone in Ward 3 to run for City Council since she is not choosing to seek reelection in April. Ms. Blair seconded Ms. Ensor's point with the wisdom and questions and congratulated Abi. Mr. Snow congratulated the City Hall float for winning Director's Choice in the Christmas Parade and congratulated Public Works for receiving their new dump truck and having it in the parade as well. He also congratulated Abi on her appointment.

Mr. Snow made a motion, seconded by Mr. Hardesty, to adjourn the regular session of the Council Meeting. Motion carried and meeting adjourned at 8:13 pm.

City of Carthage, Missouri

PUBLIC SERVICES COMMITTEE

December 20, 2022 - 5:30 PM
CITY HALL COUNCIL CHAMBERS

AGENDA

1. **Old Business**
   1. Approval of November Minutes.
2. **Call to Order**
3. **Citizen Participation**
   (Citizens wishing to address the Council or Committee should notify the City in advance and provide the item they want to address in written format at least 24 hours before the meeting. Please call Chelsea Cholley at the Parks & Recreation office at 417-237-7035, or email c.cholley@carthagemo.gov.)
4. **New Business**
   1. Discuss and Consider Play & Park Playground Concepts.
5. **Staff Reports**
6. **Other Business**
7. **Adjournment**

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

--NOTICE OF MEETING--

PUBLIC WORKS COMMITTEE

January 3, 2023

5:30 PM

CITY HALL

326 GRANT STREET

COUNCIL CHAMBERS

-- AGENDA—

1. **MEETING CANCELED DUE TO LACK OF BUSINESS**

NEW BUSINESS

OTHER BUSINESS

STAFF REPORTS

ADJOURNMENT

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING.

POSTED: 12/29/22

BY: Rachel Sutherland

City of Carthage, Missouri
BUDGET WAYS & MEANS COMMITTEE

December 12, 2022 - 5:30 PM
CITY HALL COUNCIL CHAMBERS

MINUTES

1. Call to Order

MEMBERS PRESENT: Alan Snow, Ceri Otero, Mark Elliff, David Armstrong

OTHER COUNCIL MEMBERS:

STAFF PRESENT: Assistant City Administrator Traci Cox, and City Clerk Miranda Deal

Chairman Snow called the meeting to order at 05:30 PM.

2. Old Business

1. Approval of November 14, 2022 Minutes

ACTION:	Motion to accept/approve item 2.1. by Mark Elliff Motion passed with a 4:0
AYES:	Alan Snow, Ceri Otero, Mark Elliff, David Armstrong
NOES:	None
ABSTAIN:	None

3. Citizens Participation

(Citizens wishing to speak should notify Department Head or Committee Chair in advance)

4. New Business

1. Consider and discuss new contract for website services

Ms. Cox presented the Apptegy website service contract to the committee. Apptegy would cost $12,500 for the first year, it is an easier to use website and it is considerably cheaper than what the City currently uses. If the contract is approved and signed before December 31, there is an additional discount. Once the contract is signed, Apptegy would work on building the website so it is ready to launch once our current contract expires at the end of June.

Abi Almandinger was present at the meeting in the audience. She mentioned when speaking with Mr. Dagnan, other cities have switched to Apptegy from CivicPlus because of the ongoing frustrations and issues with CivicPlus.

Mr. Armstrong mentioned that Apptegy is not as flashy as what we currently have. He would like to see more examples of other cities' websites and get the IT

Administrator's opinion on it.

ACTION:	Motion to forward item 4.1 to council by David Armstrong Motion passed with a 4:0
AYES:	Alan Snow, Ceri Otero, Mark Elliff, David Armstrong
NOES:	None
ABSTAIN:	None

2. Consider and discuss MOU between Carthage Water & Electric, City of Carthage, and the CEDC

Mr. Snow briefly explained what the MOU was for. It is to help fund the Economic Development Director that has been hired. The City, Carthage Water & Electric and the CEDC will all work together to fund, house, and direct this person. The Director will be a Carthage Water & Electric employee and be on their payroll, benefits, and be housed at CWEP. The MOU is for the City and CWEP to each pay $70,000 to fund the director, part of CWEP's $70,000 may be reduced in the future to cover costs associated with housing the Director.

Ms. Cox mentioned that there was $20,000 in the current budget to contribute to this Director. Ms. Otero mentioned that she would like the MOU to specifically state $20,000 in the first year, which would be paid in January when the Director started, and then $70,000 each year for the remainder of this MOU.

ACTION:	Motion to amend item 4.2 by changing the amount under "Responsibilities and Obligations of the Parties" to state the City will pay $20,000 in FY 22-23, $70,000 in FY 23-24, and $70,000 in FY 24-25 by Mark Elliff Motion passed with a 4:0
AYES:	Alan Snow, Ceri Otero, Mark Elliff, David Armstrong
NOES:	None
ABSTAIN:	None

Mr. Armstrong mentioned that he thinks there were better options and more appropriate organizations to work with other than the CEDC for this position. He believes the easy route was taken to appease the parties involved.

ACTION:	Motion to forward the amended MOU to Council by Ceri Otero Motion passed with a 4:0
AYES:	Alan Snow, Ceri Otero, Mark Elliff, David Armstrong
NOES:	None
ABSTAIN:	None

3. Consider and discuss 3% COLA for January 1, 2023

Ms. Cox explained to the committee the process that is followed when determining the COLA amounts. When the salary study was passed in 2020 the council voted to do the COLA recommendation and look at the CPI each

December and base the COLA off of that number. In December of 2021, the CPI was 7.5, so there was a 3.5% COLA given January 1, 2022 and 3% given on July 1, 2022. One-percent of this 3% that is being considered, will go towards last December's CPI, and the other 2% will go towards December 2022's CPI which will become available in January. The current CPI for the month of October is 7.4, November's numbers will be available in the coming days. During the budget process, a potential second COLA for July 1 will be discussed. The current budget had a 2% COLA incorporated, but since the health insurance rates were not as high as what was budgeted for, the additional cost of this 3% COLA can be absorbed from that.

ACTION:	Motion to recommend to council a 3% cola effective january 1, 2023 by Ceri Otero Motion passed with a 4:0
AYES:	Alan Snow, Ceri Otero, Mark Elliff, David Armstrong
NOES:	None
ABSTAIN:	None

4. Staff Reports

Ms. Deal reported on the Opengov progress, the budget portion is almost complete in time to use for this next budget process.

Ms. Cox presented a capital project list to the committee. It shows everything that was budgeted for and what has currently been spent. There was around $13.276 million budgeted and through November there has been about $2 million spent. There are several issues that are out of our control that are causing the projects to not get completed, such as supply issues. Sales and Use Tax numbers are still up. Sales tax YTD is $116,000 above the previous years YTD, the use tax was anticipated to be around $358,498 at this time but we have received $484,947 since July 1. That amount puts the Use Tax at about 70% of what was budgeted in this fiscal year. Interest rates are doing well, November's interest income between the operating account and MOSIP was about $50,000.

Mr. Armstrong brought up the Humane Society and Vision Carthage contracts that were reduced to last year's amounts during the budget process. During the budget process, he asked that the contracts be revisited after 6 months and if the budget was doing well enough, he asked that the committee look into fully funding the contracts for their original asking amounts. He would like to request that it be put on January's agenda to review them.

5. Adjournment

ACTION:	Motion to adjourn at 6:34 pm. by Ceri Otero Motion passed with a 4:0
AYES:	Alan Snow, Ceri Otero, Mark Elliff, David Armstrong
NOES:	None
ABSTAIN:	None

City of Carthage, Missouri
COMMITTEE ON INSURANCE/AUDIT AND CLAIMS

December 13, 2022 - 5:00 PM
CITY HALL COUNCIL CHAMBERS

MINUTES

1. Call to Order

MEMBERS PRESENT: Robin Harrison, Robin Blair, Tiffany Cossey

OTHER COUNCIL MEMBERS: Mayor Dan Rife, David Armstrong

STAFF PRESENT: City Administrator Greg Dagnan, Assistant City Administrator Traci Cox, City Clerk Miranda Deal, and HR Coordinator Michael Miller

Chair Robin Harrison called the meeting to order at 05:00 PM.

2. Old Business

1. Approval of November 08, 2022 Minutes

ACTION:	Motion to accept/approve item 2.1. by Tiffany Cossey Motion passed with a 3:0
AYES:	Robin Harrison, Robin Blair, Tiffany Cossey
NOES:	None
ABSTAIN:	None

2. Review & Approval of the Claims Report

ACTION:	Motion to accept/approve item 2.2. by Robin Blair Motion passed with a 3:0
AYES:	Robin Harrison, Robin Blair, Tiffany Cossey
NOES:	None
ABSTAIN:	None

3. Citizens Participation

(Citizens wishing to speak should notify Department Head or Committee Chair in advance)

4. New Business

1. Consider and discuss Section 207 - Resignation Notice Policy of the Personnel Policy Manu

HR Coordinator Michael Miller was present to discuss the change to the Resignation Notice Policy of the Personnel Policy Manual. The change to the policy states that Department Hea and/or exempt employees are required to give a 30-day notice prior to the effective date of resignation.

ACTION:	Motion to forward item 4.1 to full council for approval by Tiffany Cossey
	Motion passed with a 3:0
AYES:	Robin Harrison, Robin Blair, Tiffany Cossey
NOES:	None
ABSTAIN:	None

2. Consider and discuss Section 503 - Holidays Authorized of the Personnel Policy Manual

Mr. Miller explained that exempt or salaried employees have always been paid to stay home the holiday and not work. Police and Fire department employees get an extra days pay for holidays, except the exempt/salaried employees. The exempt/salaried employees do not get the extra pay and the change to the policy just puts that in writing since it was not written in t policy before.

ACTION:	Motion to forward item 4.2 to full council for approval by Robin Blair
	Motion passed with a 3:0
AYES:	Robin Harrison, Robin Blair, Tiffany Cossey
NOES:	None
ABSTAIN:	None

3. Staff Reports

Ms. Deal updated the committee on the Opengov status. The budget portion is almost complete and work has begun on the Core Financials portion earlier than originally planned.

Ms. Cox mentioned that the budget committee approved a 3% COLA effective January 1, 2023. The salary study that the Council approved in 2020 required the City to keep up with t CPI numbers and give a COLA on January 1 and a step increase on July 1 of every year. Pa of the January 1 COLA will go towards last December's CPI which was at 7.5, a total of 6.5% was given as a COLA in 2022. The December 2022 CPI numbers won't be available until aft the first of January, so the other 2% of the COLA will go towards that CPI.

Ms. Cox also reported on the sales and use tax numbers. Sales and Use tax are both higher than projected, the use tax is doing really well and has already come in around 70% of the to that was projected for Fiscal year 23. The auditor will be at one of the January meetings to present the audit to the committee.

ACTION:	Motion to cancel the december 27 meeting by Tiffany Cossey
	Motion passed with a 3:0
AYES:	Robin Harrison, Robin Blair, Tiffany Cossey
NOES:	None
ABSTAIN:	None

5. Adjournment

ACTION:	Motion to adjourn at 5:15 pm by Robin Blair
	Motion passed with a 3:0
AYES:	Robin Harrison, Robin Blair, Tiffany Cossey

NOES:	None
ABSTAIN:	None

City of Carthage, Missouri

BUDGET WAYS & MEANS COMMITTEE

January 9, 2023 - 5:30 PM
CITY HALL COUNCIL CHAMBERS

AGENDA

1. **Call to Order**
2. **Old Business**
   1. Approval of December 12, 2022 Minutes
3. **Citizens Participation**
   (Citizens wishing to speak should notify Department Head or Committee Chair in advance)
4. **New Business**
   1. Consider and discuss firewall RFPs
   2. Consider and discuss engagement letter with Baker Tilley
   3. Consider and discuss adding a marijuana tax to the April 4th ballot
   4. Discuss mid-year update
   5. Discuss Budget Calendar
   6. Staff Reports
5. **Adjournment**

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

City of Carthage, Missouri

COMMITTEE ON INSURANCE/AUDIT AND CLAIMS

January 10, 2023 - 5:00 PM
CITY HALL COUNCIL CHAMBERS

AGENDA

1. **Call to Order**
2. **Old Business**
   1. Approval of December 13, 2022 Minutes
   2. Review & Approval of the Claims Report
3. **Citizens Participation**
   (Citizens wishing to speak should notify Department Head or Committee Chair in advance)
4. **New Business**
   1. Discuss Dick Horton Bill
   2. Staff Reports
5. **Adjournment**

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

John Bartosh
Presiding Commissioner

Tom Flanigan
Eastern District Commissioner

Darieus K. Adams
Western District Commissioner

JASPER COUNTY COMMISSION

302 S. Main ST
Carthage, MO 64836

Carthage: 417-358-0421
Joplin: 417-625-4350

Toll Free: 800-404-0421
Fax: 417+358-0483

COMMISSION AGENDA
DECEMBER 13, 2022
9:00 A.M.
JASPER COUNTY COURTHOUSE ROOM 101

1. CALL TO ORDER
   PRAYER
   PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF MINUTES
4. PRESENTATIONS
5. REPORTS AND COMMUNICATIONS
6. ELECTED OFFICIALS/CITIZENS REQUESTS
   - **Jasper County Sheriff-Surplus Tasers.**
7. COMMISSIONER'S REPORTS
8. UNFINISHED BUSINESS
9. NEW BUSINESS
   - **Act on Closing Documents for the Real Estate Transaction with VIA Real Estate LLC.**
   - **Act on Fee Increases for the Environmental Office at the Jasper County Health Department.**
   - **Act on Request for Qualifications Proposals for Jail Population Study.**
   - **Act on Bid for Contract Cleaning Services for Annex I, the Jasper County Juvenile Center and the New Jasper County Courts Building in Joplin.**
10. PUBLIC HEARINGS

PUBLIC PARTICIPATION FROM AUDIENCE WHEN ADDRESSED YOU WILL BE ALLOWED THREE MINUTES TO SPEAK.

ELECTED OFFICIALS/CITIZENS WISHING TO BE HEARD UNDER ELECTED OFFICIALS/CITIZENS REQUEST MUST REQUEST TO SPEAK TO COMMISSION BY 4:00 P.M. ON THE FRIDAY PRIOR TO THE COMMISSION MEETING ON TUESDAY. CITIZENS SPEAKING TIME WILL BE LIMITED TO FIVE MINUTES.

THE NEWS MEDIA MAY OBTAIN COPIES OF THIS NOTICE BY CONTACTING:
COMMISSION OFFICE, 302 S. MAIN, COURTHOUSE, ROOM 101, CARTHAGE 417-358-0421

NOTICE POSTED DECEMBER 9, 2022, AT 4:00 P.M. (RSMO 610.020)

John Bartosh
Presiding Commissioner

Tom Flanigan
Eastern District Commissioner

Darieus K. Adams
Western District Commissioner

JASPER COUNTY COMMISSION

302 S. Main ST
Carthage, MO 64836

Carthage: 417-358-0421
Joplin: 417-625-4350

Toll Free: 800-404-0421
Fax: 417+358-0483

COMMISSION AGENDA
DECEMBER 20, 2022
9:00 A.M.
JASPER COUNTY COURTHOUSE ROOM 101

1. CALL TO ORDER
   PRAYER
   PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF MINUTES
4. PRESENTATIONS
5. REPORTS AND COMMUNICATIONS
6. ELECTED OFFICIALS/CITIZENS REQUESTS
7. COMMISSIONER'S REPORTS
8. UNFINISHED BUSINESS
9. NEW BUSINESS
   - **Act on Emergency Replacement of 4 Heating and Air Conditioning Units at the Jasper County Health Department.**
10. PUBLIC HEARINGS

PUBLIC PARTICIPATION FROM AUDIENCE WHEN ADDRESSED YOU WILL BE ALLOWED THREE MINUTES TO SPEAK.

ELECTED OFFICIALS/CITIZENS WISHING TO BE HEARD UNDER ELECTED OFFICIALS/CITIZENS REQUEST MUST REQUEST TO SPEAK TO COMMISSION BY 4:00 P.M. ON THE FRIDAY PRIOR TO THE COMMISSION MEETING ON TUESDAY. CITIZENS SPEAKING TIME WILL BE LIMITED TO FIVE MINUTES.

THE NEWS MEDIA MAY OBTAIN COPIES OF THIS NOTICE BY CONTACTING:
COMMISSION OFFICE, 302 S. MAIN, COURTHOUSE, ROOM 101, CARTHAGE 417-358-0421

NOTICE POSTED DECEMBER 16, 2022, AT 4:00 P.M. (RSMO 610.020)

John Bartosh
Presiding Commissioner

Tom Flanigan
Eastern District Commissioner

Darieus K. Adams
Western District Commissioner

JASPER COUNTY COMMISSION

302 S. Main ST
Carthage, MO 64836

Carthage: 417-358-0421
Joplin: 417-625-4350

Toll Free: 800-404-0421
Fax: 417+358-0483

COMMISSION AGENDA
DECEMBER 27, 2022
9:00 A.M.
JASPER COUNTY COURTHOUSE ROOM 101

1. CALL TO ORDER
   PRAYER
   PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF MINUTES
4. PRESENTATIONS
5. REPORTS AND COMMUNICATIONS
6. ELECTED OFFICIALS/CITIZENS REQUESTS
   - **Jasper County Clerk-Surplus I-Pads**
   - **Jasper County Sheriff-Surplus Mobile Radios**
7. COMMISSIONER'S REPORTS
8. UNFINISHED BUSINESS
9. NEW BUSINESS
   - **Act on Collector's Furniture Bid**
   - **Act on Appointments to the Mental Health Fund Board of Trustees**
   - **Act on Premium Pay**
10. PUBLIC HEARINGS

PUBLIC PARTICIPATION FROM AUDIENCE WHEN ADDRESSED YOU WILL BE ALLOWED THREE MINUTES TO SPEAK.

ELECTED OFFICIALS/CITIZENS WISHING TO BE HEARD UNDER ELECTED OFFICIALS/CITIZENS REQUEST MUST REQUEST TO SPEAK TO COMMISSION BY 4:00 P.M. ON THE FRIDAY PRIOR TO THE COMMISSION MEETING ON TUESDAY. CITIZENS SPEAKING TIME WILL BE LIMITED TO FIVE MINUTES.

THE NEWS MEDIA MAY OBTAIN COPIES OF THIS NOTICE BY CONTACTING:
COMMISSION OFFICE, 302 S. MAIN, COURTHOUSE, ROOM 101, CARTHAGE 417-358-0421

NOTICE POSTED DECEMBER 23, 2022, AT 4:00 P.M. (RSMO 610.020)

John Bartosh
Presiding Commissioner

Tom Flanigan
Eastern District Commissioner

Darieus K. Adams
Western District Commissioner

JASPER COUNTY COMMISSION

302 S. Main ST
Carthage, MO 64836

Carthage: 417-358-0421
Joplin: 417-625-4350

Toll Free: 800-404-0421
Fax: 417+358-0483

COMMISSION AGENDA
JANUARY 3, 2023
9:00 A.M.
JASPER COUNTY COURTHOUSE ROOM 101

1. CALL TO ORDER
   PRAYER
   PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF MINUTES
4. PRESENTATIONS
5. REPORTS AND COMMUNICATIONS
6. ELECTED OFFICIALS/CITIZENS REQUESTS
7. COMMISSIONER'S REPORTS
8. UNFINISHED BUSINESS
   - **Act on the 2023 Jasper County Budget**
9. NEW BUSINESS
10. PUBLIC HEARINGS

PUBLIC PARTICIPATION FROM AUDIENCE WHEN ADDRESSED YOU WILL BE ALLOWED THREE MINUTES TO SPEAK.

ELECTED OFFICIALS/CITIZENS WISHING TO BE HEARD UNDER ELECTED OFFICIALS/CITIZENS REQUEST MUST REQUEST TO SPEAK TO COMMISSION BY 4:00 P.M. ON THE FRIDAY PRIOR TO THE COMMISSION MEETING ON TUESDAY. CITIZENS SPEAKING TIME WILL BE LIMITED TO FIVE MINUTES.

THE NEWS MEDIA MAY OBTAIN COPIES OF THIS NOTICE BY CONTACTING:
COMMISSION OFFICE, 302 S. MAIN, COURTHOUSE, ROOM 101, CARTHAGE 417-358-0421

NOTICE POSTED DECEMBER 30, 2022 AT 4:00 P.M. (RSMO 610.020)

AGENDA

Planning, Zoning, and Historic Preservation Commission
Monday, January 2, 2023 5:30 pm
City Hall Chambers
326 Grant St. / Carthage MO 64836

Call to Order

Minutes of Previous Meeting

Public Hearing

NOTICE:
MEETING IS CANCELED

New Business

Old Business

Next Meeting: Monday, February 6, 2023

Adjourn

Commission Members				
Voting Members:	Chairman	Abi Almandinger	1220 S Main	417-793-6589
	Vice Chairman	Jim Swatsenbarg	601 Howard	417-358-1690
	Secretary	Harry Rogers	1350 S Main St	417-358-4527
	Member	Jim Hunter	1514 S River	417-850-5355
	Member	Alan Bull	614 E Centennial	417-388-2309
	Member	Bill Barksdale	1314 S Garrison	417-388-2464
	Member	Joshua Anderson	1205 S Main	417-793-2196
Non-Voting Members:	Mayor	Dan Rife	City Hall	417-237-7003
	City Administrator	Greg Dagnan	City Hall	417-237-7003
	Asst. City Administrator	Traci Cox	City Hall	417-237-7003
	Councilmember	Mark Elliff	1511 Grand Ave	417-359-3662
Staff:	Public Works Director	Zeb Carney	Public Works Department	417-237-7010

Public Works Department 623 E Seventh Carthage MO 64836 Tele: (417) 237-7010 Fax: (417) 237-7011 Email: pwd@carthagemo.gov

City of Carthage, Missouri

TREE BOARD

January 10, 2023 - 4:30 PM
Parks & Recreation Office
521 Robert Ellis Young Drive
Carthage, MO 64836

AGENDA

1. **Old Business**
   1. Consider and Approve Minutes from Previous Meeting.
2. **Citizens Participation**
   (Citizens wishing to speak should notify Department Head or Committee Chair in advance)
3. **New Business**
   1. Arbor Day.
   2. City of Carthage Earth Day.
4. **Staff Reports**
5. **Other Business**
6. **Adjournment**

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

CARTHAGE PUBLIC LIBRARY BOARD OF TRUSTEES
Tuesday, January 10, 2023 5:15 p.m.

Steadley Family Legacy Center
612 S. Garrison Ave.

AGENDA
Roll Call of Members

Minutes from the Last Meeting (November 2022)

Financial Reports (December 2022)

Director's Progress and Service Report

President's Message

Council Liaison's Report

Committee Reports
- Building Committee Randy Dubry
- Budget Committee
- Community Relations
- By-Laws
- Library Gardens
- ADA Compliance
- Communications
- Compensation/Wages
- New Business
- Payment of Bills: (Dubry Construction)
- Adjournment

John Bartosh
Presiding Commissioner

Tom Flanigan
Eastern District Commissioner

Darieus K. Adams
Western District Commissioner

JASPER COUNTY COMMISSION

302 S. Main ST
Carthage, MO 64836

Carthage: 417-358-0421
Joplin: 417-625-4350

Toll Free: 800-404-0421
Fax: 417+358-0483

COMMISSION AGENDA
JANUARY 10, 2023
9:00 A.M.
JASPER COUNTY COURTHOUSE ROOM 101

1. CALL TO ORDER
   PRAYER
   PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF MINUTES
4. PRESENTATIONS
5. REPORTS AND COMMUNICATIONS
6. ELECTED OFFICIALS/CITIZENS REQUESTS
   - **Jasper County Clerk-Present 2022 Financial Statement**
7. COMMISSIONER'S REPORTS
8. UNFINISHED BUSINESS
9. NEW BUSINESS
10. PUBLIC HEARINGS

PUBLIC PARTICIPATION FROM AUDIENCE WHEN ADDRESSED YOU WILL BE ALLOWED THREE MINUTES TO SPEAK.

ELECTED OFFICIALS/CITIZENS WISHING TO BE HEARD UNDER ELECTED OFFICIALS/CITIZENS REQUEST MUST REQUEST TO SPEAK TO COMMISSION BY 4:00 P.M. ON THE FRIDAY PRIOR TO THE COMMISSION MEETING ON TUESDAY. CITIZENS SPEAKING TIME WILL BE LIMITED TO FIVE MINUTES.

THE NEWS MEDIA MAY OBTAIN COPIES OF THIS NOTICE BY CONTACTING:
COMMISSION OFFICE, 302 S. MAIN, COURTHOUSE, ROOM 101, CARTHAGE 417-358-0421

NOTICE POSTED JANUARY 6, 2023 AT 4:00 P.M. (RSMO 610.020)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
REVENUES					
110-GENERAL REVENUE	11,892,511.00	986,596.54	4,921,540.09	41.38	6,970,970.91
121-PUBLIC HEALTH	249,128.00	22,205.92	70,017.86	28.11	179,110.14
122-LANDFILL CLOSURE	1,000.00	2,132.11	9,098.37	909.84	(8,098.37)
123-LODGING TAX	165,600.00	3,848.66	136,994.68	82.73	28,605.32
124-CIVIC ENHANCEMENT	(60.00)	213.02	917.62	1,529.37-	(977.62)
125-STORMWATER	15.00	34.61	148.21	988.07	(133.21)
126-PUBLIC SAFETY GRANT	0.00	0.00	12,000.00	0.00	(12,000.00)
127-CDBG	0.00	0.00	0.00	0.00	0.00
128-PARKS/STM WTR	6,298,104.00	133,919.23	756,728.45	12.02	5,541,375.55
129-TIF & CID SPECIAL TAX	75.00	172.81	740.02	986.69	(665.02)
130-INMATE SECURITY FUND	3,500.00	304.90	1,985.10	56.72	1,514.90
131-FIRE PROTECTION TAX	643,798.00	72,337.79	398,055.27	61.83	245,742.73
141-FAIR ACRES SPORTS COM	0.00	0.00	0.00	0.00	0.00
142-GOLF COURSE	706,076.00	12,306.51	322,687.11	45.70	383,388.89
161-CAPITAL IMPROVEMENTS	1,466,998.00	144,646.35	796,675.72	54.31	670,322.28
162-PARKS & RECREATION	261,235.00	31,095.37	35,514.82	13.59	225,720.18
163-MYERS PARK	400.00	1,778.88	492,566.94	3,141.74	(492,166.94)
164-JUDICIAL EDUCATION FU	250.00	14.48	54.37	21.75	195.63
165-USE TAX	704,370.00	1,541.82	6,619.71	0.94	697,750.29
175-Public Fac/Bond Fund	1,337,591.00	10,825.93	45,860.75	3.43	1,291,730.25
221-ECONOMIC DEVELOPMENT	33,344.00	33,365.35	33,507.83	100.49	(163.83)
222-AMERICAN RESCUE PLAN	1,503,851.00	2,692.30	1,517,559.44	100.91	(13,708.44)
341-CW & EP	0.00	0.00	0.00	0.00	0.00
342-MCCUNE-BROOKS HOSPITA	0.00	0.00	0.00	0.00	0.00
343-LIBRARY OPERATING	0.00	63,832.78	118,011.48	0.00	(118,011.48)
344-LIBRARY BUILDING	0.00	0.00	0.00	0.00	0.00
345-POWERS MUSEUM	0.00	0.00	0.00	0.00	0.00
346-POWERS CAPITAL	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	25,267,786.00	1,523,865.36	9,677,283.84	38.30	15,590,502.16

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
EXPENDITURES					
110-GENERAL REVENUE	12,847,739.00	874,179.77	5,130,309.50	39.93	7,717,429.50
121-PUBLIC HEALTH	229,255.00	11,489.29	143,924.71	62.78	85,330.29
122-LANDFILL CLOSURE	438,246.00	0.00	0.00	0.00	438,246.00
123-LODGING TAX	199,000.00	44,062.08	51,312.29	25.79	147,687.71
124-CIVIC ENHANCEMENT	0.00	0.00	0.00	0.00	0.00
125-STORMWATER	0.00	0.00	0.00	0.00	0.00
126-PUBLIC SAFETY GRANT	0.00	14.51	5,675.81	0.00	(5,675.81)
127-CDBG	0.00	0.00	0.00	0.00	0.00
128-PARKS/STM WTR	6,633,408.00	67,229.04	752,736.43	11.35	5,880,671.57
129-TIF & CID SPECIAL TAX	0.00	0.00	0.00	0.00	0.00
130-INMATE SECURITY FUND	0.00	0.00	373.00	0.00	(373.00)
131-FIRE PROTECTION TAX	756,900.00	0.00	84,975.69	11.23	671,924.31
141-FAIR ACRES SPORTS COM	0.00	0.00	0.00	0.00	0.00
142-GOLF COURSE	691,077.00	32,122.78	331,238.79	47.93	359,838.21
161-CAPITAL IMPROVEMENTS	2,024,142.00	0.00	23,043.63	1.14	2,001,098.37
162-PARKS & RECREATION	260,000.00	0.00	0.00	0.00	260,000.00
163-MYERS PARK	300,197.00	1,760.00	370,526.01	123.43	(70,329.01)
164-JUDICIAL EDUCATION FU	0.00	0.00	0.00	0.00	0.00
165-USE TAX	321,171.00	0.00	16,526.00	5.15	304,645.00
175-Public Fac/Bond Fund	2,451,007.00	14,624.06	66,187.81	2.70	2,384,819.19
221-ECONOMIC DEVELOPMENT	31,819.00	31,819.00	31,819.00	100.00	0.00
222-AMERICAN RESCUE PLAN	1,288,247.00	66,960.03	866,397.51	67.25	421,849.49
341-CW & EP	0.00	0.00	0.00	0.00	0.00
342-MCCUNE-BROOKS HOSPITA	0.00	0.00	0.00	0.00	0.00
343-LIBRARY OPERATING	0.00	128,000.00	612,000.00	0.00	(612,000.00)
344-LIBRARY BUILDING	0.00	0.00	0.00	0.00	0.00
345-POWERS MUSEUM	0.00	0.00	0.00	0.00	0.00
346-POWERS CAPITAL	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL EXPENDITURES	28,472,208.00	1,272,260.56	8,487,046.18	29.81	19,985,161.82
REVENUES OVER/(UNDER) EXPENDITURES	(3,204,422.00)	251,604.80	1,190,237.66		(4,394,659.66)

*** END OF REPORT ***

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
110-31110.000 Property Taxes	605,707.00	70,943.52	76,994.71	12.71	528,712.29
110-31120.000 Intangible Tax	100.00	1.10	1.10	1.10	98.90
110-31200.000 Special Assessments	0.00	0.00	0.00	0.00	0.00
110-31301.000 Sales Tax Revenue	2,728,601.00	270,964.37	1,567,884.37	57.46	1,160,716.63
110-31302.000 Transportation Tax Revenue	1,301,649.00	130,556.36	740,423.54	56.88	561,225.46
110-31303.000 Use Tax	704,295.00	121,229.45	484,947.26	68.86	219,347.74
110-31821.000 MGE Gas Service Franchise	212,000.00	17,791.31	68,288.23	32.21	143,711.77
110-31822.000 Telephone Franchises - ALL	120,000.00	7,171.15	54,336.81	45.28	65,663.19
110-31823.000 Cable Franchise	39,000.00	0.00	17,743.16	45.50	21,256.84
110-31824.000 Franchise Fees - Protested	0.00	0.00	0.00	0.00	0.00
110-32100.000 Occupation Licenses	121,000.00	8,009.00	16,388.70	13.54	104,611.30
110-32200.000 Other Licenses & Permits	79,171.00	2,007.50	37,349.90	47.18	41,821.10
110-33001.000 Carthage W&E/P.I.L.O.T.	585,000.00	48,582.33	365,892.38	62.55	219,107.62
110-33002.000 CW&EP Econ Dev Reimburseme	0.00	0.00	0.00	0.00	0.00
110-33003.000 Emergency Management Grant	49,268.00	0.00	11,585.14	23.51	37,682.86
110-33400.000 Grant/Police Department SR	90,000.00	0.00	0.00	0.00	90,000.00
110-33405.000 Police Dept Misc Revenues	15,215.00	47.00	1,882.77	12.37	13,332.23
110-33406.000 School Crossing Guards	10,000.00	0.00	0.00	0.00	10,000.00
110-33410.000 Taxi Grant & Fares	69,456.00	950.00	46,407.72	66.82	23,048.28
110-33415.000 MODOT Taxi Grant	0.00	0.00	0.00	0.00	0.00
110-33540.000 Gasoline Tax Revenue	600,000.00	66,181.08	366,194.17	61.03	233,805.83
110-33560.000 Cigarette Tax	43,000.00	3,294.64	23,372.20	54.35	19,627.80
110-33800.000 Dividend CW&EP/Utility Tra	1,254,455.00	104,537.91	621,097.05	49.51	633,357.95
110-34001.000 Oiling & Repairing Streets	123,000.00	3,998.25	33,713.25	27.41	89,286.75
110-34002.000 Public Works Fees Misc	400.00	0.00	1,283.00	320.75	(883.00)
110-34110.000 Municipal Court Fines	300,000.00	21,892.66	143,840.50	47.95	156,159.50
110-34111.000 Bond Revenues	0.00	0.00	0.00	0.00	0.00
110-34112.000 Bad Debt	0.00	0.00	0.00	0.00	0.00
110-34113.000 Police Training Fines	4,000.00	333.80	2,098.04	52.45	1,901.96
110-34114.000 Parking Fines	100.00	25.00	620.00	620.00	(520.00)
110-34130.000 Zoning Applications	500.00	200.00	700.00	140.00	(200.00)
110-34220.000 Fire District Taxes	400,000.00	86,115.68	97,972.53	24.49	302,027.47
110-34240.000 Fire Dept Miscellaneous	0.00	0.00	0.00	0.00	0.00
110-34710.000 Golf/Memberships	0.00	0.00	0.00	0.00	0.00
110-34711.000 Golf/Green Fees	0.00	0.00	0.00	0.00	0.00
110-34712.000 Golf/Cart Rental	0.00	0.00	0.00	0.00	0.00
110-34713.000 Golf Cart Advertising	0.00	0.00	0.00	0.00	0.00
110-34714.000 Golf/Twilight Fees	0.00	0.00	0.00	0.00	0.00
110-34715.000 Golf/Surcharge	0.00	0.00	0.00	0.00	0.00
110-34720.000 Pool/Receipts	0.00	0.00	0.00	0.00	0.00
110-34721.000 Pool/Concession Sales	0.00	0.00	0.00	0.00	0.00
110-34731.000 Rental/Skating Rink	0.00	0.00	0.00	0.00	0.00
110-34732.000 Rental/Shelter	3,200.00	0.00	2,220.00	69.38	980.00
110-34733.000 Rental/Sports Facilities	0.00	0.00	2,230.00	0.00	(2,230.00)
110-34734.000 Lime Scooter Revenue	0.00	1,216.60	2,812.85	0.00	(2,812.85)
110-34750.000 Memorial Hall Rents	50,000.00	3,270.00	24,134.99	48.27	25,865.01
110-34760.000 Memorial Hall Sign Rental	450.00	0.00	135.00	30.00	315.00
110-34780.000 Civil War Walk-Ins	5,500.00	147.00	2,802.00	50.95	2,698.00
110-34790.000 Civil War Souvenirs	10,000.00	202.70	5,564.00	55.64	4,436.00

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
110-35110.000 Domestic Violence Fine	1,000.00	534.88	3,467.32	346.73	(2,467.32)
110-35200.000 Worker's Comp Premium Retu	0.00	0.00	0.00	0.00	0.00
110-35520.000 Collection Fees	0.00	0.00	0.00	0.00	0.00
110-36110.000 Interest Income	7,000.00	15,606.25	67,888.54	969.84	(60,888.54)
110-36111.000 Investment Interest/Div/Fe	0.00	0.00	0.00	0.00	0.00
110-36201.000 Rents	0.00	0.00	0.00	0.00	0.00
110-36202.000 Rents Pro Shop	0.00	0.00	0.00	0.00	0.00
110-36401.000 Grants	0.00	500.00	21,165.07	0.00	(21,165.07)
110-36402.000 Recovery Act Grant Revenue	0.00	0.00	0.00	0.00	0.00
110-36404.000 Donations	0.00	0.00	0.00	0.00	0.00
110-36408.000 Fireworks Donations	0.00	0.00	0.00	0.00	0.00
110-39100.000 Transfer from Other Funds	2,059,444.00	0.00	0.00	0.00	2,059,444.00
110-39210.000 Sale of City Assets	0.00	0.00	0.00	0.00	0.00
110-39310.000 Donated Capital Asset	0.00	0.00	0.00	0.00	0.00
110-39600.000 Miscellaneous Revenues	300,000.00	287.00	8,103.79	2.70	291,896.21
110-39601.000 FEMA Grant	0.00	0.00	0.00	0.00	0.00
110-39602.000 Lease Proceeds	0.00	0.00	0.00	0.00	0.00
110-39603.000 SEMA Grant	0.00	0.00	0.00	0.00	0.00
110-39604.000 Insurance claim - Loss pre	0.00	0.00	0.00	0.00	0.00
110-39605.000 Joplin Tornado Assistance	0.00	0.00	0.00	0.00	0.00
110-39606.000 Payroll Overpayment Reimb	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	11,892,511.00	986,596.54	4,921,540.09	41.38	6,970,970.91

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

GENERAL ADMINISTRATION

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-41000.100 Salaries	402,483.00	5,883.09	197,279.45	49.02	205,203.55
110-41000.130 Salaries Overtime	0.00	0.00	0.00	0.00	0.00
110-41000.210 Health Insurance	60,072.00	(247.50)	26,436.65	44.01	33,635.35
110-41000.220 Fica	30,790.00	400.93	14,305.83	46.46	16,484.17
110-41000.230 Pension Plan	56,099.00	4,433.09	27,515.15	49.05	28,583.85
110-41000.260 Worker's Compensation	885.00	32.00	32.00	3.62	853.00
110-41000.290 Disability Insurance	3,064.00	0.00	555.62	18.13	2,508.38
TOTAL SALARIES & WAGES	553,393.00	10,501.61	266,124.70	48.09	287,268.30
SUPPLIES/SERVICES					
110-41000.310 Assessor's Expense	0.00	0.00	0.00	0.00	0.00
110-41000.311 Election Expense	8,000.00	43.25	43.25	0.54	7,956.75
110-41000.312 Mayor/Adm/Econ Dev Expense	0.00	0.00	0.00	0.00	0.00
110-41000.313 Council Expense	0.00	0.00	0.00	0.00	0.00
110-41000.320 Audit	31,500.00	0.00	25,000.00	79.37	6,500.00
110-41000.325 Physicals	0.00	0.00	0.00	0.00	0.00
110-41000.330 Legal Fees	0.00	0.00	0.00	0.00	0.00
110-41000.340 Recodification	5,000.00	0.00	4,479.98	89.60	520.02
110-41000.431 Vehicle Maintenance	1,000.00	0.00	2,119.21	211.92	(1,119.21)
110-41000.433 Building Maintenance	7,000.00	1,330.00	10,229.47	146.14	(3,229.47)
110-41000.498 Special Events	0.00	0.00	0.00	0.00	0.00
110-41000.520 Other Insurance	10,500.00	0.00	11,025.94	105.01	(525.94)
110-41000.530 Telephone	7,300.00	388.51	2,426.33	33.24	4,873.67
110-41000.531 Computer Services	11,910.00	0.00	9,178.65	77.07	2,731.35
110-41000.540 Legal Publications & Adver	500.00	0.00	0.00	0.00	500.00
110-41000.550 Dues & Subscriptions	4,500.00	2,442.86	2,538.86	56.42	1,961.14
110-41000.600 General Office Expense	18,000.00	761.41	5,334.65	29.64	12,665.35
110-41000.622 Utilities	11,000.00	1,054.62	4,734.89	43.04	6,265.11
110-41000.626 Gasoline	3,000.00	134.77	849.78	28.33	2,150.22
110-41000.698 Penalties	0.00	0.00	0.00	0.00	0.00
110-41000.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	119,210.00	6,155.42	77,961.01	65.40	41,248.99
TRAVEL/TRAINING					
110-41000.700 Travel/Training	10,000.00	180.00	1,371.98	13.72	8,628.02
TOTAL TRAVEL/TRAINING	10,000.00	180.00	1,371.98	13.72	8,628.02
CAPITAL & OTHER USES					
110-41000.800 Capital Outlay	22,300.00	1,293.00	7,520.12	33.72	14,779.88
TOTAL CAPITAL & OTHER USES	22,300.00	1,293.00	7,520.12	33.72	14,779.88
TOTAL GENERAL ADMINISTRATION	704,903.00	18,130.03	352,977.81	50.07	351,925.19

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

CITY ATTORNEY

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-41530.100 Salaries	73,181.00	5,572.80	36,024.25	49.23	37,156.75
110-41530.101 Salaries	0.00	0.00	0.00	0.00	0.00
110-41530.210 Health Insurance	9,575.00	388.93	4,206.35	43.93	5,368.65
110-41530.220 Fica	5,598.00	414.44	2,655.04	47.43	2,942.96
110-41530.230 Pension Plan	10,046.00	0.00	0.00	0.00	10,046.00
110-41530.260 Worker's Compensation	146.00	4.00	4.00	2.74	142.00
110-41530.290 Disability Insurance	563.00	0.00	88.03	15.64	474.97
TOTAL SALARIES & WAGES	99,109.00	6,380.17	42,977.67	43.36	56,131.33
SUPPLIES/SERVICES					
110-41530.550 Dues & Subscriptions	150.00	0.00	0.00	0.00	150.00
110-41530.600 City Attorney's Office Exp	5,500.00	0.00	464.48	8.45	5,035.52
110-41530.640 City Attorney's Library Ex	6,400.00	568.13	3,408.78	53.26	2,991.22
TOTAL SUPPLIES/SERVICES	12,050.00	568.13	3,873.26	32.14	8,176.74
TRAVEL/TRAINING					
110-41530.700 City Attorney's Travel Exp	850.00	0.00	0.00	0.00	850.00
TOTAL TRAVEL/TRAINING	850.00	0.00	0.00	0.00	850.00
TOTAL CITY ATTORNEY	112,009.00	6,948.30	46,850.93	41.83	65,158.07

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

PUBLIC WORKS DEPARTMENT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-41910.100 Salaries	342,191.00	25,913.60	165,388.19	48.33	176,802.81
110-41910.130 Salaries Overtime	0.00	0.00	0.00	0.00	0.00
110-41910.210 Health Insurance	56,671.00	2,219.47	22,786.03	40.21	33,884.97
110-41910.220 Fica	26,178.00	2,003.25	12,544.61	47.92	13,633.39
110-41910.230 Pension Plan	48,249.00	3,387.80	22,070.97	45.74	26,178.03
110-41910.260 Worker's Compensation	16,167.00	24.00	24.00	0.15	16,143.00
110-41910.290 Disability Insurance	2,635.00	0.00	393.06	14.92	2,241.94
TOTAL SALARIES & WAGES	492,091.00	33,548.12	223,206.86	45.36	268,884.14
SUPPLIES/SERVICES					
110-41910.320 Professional Fees	110,000.00	8,659.00	63,897.50	58.09	46,102.50
110-41910.325 Physicals	0.00	0.00	0.00	0.00	0.00
110-41910.340 Tank Tests/Wells/Technical	0.00	0.00	0.00	0.00	0.00
110-41910.421 Demolition/Disposal	0.00	0.00	0.00	0.00	0.00
110-41910.431 Vehicle Maintenance	2,000.00	0.00	27.23	1.36	1,972.77
110-41910.433 Building Maintenance	1,000.00	0.00	0.00	0.00	1,000.00
110-41910.500 Uniform Expense	1,650.00	50.84	230.07	13.94	1,419.93
110-41910.520 Other Insurance	5,200.00	0.00	5,373.07	103.33	(173.07)
110-41910.530 Telephone	5,700.00	303.71	3,223.23	56.55	2,476.77
110-41910.540 Legal Publications & Adver	1,750.00	37.00	154.00	8.80	1,596.00
110-41910.550 Dues & Subscriptions	6,650.00	75.75	172.90	2.60	6,477.10
110-41910.600 General Office Expense	6,800.00	546.22	1,273.20	18.72	5,526.80
110-41910.603 Engineering Supplies	1,500.00	0.00	0.00	0.00	1,500.00
110-41910.622 Utilities	2,500.00	409.71	1,928.42	77.14	571.58
110-41910.626 Gasoline	5,200.00	420.58	2,342.19	45.04	2,857.81
110-41910.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	149,950.00	10,502.81	78,621.81	52.43	71,328.19
TRAVEL/TRAINING					
110-41910.700 Travel/Training	750.00	0.00	0.00	0.00	750.00
TOTAL TRAVEL/TRAINING	750.00	0.00	0.00	0.00	750.00
CAPITAL & OTHER USES					
110-41910.800 Capital Outlay	659,000.00	1,649.00	25,730.50	3.90	633,269.50
TOTAL CAPITAL & OTHER USES	659,000.00	1,649.00	25,730.50	3.90	633,269.50
TOTAL PUBLIC WORKS DEPARTMENT	1,301,791.00	45,699.93	327,559.17	25.16	974,231.83

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

MUNICIPAL COURT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-42000.100 Salaries	98,587.00	7,428.68	46,154.59	46.82	52,432.41
110-42000.130 Salaries Overtime	0.00	0.00	0.00	0.00	0.00
110-42000.210 Health Insurance	7,522.00	305.09	3,051.06	40.56	4,470.94
110-42000.220 FICA	7,542.00	586.45	3,535.54	46.88	4,006.46
110-42000.230 Pension Plan	10,376.00	818.58	4,736.95	45.65	5,639.05
110-42000.250 Workers' Compensation	0.00	0.00	0.00	0.00	0.00
110-42000.260 Worker's Compensation	205.00	4.00	4.00	1.95	201.00
110-42000.290 Disability Insurance	567.00	0.00	86.96	15.34	480.04
TOTAL SALARIES & WAGES	124,799.00	9,142.80	57,569.10	46.13	67,229.90
SUPPLIES/SERVICES					
110-42000.320 Professional Fees	4,500.00	277.50	1,965.00	43.67	2,535.00
110-42000.520 Other Insurance	0.00	0.00	0.00	0.00	0.00
110-42000.531 Computer Services	2,590.00	0.00	2,372.13	91.59	217.87
110-42000.550 Dues & Subscriptions	280.00	0.00	0.00	0.00	280.00
110-42000.600 General Office Expense	5,200.00	161.93	2,383.10	45.83	2,816.90
TOTAL SUPPLIES/SERVICES	12,570.00	439.43	6,720.23	53.46	5,849.77
TRAVEL/TRAINING					
110-42000.700 Travel/Training	4,265.00	69.75	1,011.23	23.71	3,253.77
TOTAL TRAVEL/TRAINING	4,265.00	69.75	1,011.23	23.71	3,253.77
CAPITAL & OTHER USES					
110-42000.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	0.00	0.00	0.00	0.00	0.00
TOTAL MUNICIPAL COURT	141,634.00	9,651.98	65,300.56	46.11	76,333.44

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

POLICE DEPARTMENT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-42110.100 Salaries	1,899,076.00	127,316.50	785,107.59	41.34	1,113,968.41
110-42110.130 Salaries Overtime	170,035.00	20,303.69	153,858.28	90.49	16,176.72
110-42110.210 Health Insurance	386,481.00	12,635.17	133,523.29	34.55	252,957.71
110-42110.220 Fica	158,287.00	11,038.80	69,524.42	43.92	88,762.58
110-42110.230 Pension Plan	363,601.00	27,951.28	176,384.18	48.51	187,216.82
110-42110.250 Unemployment	0.00	0.00	0.00	0.00	0.00
110-42110.260 Worker's Compensation	87,192.00	136.00	136.00	0.16	87,056.00
110-42110.290 Disability Insurance	15,932.00	0.00	1,703.29	10.69	14,228.71
TOTAL SALARIES & WAGES	3,080,604.00	199,381.44	1,320,237.05	42.86	1,760,366.95
SUPPLIES/SERVICES					
110-42110.310 Chief's Expense	0.00	0.00	0.00	0.00	0.00
110-42110.320 Professional Fees	12,480.00	1,008.00	5,774.40	46.27	6,705.60
110-42110.325 Physicals	3,000.00	276.75	2,276.50	75.88	723.50
110-42110.330 Public Relations/Crime Pre	1,000.00	216.32	216.32	21.63	783.68
110-42110.331 Dare Program	1,400.00	1,112.89	1,112.89	79.49	287.11
110-42110.431 Vehicle Maintenance	22,000.00	4,886.28	23,356.58	106.17	(1,356.58)
110-42110.433 Building Maintenance	12,670.00	276.69	6,177.28	48.76	6,492.72
110-42110.434 Radio Maintenance	26,150.00	1,617.00	7,786.00	29.77	18,364.00
110-42110.497 Grant Match	0.00	0.00	0.00	0.00	0.00
110-42110.498 Special Events	16,000.00	0.00	12,490.45	78.07	3,509.55
110-42110.500 Uniform Expense	17,500.00	997.23	5,895.95	33.69	11,604.05
110-42110.505 Equipment Allowance	3,100.00	0.00	3,000.00	96.77	100.00
110-42110.506 Id & Evidence	6,000.00	761.78	2,859.34	47.66	3,140.66
110-42110.507 Prisoner Expense	56,000.00	0.00	48,036.00	85.78	7,964.00
110-42110.508 Ammo, Tear Gas.Etc.	6,500.00	0.00	561.24	8.63	5,938.76
110-42110.520 Other Insurance	45,500.00	0.00	51,002.20	112.09	(5,502.20)
110-42110.530 Telephone	15,570.00	769.97	10,043.11	64.50	5,526.89
110-42110.531 Computer Services	60,000.00	35,455.19	49,506.53	82.51	10,493.47
110-42110.550 Dues & Subscriptions	1,000.00	16.04	476.08	47.61	523.92
110-42110.581 Training	0.00	0.00	0.00	0.00	0.00
110-42110.600 General Office Expense	12,000.00	1,157.06	3,664.19	30.53	8,335.81
110-42110.622 Utilities	17,600.00	1,497.00	7,010.56	39.83	10,589.44
110-42110.626 Gasoline	78,430.00	5,904.64	35,531.76	45.30	42,898.24
110-42110.666 Ada Modifications	0.00	0.00	0.00	0.00	0.00
110-42110.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	413,900.00	55,952.84	276,777.38	66.87	137,122.62
TRAVEL/TRAINING					
110-42110.700 Travel/Training	52,470.00	1,198.95	10,015.60	19.09	42,454.40
TOTAL TRAVEL/TRAINING	52,470.00	1,198.95	10,015.60	19.09	42,454.40

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

POLICE DEPARTMENT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
CAPITAL & OTHER USES					
110-42110.800 Capital Outlay	63,187.00	(24,001.01)	47,022.70	74.42	16,164.30
TOTAL CAPITAL & OTHER USES	63,187.00	(24,001.01)	47,022.70	74.42	16,164.30
TOTAL POLICE DEPARTMENT	3,610,161.00	232,532.22	1,654,052.73	45.82	1,956,108.27

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

CITY TAXI SERVICE

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-42152.100 Salaries	57,330.00	4,023.08	24,107.27	42.05	33,222.73
110-42152.130 Salaries - Overtime	0.00	0.00	0.00	0.00	0.00
110-42152.210 Health Insurance	0.00	0.00	0.00	0.00	0.00
110-42152.220 Fica	4,386.00	307.77	1,856.90	42.34	2,529.10
110-42152.230 Pension Plan	0.00	0.00	0.00	0.00	0.00
110-42152.250 Unemployment	0.00	0.00	0.00	0.00	0.00
110-42152.260 Worker's Compensation	4,162.00	4.00	4.00	0.10	4,158.00
110-42152.290 Disability Insurance	0.00	0.00	0.00	0.00	0.00
TOTAL SALARIES & WAGES	65,878.00	4,334.85	25,968.17	39.42	39,909.83
SUPPLIES/SERVICES					
110-42152.431 Vehicle Maintenance	3,350.00	46.49	(2,008.76)	59.96-	5,358.76
110-42152.434 Radio Maintenance	0.00	0.00	0.00	0.00	0.00
110-42152.520 Other Insurance	1,100.00	0.00	1,169.20	106.29	(69.20)
110-42152.530 Telephone	1,125.00	0.00	436.33	38.78	688.67
110-42152.540 Legal Publications & Adver	200.00	0.00	0.00	0.00	200.00
110-42152.600 General Office Expense	650.00	0.00	40.74	6.27	609.26
110-42152.626 Gasoline	8,280.00	579.24	5,167.91	62.41	3,112.09
TOTAL SUPPLIES/SERVICES	14,705.00	625.73	4,805.42	32.68	9,899.58
TRAVEL/TRAINING					
110-42152.700 Travel/Training	300.00	0.00	0.00	0.00	300.00
TOTAL TRAVEL/TRAINING	300.00	0.00	0.00	0.00	300.00
CAPITAL & OTHER USES					
110-42152.800 Capital Outlay	52,000.00	0.00	0.00	0.00	52,000.00
TOTAL CAPITAL & OTHER USES	52,000.00	0.00	0.00	0.00	52,000.00
TOTAL CITY TAXI SERVICE	132,883.00	4,960.58	30,773.59	23.16	102,109.41

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

FIRE DEPARTMENT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-42210.100 Salaries	1,250,883.00	100,689.55	616,497.35	49.28	634,385.65
110-42210.130 Salaries Overtime	100,500.00	17,909.63	61,460.22	61.15	39,039.78
110-42210.210 Health Insurance	274,825.00	10,586.98	117,467.69	42.74	157,357.31
110-42210.220 Fica	103,381.00	8,846.74	48,990.38	47.39	54,390.62
110-42210.230 Pension Plan	284,815.00	25,399.58	143,640.89	50.43	141,174.11
110-42210.250 Unemployment	0.00	0.00	0.00	0.00	0.00
110-42210.260 Worker's Compensation	106,248.00	80.00	80.00	0.08	106,168.00
110-42210.290 Disability Insurance	10,387.00	0.00	1,415.25	13.63	8,971.75
TOTAL SALARIES & WAGES	2,131,039.00	163,512.48	989,551.78	46.44	1,141,487.22
SUPPLIES/SERVICES					
110-42210.325 Physicals	17,000.00	4,941.00	14,936.00	87.86	2,064.00
110-42210.431 Vehicle Maintenance	20,000.00	1,339.93	16,362.87	81.81	3,637.13
110-42210.432 Equipment Repairs	4,500.00	34.78	2,080.24	46.23	2,419.76
110-42210.433 Building Maintenance	18,875.00	293.22	5,565.86	29.49	13,309.14
110-42210.434 Radio Maintenance	1,900.00	0.00	0.00	0.00	1,900.00
110-42210.500 Uniform Expense	6,000.00	0.00	983.48	16.39	5,016.52
110-42210.520 Other Insurance	36,260.00	0.00	35,255.59	97.23	1,004.41
110-42210.530 Telephone	10,500.00	637.69	4,511.38	42.97	5,988.62
110-42210.531 Computer Services	1,200.00	0.00	0.00	0.00	1,200.00
110-42210.550 Dues & Subscriptions	6,000.00	0.00	1,544.34	25.74	4,455.66
110-42210.555 Fire Safety Info/Code Enfo	2,000.00	0.00	353.19	17.66	1,646.81
110-42210.600 General Office Expense	4,000.00	119.34	854.38	21.36	3,145.62
110-42210.605 General Tools & Supplies	4,000.00	30.99	462.26	11.56	3,537.74
110-42210.615 Safety Equipment	7,300.00	136.90	905.34	12.40	6,394.66
110-42210.622 Utilities	28,000.00	2,727.79	11,920.65	42.57	16,079.35
110-42210.626 Gasoline	25,300.00	2,532.12	14,167.05	56.00	11,132.95
110-42210.699 Miscellaneous	500.00	0.00	148.52	29.70	351.48
TOTAL SUPPLIES/SERVICES	193,335.00	12,793.76	110,051.15	56.92	83,283.85
TRAVEL/TRAINING					
110-42210.700 Travel/Training	8,175.00	680.00	890.00	10.89	7,285.00
TOTAL TRAVEL/TRAINING	8,175.00	680.00	890.00	10.89	7,285.00
CAPITAL & OTHER USES					
110-42210.800 Capital Outlay	33,000.00	0.00	17,790.00	53.91	15,210.00
TOTAL CAPITAL & OTHER USES	33,000.00	0.00	17,790.00	53.91	15,210.00
TOTAL FIRE DEPARTMENT	2,365,549.00	176,986.24	1,118,282.93	47.27	1,247,266.07

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

EMERGENCY MANAGEMENT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-42910.260 Worker's Compensation	0.00	0.00	0.00	0.00	0.00
TOTAL SALARIES & WAGES	0.00	0.00	0.00	0.00	0.00
SUPPLIES/SERVICES					
110-42910.340 Weather System	100.00	0.00	0.00	0.00	100.00
110-42910.432 Equipment Repairs	2,000.00	0.00	350.00	17.50	1,650.00
110-42910.434 Radio Maintenance	400.00	0.00	0.00	0.00	400.00
110-42910.498 Special Events	0.00	0.00	0.00	0.00	0.00
110-42910.500 Uniform Expense	0.00	0.00	0.00	0.00	0.00
110-42910.530 Telephone	900.00	0.00	310.51	34.50	589.49
110-42910.600 General Office Expense	3,150.00	0.00	0.00	0.00	3,150.00
110-42910.622 Utilities	1,000.00	84.98	482.08	48.21	517.92
110-42910.626 Gasoline	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	7,550.00	84.98	1,142.59	15.13	6,407.41
TRAVEL/TRAINING					
110-42910.700 Travel/Training	1,400.00	0.00	0.00	0.00	1,400.00
TOTAL TRAVEL/TRAINING	1,400.00	0.00	0.00	0.00	1,400.00
CAPITAL & OTHER USES					
110-42910.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	0.00	0.00	0.00	0.00	0.00
TOTAL EMERGENCY MANAGEMENT	8,950.00	84.98	1,142.59	12.77	7,807.41

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

STREET DEPARTMENT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-43100.100 Salaries	694,677.00	50,237.23	305,878.22	44.03	388,798.78
110-43100.130 Salaries Overtime	5,000.00	390.65	1,637.55	32.75	3,362.45
110-43100.210 Health Insurance	174,674.00	6,952.75	66,393.77	38.01	108,280.23
110-43100.220 Fica	53,525.00	3,762.94	22,437.65	41.92	31,087.35
110-43100.230 Pension Plan	98,654.00	5,624.18	36,502.68	37.00	62,151.32
110-43100.250 Unemployment	0.00	0.00	0.00	0.00	0.00
110-43100.260 Worker's Compensation	59,644.00	52.00	52.00	0.09	59,592.00
110-43100.290 Disability Insurance	5,388.00	0.00	690.77	12.82	4,697.23
TOTAL SALARIES & WAGES	1,091,562.00	67,019.75	433,592.64	39.72	657,969.36
SUPPLIES/SERVICES					
110-43100.325 Physicals	1,500.00	0.00	0.00	0.00	1,500.00
110-43100.431 Vehicle Maintenance	50,000.00	654.49	14,936.27	29.87	35,063.73
110-43100.433 Building Maintenance	2,500.00	50.00	5,500.00	220.00	(3,000.00)
110-43100.500 Uniform Expense	8,000.00	667.12	4,333.16	54.16	3,666.84
110-43100.520 Other Insurance	16,350.00	0.00	17,850.84	109.18	(1,500.84)
110-43100.530 Telephone	680.00	55.36	333.28	49.01	346.72
110-43100.600 General Office Expense	1,300.00	91.29	305.73	23.52	994.27
110-43100.605 General Tools & Supplies	15,000.00	1,015.32	7,991.63	53.28	7,008.37
110-43100.622 Utilities	8,500.00	1,032.49	2,979.44	35.05	5,520.56
110-43100.626 Gasoline	50,000.00	5,136.60	22,386.96	44.77	27,613.04
110-43100.650 Ditch Materials	7,000.00	0.00	86.25	1.23	6,913.75
110-43100.651 Fogging Supplies	0.00	0.00	0.00	0.00	0.00
110-43100.652 Misc. City Improvements	175,000.00	14,035.10	79,278.92	45.30	95,721.08
110-43100.653 Traffic Signs & Paint	15,000.00	(57.43)	445.97	2.97	14,554.03
110-43100.654 Street Name Sign Project	1,000.00	0.00	0.00	0.00	1,000.00
110-43100.655 Storm Sewer Repairs	1,200.00	0.00	0.00	0.00	1,200.00
110-43100.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	353,030.00	22,680.34	156,428.45	44.31	196,601.55
TRAVEL/TRAINING					
110-43100.700 Travel/Training	0.00	0.00	3,700.00	0.00	(3,700.00)
TOTAL TRAVEL/TRAINING	0.00	0.00	3,700.00	0.00	(3,700.00)
CAPITAL & OTHER USES					
110-43100.800 Capital Outlay	275,361.00	165,107.61	203,300.72	73.83	72,060.28
TOTAL CAPITAL & OTHER USES	275,361.00	165,107.61	203,300.72	73.83	72,060.28
TOTAL STREET DEPARTMENT	1,719,953.00	254,807.70	797,021.81	46.34	922,931.19

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

STREET & ENGENEERING PRJ

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
CAPITAL & OTHER USES					
110-43121.800 Capital Outlay	238,000.00	0.00	0.00	0.00	238,000.00
TOTAL CAPITAL & OTHER USES	238,000.00	0.00	0.00	0.00	238,000.00
TOTAL STREET & ENGENEERING PRJ	238,000.00	0.00	0.00	0.00	238,000.00

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

PARKS DEPARTMENT

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-45121.100 Salaries	286,063.00	15,288.04	129,672.16	45.33	156,390.84
110-45121.130 Salaries - Overtime	6,126.00	0.00	1,962.94	32.04	4,163.06
110-45121.210 Health Insurance	44,449.00	1,525.45	13,226.14	29.76	31,222.86
110-45121.220 Fica	21,833.00	1,163.70	9,899.34	45.34	11,933.66
110-45121.230 Pension Plan	30,951.00	1,257.86	5,369.91	17.35	25,581.09
110-45121.250 Unemployment	0.00	0.00	6,612.00	0.00	(6,612.00)
110-45121.260 Worker's Compensation	11,874.00	24.00	24.00	0.20	11,850.00
110-45121.290 Disability Insurance	2,185.00	0.00	278.79	12.76	1,906.21
TOTAL SALARIES & WAGES	403,481.00	19,259.05	167,045.28	41.40	236,435.72
SUPPLIES/SERVICES					
110-45121.430 Maintenance	40,000.00	1,028.22	5,395.40	13.49	34,604.60
110-45121.431 Vehicle Maintenance	7,000.00	988.51	4,233.24	60.47	2,766.76
110-45121.432 Equipment Repairs	12,000.00	578.59	3,262.21	27.19	8,737.79
110-45121.433 Building Maintenance	5,000.00	60.59	1,596.24	31.92	3,403.76
110-45121.435 Trees	500.00	0.00	0.00	0.00	500.00
110-45121.500 Uniform Expense	2,000.00	547.50	923.02	46.15	1,076.98
110-45121.520 Other Insurance	9,393.00	0.00	9,911.34	105.52	(518.34)
110-45121.530 Telephone	1,500.00	90.82	749.73	49.98	750.27
110-45121.550 Dues & Subscriptions	800.00	14.99	63.66	7.96	736.34
110-45121.600 General Office Expense	2,000.00	393.27	1,146.80	57.34	853.20
110-45121.605 General Tools & Supplies	4,000.00	695.86	910.46	22.76	3,089.54
110-45121.622 Utilities	54,000.00	3,618.64	28,456.60	52.70	25,543.40
110-45121.626 Gasoline	21,850.00	2,101.86	9,536.75	43.65	12,313.25
110-45121.699 Miscellaneous	0.00	0.00	384.40	0.00	(384.40)
TOTAL SUPPLIES/SERVICES	160,043.00	10,118.85	66,569.85	41.59	93,473.15
TRAVEL/TRAINING					
110-45121.700 Travel/Training	2,000.00	0.00	1,335.00	66.75	665.00
TOTAL TRAVEL/TRAINING	2,000.00	0.00	1,335.00	66.75	665.00
CAPITAL & OTHER USES					
110-45121.800 Capital Outlay	72,000.00	0.00	22,158.00	30.78	49,842.00
TOTAL CAPITAL & OTHER USES	72,000.00	0.00	22,158.00	30.78	49,842.00
TOTAL PARKS DEPARTMENT	637,524.00	29,377.90	257,108.13	40.33	380,415.87

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

POOL

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-45124.100 Salaries	0.00	0.00	0.00	0.00	0.00
110-45124.130 Salaries - Overtime	0.00	0.00	0.00	0.00	0.00
110-45124.220 Fica	0.00	0.00	0.00	0.00	0.00
110-45124.260 Worker's Compensation	0.00	0.00	0.00	0.00	0.00
TOTAL SALARIES & WAGES	0.00	0.00	0.00	0.00	0.00
SUPPLIES/SERVICES					
110-45124.300 Contract Services / Mgmt F	70,000.00	0.00	40,000.00	57.14	30,000.00
110-45124.430 Maintenance	3,000.00	0.00	919.44	30.65	2,080.56
110-45124.500 Uniform Expense	0.00	0.00	0.00	0.00	0.00
110-45124.520 Other Insurance	1,670.00	0.00	1,732.32	103.73	(62.32)
110-45124.530 Telephone	350.00	22.71	136.81	39.09	213.19
110-45124.600 General Office Expense	0.00	0.00	0.00	0.00	0.00
110-45124.603 Concession Purchases	0.00	0.00	0.00	0.00	0.00
110-45124.605 General Tools & Supplies	2,500.00	0.00	0.00	0.00	2,500.00
110-45124.622 Utilities	12,000.00	193.38	7,454.15	62.12	4,545.85
TOTAL SUPPLIES/SERVICES	89,520.00	216.09	50,242.72	56.12	39,277.28
TRAVEL/TRAINING					
110-45124.700 Travel/Training	0.00	0.00	0.00	0.00	0.00
TOTAL TRAVEL/TRAINING	0.00	0.00	0.00	0.00	0.00
CAPITAL & OTHER USES					
110-45124.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	0.00	0.00	0.00	0.00	0.00
TOTAL POOL	89,520.00	216.09	50,242.72	56.12	39,277.28

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

MEMORIAL HALL

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-45127.100 Salaries	85,646.00	6,591.25	41,595.24	48.57	44,050.76
110-45127.130 Salaries Overtime	0.00	0.00	0.00	0.00	0.00
110-45127.210 Health Insurance	11,541.00	469.23	5,069.90	43.93	6,471.10
110-45127.220 Fica	6,520.00	490.20	3,049.40	46.77	3,470.60
110-45127.230 Pension Plan	6,628.00	509.83	3,270.09	49.34	3,357.91
110-45127.250 Unemployment	0.00	0.00	0.00	0.00	0.00
110-45127.260 Worker's Compensation	2,110.00	8.00	8.00	0.38	2,102.00
110-45127.290 Disability Insurance	656.00	0.00	56.55	8.62	599.45
TOTAL SALARIES & WAGES	113,101.00	8,068.51	53,049.18	46.90	60,051.82
SUPPLIES/SERVICES					
110-45127.325 Physicals	0.00	0.00	0.00	0.00	0.00
110-45127.433 Building Maintenance	20,424.00	7,275.02	13,238.14	64.82	7,185.86
110-45127.520 Other Insurance	11,260.00	0.00	11,607.67	103.09	(347.67)
110-45127.530 Telephone	2,000.00	217.24	1,036.65	51.83	963.35
110-45127.540 Advertising	3,000.00	0.00	0.00	0.00	3,000.00
110-45127.600 General Office Expense	600.00	0.00	205.56	34.26	394.44
110-45127.605 General Tools & Supplies	6,000.00	79.24	1,557.93	25.97	4,442.07
110-45127.622 Utilities	27,500.00	1,318.74	11,031.47	40.11	16,468.53
110-45127.666 Ada Modifications	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	70,784.00	8,890.24	38,677.42	54.64	32,106.58
TRAVEL/TRAINING					
110-45127.700 Travel/Training	0.00	0.00	0.00	0.00	0.00
TOTAL TRAVEL/TRAINING	0.00	0.00	0.00	0.00	0.00
CAPITAL & OTHER USES					
110-45127.800 Capital Outlay	37,900.00	1,735.39	1,735.39	4.58	36,164.61
TOTAL CAPITAL & OTHER USES	37,900.00	1,735.39	1,735.39	4.58	36,164.61
TOTAL MEMORIAL HALL	221,785.00	18,694.14	93,461.99	42.14	128,323.01

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

CIVIL WAR MUSEUM

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-45132.100 Salaries	29,016.00	2,232.00	14,986.32	51.65	14,029.68
110-45132.130 Salaries Overtime	0.00	0.00	0.00	0.00	0.00
110-45132.220 Fica	2,220.00	170.75	1,152.54	51.92	1,067.46
110-45132.260 Worker's Compensation	64.00	0.00	0.00	0.00	64.00
110-45132.290 Disability Insurance	223.00	0.00	0.00	0.00	223.00
TOTAL SALARIES & WAGES	31,523.00	2,402.75	16,138.86	51.20	15,384.14
SUPPLIES/SERVICES					
110-45132.433 Building Maintenance	2,000.00	188.33	1,531.02	76.55	468.98
110-45132.520 Other Insurance	1,300.00	0.00	1,345.17	103.47	(45.17)
110-45132.530 Telephone	275.00	22.71	136.81	49.75	138.19
110-45132.540 Advertising	2,000.00	0.00	0.00	0.00	2,000.00
110-45132.600 General Office Expense	300.00	14.38	314.38	104.79	(14.38)
110-45132.622 Utilities	4,250.00	155.19	1,680.33	39.54	2,569.67
110-45132.645 Retail Inventory	5,000.00	449.14	2,402.00	48.04	2,598.00
110-45132.666 Ada Modifications	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	15,125.00	829.75	7,409.71	48.99	7,715.29
CAPITAL & OTHER USES					
110-45132.800 Capital Outlay	6,000.00	0.00	0.00	0.00	6,000.00
TOTAL CAPITAL & OTHER USES	6,000.00	0.00	0.00	0.00	6,000.00
TOTAL CIVIL WAR MUSEUM	52,648.00	3,232.50	23,548.57	44.73	29,099.43

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

CENTRAL MUNI ACTIVITIES

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-46636.100 Salaries	0.00	0.00	0.00	0.00	0.00
110-46636.210 Health Insurance	0.00	0.00	0.00	0.00	0.00
110-46636.220 Fica	371.00	0.00	292.51	78.84	78.49
110-46636.230 Pension Plan	0.00	0.00	0.00	0.00	0.00
110-46636.260 Worker's Compensation	11.00	0.00	0.00	0.00	11.00
110-46636.290 Sick Leave Payout	4,850.00	0.00	3,550.63	73.21	1,299.37
110-46636.291 Disability Insurance	0.00	0.00	0.00	0.00	0.00
TOTAL SALARIES & WAGES	5,232.00	0.00	3,843.14	73.45	1,388.86
SUPPLIES/SERVICES					
110-46636.301 Economic Development	20,000.00	0.00	0.00	0.00	20,000.00
110-46636.302 Main Street Carthage, Inc.	25,600.00	2,133.33	12,800.02	50.00	12,799.98
110-46636.303 Lafayette House	4,000.00	616.76	2,930.15	73.25	1,069.85
110-46636.313 Council Expense	6,000.00	1,499.90	2,949.90	49.17	3,050.10
110-46636.320 Professional Fees	88,000.00	3,635.02	9,802.01	11.14	78,197.99
110-46636.330 Harry Truman Council of Go	4,601.00	0.00	4,967.04	107.96	(366.04)
110-46636.335 Personnel Study	0.00	0.00	0.00	0.00	0.00
110-46636.409 Utilities/Kellogg Fountain	7,500.00	180.85	1,680.30	22.40	5,819.70
110-46636.410 Utilities/P.I.L.O.T.	180,000.00	21,323.06	116,730.91	64.85	63,269.09
110-46636.430 Senior Center/Building Mtn	2,000.00	26.99	707.13	35.36	1,292.87
110-46636.436 Senior Citizen's Center	21,000.00	2,105.69	8,752.77	41.68	12,247.23
110-46636.440 Youth Programs Contract/Ut	0.00	0.00	0.00	0.00	0.00
110-46636.496 Recovery Act Expenditures	0.00	0.00	0.00	0.00	0.00
110-46636.497 Grant Match	0.00	0.00	0.00	0.00	0.00
110-46636.498 Fireworks/Matching	22,000.00	0.00	9,472.01	43.05	12,527.99
110-46636.499 Employees (Christmas/Welln	20,000.00	7,773.95	14,297.56	71.49	5,702.44
110-46636.520 Other Insurance	0.00	0.00	0.00	0.00	0.00
110-46636.530 Computer Services	100.00	0.00	0.00	0.00	100.00
110-46636.531 Weather System	0.00	0.00	0.00	0.00	0.00
110-46636.550 Dues & Subscriptions	25,000.00	1,971.92	13,168.48	52.67	11,831.52
110-46636.622 Utilities	0.00	0.00	0.00	0.00	0.00
110-46636.640 Library Pers Prop Tax Reim	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	425,801.00	41,267.47	198,258.28	46.56	227,542.72
TRAVEL/TRAINING					
110-46636.700 Travel/Training	9,000.00	0.00	3,493.68	38.82	5,506.32
TOTAL TRAVEL/TRAINING	9,000.00	0.00	3,493.68	38.82	5,506.32
CAPITAL & OTHER USES					
110-46636.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
110-46636.801 Transfer to Other Funds	803,611.00	0.00	0.00	0.00	803,611.00
110-46636.831 Council Contingency	25,000.00	15,851.23	16,817.46	67.27	8,182.54
110-46636.832 Bond Payment	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	828,611.00	15,851.23	16,817.46	2.03	811,793.54
TOTAL CENTRAL MUNI ACTIVITIES	1,268,644.00	57,118.70	222,412.56	17.53	1,046,231.44

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

INFORMATION TECHNOLOGY

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
110-46700.100 Salaries	99,770.00	7,600.00	49,128.69	49.24	50,641.31
110-46700.130 Salaries Overtime	123.00	0.00	0.00	0.00	123.00
110-46700.210 Health Insurance	15,043.00	694.02	7,511.16	49.93	7,531.84
110-46700.220 FICA	7,632.00	567.00	3,636.79	47.65	3,995.21
110-46700.230 Pension Plan	14,068.00	1,071.60	6,930.21	49.26	7,137.79
110-46700.260 Workers' Compensation	219.00	4.00	4.00	1.83	215.00
110-46700.290 Disability Insurance	768.00	0.00	120.05	15.63	647.95
TOTAL SALARIES & WAGES	137,623.00	9,936.62	67,330.90	48.92	70,292.10
SUPPLIES/SERVICES					
110-46700.520 Other Insurance	0.00	0.00	0.00	0.00	0.00
110-46700.530 Telephone	480.00	0.00	301.50	62.81	178.50
110-46700.531 Computer Services	32,000.00	1,548.41	11,234.86	35.11	20,765.14
110-46700.540 Legal Pubs & Advertising	450.00	0.00	35.00	7.78	415.00
110-46700.550 Dues & Subscriptions	450.00	0.00	0.00	0.00	450.00
110-46700.600 General Office Expense	2,900.00	0.00	384.34	13.25	2,515.66
110-46700.622 Utilities	0.00	0.00	0.00	0.00	0.00
110-46700.699 Miscellaneous	2,200.00	328.22	696.21	31.65	1,503.79
TOTAL SUPPLIES/SERVICES	38,480.00	1,876.63	12,651.91	32.88	25,828.09
TRAVEL/TRAINING					
110-46700.700 Travel/Training	1,400.00	0.00	483.70	34.55	916.30
TOTAL TRAVEL/TRAINING	1,400.00	0.00	483.70	34.55	916.30
CAPITAL & OTHER USES					
110-46700.800 Capital Outlay	64,282.00	3,925.23	9,106.90	14.17	55,175.10
TOTAL CAPITAL & OTHER USES	64,282.00	3,925.23	9,106.90	14.17	55,175.10
TOTAL INFORMATION TECHNOLOGY	241,785.00	15,738.48	89,573.41	37.05	152,211.59

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

110-GENERAL REVENUE

CAPITAL IMPROVEMENTS

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
CAPITAL & OTHER USES					
110-47120.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
110-47120.823 Bond Payment	0.00	0.00	0.00	0.00	0.00
110-47120.824 Sidewalk Repair/Incentive	0.00	0.00	0.00	0.00	0.00
110-47120.825 Grant Match Over 60/CDBG	0.00	0.00	0.00	0.00	0.00
110-47120.826 Incentive Program/Curb/Pav	0.00	0.00	0.00	0.00	0.00
110-47120.827 Storm Wtr Ditch/River to P	0.00	0.00	0.00	0.00	0.00
110-47120.828 Fiber Electronics	0.00	0.00	0.00	0.00	0.00
110-47120.829 Myers Park Development	0.00	0.00	0.00	0.00	0.00
110-47120.830 Memorial Hall Renovation	0.00	0.00	0.00	0.00	0.00
110-47120.835 Street Dept Building	0.00	0.00	0.00	0.00	0.00
110-47120.836 Parks Dept Building	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	12,847,739.00	874,179.77	5,130,309.50	39.93	7,717,429.50
REVENUES OVER/(UNDER) EXPENDITURES	(955,228.00)	112,416.77	(208,769.41)		(746,458.59)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

121-PUBLIC HEALTH

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
121-31110.000 Personal Property Tax Reim	0.00	0.00	0.00	0.00	0.00
121-31111.000 Property Taxes	136,664.00	16,124.49	17,499.87	12.81	119,164.13
121-31122.000 Intangible Tax	20.00	0.25	0.25	1.25	19.75
121-34431.000 Landfill Revenue	3,000.00	40.00	1,845.00	61.50	1,155.00
121-34432.000 Dumpster Revenue	58,000.00	4,190.00	30,372.00	52.37	27,628.00
121-34433.000 Recycling Revenue	6,500.00	0.00	9,090.03	139.85	(2,590.03)
121-35200.000 Workers Comp Premium Retur	0.00	0.00	0.00	0.00	0.00
121-35501.000 Special Assessments	0.00	0.00	0.00	0.00	0.00
121-35502.000 Weeds/Special Assessments	5,000.00	0.00	2,547.50	50.95	2,452.50
121-35503.000 Grant Revenue	0.00	0.00	0.00	0.00	0.00
121-36110.000 Interest Income	2,000.00	1,851.18	8,663.21	433.16	(6,663.21)
121-36120.000 Lease Proceeds	0.00	0.00	0.00	0.00	0.00
121-36403.000 Grant Revenue	37,944.00	0.00	0.00	0.00	37,944.00
121-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
121-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
121-39602.000 Lease Proceeds	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	249,128.00	22,205.92	70,017.86	28.11	179,110.14

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

121-PUBLIC HEALTH

PUBLIC HEALTH

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
121-44110.100 Salaries	65,445.00	4,966.40	32,104.31	49.06	33,340.69
121-44110.130 SALARIES OVERTIME	0.00	0.00	0.00	0.00	0.00
121-44110.210 Health Insurance	17,096.00	610.18	6,609.63	38.66	10,486.37
121-44110.220 Fica	5,007.00	400.23	2,463.49	49.20	2,543.51
121-44110.230 Pension Plan	9,228.00	742.58	4,557.29	49.39	4,670.71
121-44110.260 Worker's Compensation	3,228.00	4.00	4.00	0.12	3,224.00
121-44110.290 Disability Insurance	504.00	0.00	78.45	15.57	425.55
TOTAL SALARIES & WAGES	100,508.00	6,723.39	45,817.17	45.59	54,690.83
SUPPLIES/SERVICES					
121-44110.320 Vet & Humane Society	38,000.00	3,217.96	17,968.32	47.29	20,031.68
121-44110.325 Physicals	0.00	0.00	0.00	0.00	0.00
121-44110.340 Landfill Testing	0.00	0.00	0.00	0.00	0.00
121-44110.341 Pest Control	3,250.00	0.00	0.00	0.00	3,250.00
121-44110.410 Misc Sanitation Charges	7,500.00	0.00	35,931.90	479.09	(28,431.90)
121-44110.415 Permits/Tonnage Fees	0.00	0.00	0.00	0.00	0.00
121-44110.421 Demolition	15,000.00	0.00	12,562.50	83.75	2,437.50
121-44110.422 Recycling	500.00	0.00	0.00	0.00	500.00
121-44110.423 Weed Enforcement	10,000.00	0.00	3,507.50	35.08	6,492.50
121-44110.432 Equipment Repairs	3,000.00	0.00	564.92	18.83	2,435.08
121-44110.435 Household Hazardous Waste	0.00	0.00	0.00	0.00	0.00
121-44110.445 Penalties	0.00	0.00	0.00	0.00	0.00
121-44110.497 Grant Match	0.00	0.00	0.00	0.00	0.00
121-44110.520 Other Insurance	1,700.00	0.00	1,864.85	109.70	(164.85)
121-44110.530 Telephone	425.00	0.00	161.53	38.01	263.47
121-44110.600 General Office Expense	300.00	64.83	64.83	21.61	235.17
121-44110.608 Landfill Supplies	1,500.00	50.00	300.00	20.00	1,200.00
121-44110.622 Utilities	3,400.00	348.72	2,353.29	69.21	1,046.71
121-44110.626 Gasoline	3,250.00	1,084.39	2,367.00	72.83	883.00
121-44110.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	87,825.00	4,765.90	77,646.64	88.41	10,178.36
TRAVEL/TRAINING					
121-44110.700 Travel/Training	0.00	0.00	0.00	0.00	0.00
TOTAL TRAVEL/TRAINING	0.00	0.00	0.00	0.00	0.00
CAPITAL & OTHER USES					
121-44110.800 Capital Outlay	40,922.00	0.00	20,460.90	50.00	20,461.10
121-44110.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	40,922.00	0.00	20,460.90	50.00	20,461.10
TOTAL PUBLIC HEALTH	229,255.00	11,489.29	143,924.71	62.78	85,330.29
TOTAL EXPENDITURES	229,255.00	11,489.29	143,924.71	62.78	85,330.29
REVENUES OVER/(UNDER) EXPENDITURES	19,873.00	10,716.63	(73,906.85)		93,779.85

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

142-GOLF COURSE

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
142-34710.000 Golf Memberships	90,000.00	5,402.88	26,732.76	29.70	63,267.24
142-34711.000 Golf/Green Fees	305,000.00	1,987.03	172,396.23	56.52	132,603.77
142-34712.000 Golf /Cart Rental	195,000.00	1,350.10	107,218.13	54.98	87,781.87
142-34713.000 Golf Cart/Advertising	0.00	0.00	0.00	0.00	0.00
142-34714.000 Golf/Twilight Fees	0.00	0.00	0.00	0.00	0.00
142-34715.000 Golf Surcharge	0.00	0.00	0.00	0.00	0.00
142-34716.000 Driving Range Fee Revenue	13,000.00	291.12	6,519.53	50.15	6,480.47
142-34721.000 Concession Sales	0.00	117.04	219.03	0.00	(219.03)
142-34722.000 Pro Shop Sales/Certificate	0.00	1,778.91	1,858.43	0.00	(1,858.43)
142-35200.000 Workers Comp Premium Retur	0.00	0.00	0.00	0.00	0.00
142-36110.000 Interest Income	400.00	1,379.43	6,573.88	1,643.47	(6,173.88)
142-36120.000 Lease Proceeds	0.00	0.00	0.00	0.00	0.00
142-36202.000 Rents Pro Shop	1,760.00	0.00	1,169.12	66.43	590.88
142-36401.000 Grant - Golf Course Cap Im	0.00	0.00	0.00	0.00	0.00
142-39100.000 Transfer from Other Funds	99,316.00	0.00	0.00	0.00	99,316.00
142-39600.000 Miscellaneous Revenues	1,600.00	0.00	0.00	0.00	1,600.00
TOTAL REVENUES	706,076.00	12,306.51	322,687.11	45.70	383,388.89

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

142-GOLF COURSE

GOLF COURSE

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SALARIES & WAGES					
142-45125.100 Salaries	369,148.00	15,471.97	158,394.32	42.91	210,753.68
142-45125.105 Commission/Golf	15,500.00	0.00	12,688.21	81.86	2,811.79
142-45125.130 SALARIES OVERTIME	6,126.00	0.00	3,096.81	50.55	3,029.19
142-45125.210 Health Insurance	42,395.00	1,525.45	18,085.19	42.66	24,309.81
142-45125.220 FICA	28,176.00	1,189.40	13,209.95	46.88	14,966.05
142-45125.230 Pension Plan	31,116.00	2,004.12	16,026.29	51.50	15,089.71
142-45125.250 Unemployment	0.00	0.00	78.00	0.00	(78.00)
142-45125.260 Worker's Compensation	8,140.00	24.00	24.00	0.29	8,116.00
142-45125.290 Disability Insurance	2,836.00	0.00	192.03	6.77	2,643.97
TOTAL SALARIES & WAGES	503,437.00	20,214.94	221,794.80	44.06	281,642.20
SUPPLIES/SERVICES					
142-45125.430 Maintenance	85,000.00	310.00	46,124.61	54.26	38,875.39
142-45125.431 Vehicle Maintenance	2,500.00	(1,474.77)	650.52	26.02	1,849.48
142-45125.432 Equipment Repairs	7,500.00	0.00	2,103.30	28.04	5,396.70
142-45125.433 Building Maintenance	4,000.00	35.00	1,531.98	38.30	2,468.02
142-45125.440 Rental/Golf Carts	0.00	0.00	0.00	0.00	0.00
142-45125.441 Rental/Golf Carts	0.00	0.00	0.00	0.00	0.00
142-45125.500 Uniform Expense	800.00	443.99	586.74	73.34	213.26
142-45125.520 Other Insurance	5,670.00	0.00	6,578.21	116.02	(908.21)
142-45125.530 Telephone	700.00	45.41	273.58	39.08	426.42
142-45125.540 Advertising	8,000.00	468.75	3,609.99	45.12	4,390.01
142-45125.550 Dues & Subscriptions	2,250.00	0.00	490.00	21.78	1,760.00
142-45125.600 General Office Expense	2,500.00	10.50	591.99	23.68	1,908.01
142-45125.603 Concession Purchases	0.00	102.06	102.06	0.00	(102.06)
142-45125.605 General Tools & Supplies	3,500.00	0.00	648.55	18.53	2,851.45
142-45125.622 Utilities	30,400.00	1,751.96	18,988.58	62.46	11,411.42
142-45125.626 Gasoline	19,175.00	1,687.30	11,840.34	61.75	7,334.66
142-45125.699 Miscellaneous	0.00	3,978.85	3,978.85	0.00	(3,978.85)
TOTAL SUPPLIES/SERVICES	171,995.00	7,359.05	98,099.30	57.04	73,895.70
TRAVEL/TRAINING					
142-45125.700 Travel/Training	2,500.00	0.00	0.00	0.00	2,500.00
TOTAL TRAVEL/TRAINING	2,500.00	0.00	0.00	0.00	2,500.00
CAPITAL & OTHER USES					
142-45125.800 Capital Outlay	9,145.00	4,548.79	9,121.29	99.74	23.71
142-45125.823 Bond Payment Golf Course	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	9,145.00	4,548.79	9,121.29	99.74	23.71
TOTAL GOLF COURSE	687,077.00	32,122.78	329,015.39	47.89	358,061.61

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

142-GOLF COURSE

GOLF COURSE

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
SUPPLIES/SERVICES					
142-45126.433 DRIVING RANGE Building Mai	0.00	0.00	0.00	0.00	0.00
142-45126.520 DRIVING RANGE Other Insura	0.00	0.00	0.00	0.00	0.00
142-45126.605 DRIVING RANGE Tools & Supp	4,000.00	0.00	2,223.40	55.59	1,776.60
142-45126.622 DRIVING RANGE Utilities	0.00	0.00	0.00	0.00	0.00
142-45126.626 DRIVING RANGE Gasoline	0.00	0.00	0.00	0.00	0.00
142-45126.699 DRIVING RANGE Miscellaneou	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES/SERVICES	4,000.00	0.00	2,223.40	55.59	1,776.60
CAPITAL & OTHER USES					
142-45126.800 DRIVING RANGE Capital Outl	0.00	0.00	0.00	0.00	0.00
142-45126.822 DRIVING RANGE Lease Paymen	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL & OTHER USES	0.00	0.00	0.00	0.00	0.00
TOTAL GOLF COURSE	4,000.00	0.00	2,223.40	55.59	1,776.60
TOTAL EXPENDITURES	691,077.00	32,122.78	331,238.79	47.93	359,838.21
REVENUES OVER/(UNDER) EXPENDITURES	14,999.00	(19,816.27)	(8,551.68)		23,550.68

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

122-LANDFILL CLOSURE

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
122-35500.000 Landfill Closure Assessmen	0.00	0.00	0.00	0.00	0.00
122-36110.000 Interest Income	1,000.00	2,132.11	9,098.37	909.84	(8,098.37)
122-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,000.00	2,132.11	9,098.37	909.84	(8,098.37)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

122-LANDFILL CLOSURE

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
122-49500.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
122-49500.900 Transfer to Other Funds	438,246.00	0.00	0.00	0.00	438,246.00
TOTAL EXPENDITURES	438,246.00	0.00	0.00	0.00	438,246.00
REVENUES OVER/(UNDER) EXPENDITURES	(437,246.00)	2,132.11	9,098.37		(446,344.37)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

123-LODGING TAX

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
123-31940.000 Lodging Tax Revenue	120,600.00	3,305.68	65,946.77	54.68	54,653.23
123-31941.000 Food Truck Friday Fees	0.00	0.00	2,950.00	0.00	(2,950.00)
123-33400.000 Grant-CVB	0.00	0.00	0.00	0.00	0.00
123-36110.000 Interest Income	0.00	542.98	1,498.41	0.00	(1,498.41)
123-39600.000 Miscellaneous Revenues	45,000.00	0.00	66,599.50	148.00	(21,599.50)
TOTAL REVENUES	165,600.00	3,848.66	136,994.68	82.73	28,605.32

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

123-LODGING TAX

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
123-45130.100 Salaries	0.00	30,725.92	30,725.92	0.00	(30,725.92)
123-45130.210 Health Insurance	0.00	2,993.25	2,993.25	0.00	(2,993.25)
123-45130.220 FICA	0.00	2,341.48	2,341.48	0.00	(2,341.48)
123-45130.230 Pension Plan	0.00	0.00	0.00	0.00	0.00
123-45130.260 Workers Compensation	0.00	0.00	0.00	0.00	0.00
123-45130.290 Disability Insurance	0.00	0.00	0.00	0.00	0.00
123-45130.498 Special Events	0.00	1,021.88	1,752.88	0.00	(1,752.88)
123-45130.520 Other Insurance	0.00	0.00	0.00	0.00	0.00
123-45130.530 Telephone	0.00	0.00	181.20	0.00	(181.20)
123-45130.540 Advertising	90,000.00	5,595.00	5,595.00	6.22	84,405.00
123-45130.541 Advertising	0.00	0.00	0.00	0.00	0.00
123-45130.550 Dues & Subscriptions	0.00	46.99	131.15	0.00	(131.15)
123-45130.600 Office Supplies	12,500.00	1,177.56	6,721.79	53.77	5,778.21
123-45130.699 Miscellaneous	0.00	160.00	160.00	0.00	(160.00)
123-45130.700 Travel/Training	0.00	0.00	709.62	0.00	(709.62)
123-48000.300 CVB Contract	96,500.00	0.00	0.00	0.00	96,500.00
123-49500.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
123-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	199,000.00	44,062.08	51,312.29	25.79	147,687.71
REVENUES OVER/(UNDER) EXPENDITURES	(33,400.00)	(40,213.42)	85,682.39		(119,082.39)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

124-CIVIC ENHANCEMENT

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
124-33400.000 Grant/Tree	0.00	0.00	0.00	0.00	0.00
124-36110.000 Interest Income	(60.00)	213.02	917.62	1,529.37-(	977.62)
124-36401.000 Steadley Grant	0.00	0.00	0.00	0.00	0.00
124-36402.000 Donations	0.00	0.00	0.00	0.00	0.00
124-36403.000 MoDOT Grants	0.00	0.00	0.00	0.00	0.00
124-36408.000 Fireworks Contributions	0.00	0.00	0.00	0.00	0.00
124-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
124-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
124-39610.000 Donation Revenue	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	(60.00)	213.02	917.62	1,529.37-(	977.62)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

124-CIVIC ENHANCEMENT

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
124-41910.320 Professional Fees	0.00	0.00	0.00	0.00	0.00
124-41940.000 Capital Projects	0.00	0.00	0.00	0.00	0.00
124-42210.699 Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00
124-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
124-49505.000 Capital Outlay	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	(60.00)	213.02	917.62		(977.62)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

125-STORMWATER

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
125-36110.000 Interest Income	15.00	34.61	148.21	988.07	(133.21)
125-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	15.00	34.61	148.21	988.07	(133.21)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

125-STORMWATER

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
125-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
125-49505.000 Capital Outlay	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	15.00	34.61	148.21	(	133.21)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

126-PUBLIC SAFETY GRANT

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
126-33105.000 Grant/Police Department	0.00	0.00	0.00	0.00	0.00
126-33106.000 Grant Fire Department	0.00	0.00	0.00	0.00	0.00
126-33107.000 Grant/Police Department	0.00	0.00	0.00	0.00	0.00
126-33108.000 Grant Fire Department	0.00	0.00	0.00	0.00	0.00
126-36405.000 Donations Police Departmen	0.00	0.00	0.00	0.00	0.00
126-36406.000 Donations Fire Department	0.00	0.00	12,000.00	0.00	(12,000.00)
126-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
126-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	0.00	0.00	12,000.00	0.00	(12,000.00)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

126-PUBLIC SAFETY GRANT

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
126-42100.500 Uniform Expense	0.00	0.00	0.00	0.00	0.00
126-42100.600 General Office Expense	0.00	0.00	0.00	0.00	0.00
126-42100.605 General Tools & Supplies	0.00	14.51	56.19	0.00	(56.19)
126-42100.615 Safety Equipment	0.00	0.00	0.00	0.00	0.00
126-42110.600 General Office Expense	0.00	0.00	0.00	0.00	0.00
126-42110.700 TraveL/Training	0.00	0.00	0.00	0.00	0.00
126-42200.500 Uniform Expense	0.00	0.00	0.00	0.00	0.00
126-42200.600 General Office Expense	0.00	0.00	0.00	0.00	0.00
126-42200.605 General Tools & Supplies	0.00	0.00	0.00	0.00	0.00
126-42200.615 Safety Equipment	0.00	0.00	0.00	0.00	0.00
126-42210.700 Travel/Training	0.00	0.00	0.00	0.00	0.00
126-49005.497 Grant Match Police Departm	0.00	0.00	0.00	0.00	0.00
126-49006.497 Grant Match Fire Departmen	0.00	0.00	0.00	0.00	0.00
126-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
126-49505.800 Capital Outlay Police Dept	0.00	0.00	0.00	0.00	0.00
126-49505.900 Transfer to Other Funds PD	0.00	0.00	0.00	0.00	0.00
126-49506.800 Capital Outlay Fire Depart	0.00	0.00	5,619.62	0.00	(5,619.62)
126-49510.699 Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	14.51	5,675.81	0.00	(5,675.81)
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(14.51)	6,324.19		(6,324.19)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

127-CDBG

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
127-33100.000 Grant Federal	0.00	0.00	0.00	0.00	0.00
127-33400.000 Grant/State/Cdgb	0.00	0.00	0.00	0.00	0.00
127-33700.000 Grant/Local	0.00	0.00	0.00	0.00	0.00
127-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	0.00	0.00	0.00	0.00	0.00

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

127-CDBG

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
127-46340.000 Drake CDBG Project	0.00	0.00	0.00	0.00	0.00
127-46500.320 Professional Fees	0.00	0.00	0.00	0.00	0.00
127-46510.320 Harry Truman Council of Go	0.00	0.00	0.00	0.00	0.00
127-49000.000 Grant Match	0.00	0.00	0.00	0.00	0.00
127-49500.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	0.00	0.00	0.00		0.00

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

128-PARKS/STM WTR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
128-31300.000 Parks/Stormwater Sales Tax	1,296,904.00	130,553.31	740,090.89	57.07	556,813.11
128-36110.000 Interest Income	1,200.00	3,365.92	16,637.56	1,386.46	(15,437.56)
128-36120.000 Lease Proceeds	0.00	0.00	0.00	0.00	0.00
128-36400.000 Donations	5,000,000.00	0.00	0.00	0.00	5,000,000.00
128-36500.000 COP Proceeds	0.00	0.00	0.00	0.00	0.00
128-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
128-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	6,298,104.00	133,919.23	756,728.45	12.02	5,541,375.55

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

128-PARKS/STM WTR

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
128-45000.320 Professional Fees	0.00	0.00	0.00	0.00	0.00
128-45000.520 Payments to Library	518,761.00	52,221.32	193,107.85	37.22	325,653.15
128-47110.600 Bond Issue Costs	0.00	0.00	0.00	0.00	0.00
128-47110.720 C.O.P. Payments	170,998.00	0.00	5,469.38	3.20	165,528.62
128-47111.720 Bond Payment	0.00	0.00	0.00	0.00	0.00
128-49500.800 Capital Outlay	5,943,649.00	15,007.72	554,159.20	9.32	5,389,489.80
128-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	6,633,408.00	67,229.04	752,736.43	11.35	5,880,671.57
REVENUES OVER/(UNDER) EXPENDITURES	(335,304.00)	66,690.19	3,992.02		(339,296.02)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

129-TIF & CID SPECIAL TAX

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
129-31200.000 Special Assessments	0.00	0.00	0.00	0.00	0.00
129-31300.000 CID Tax	0.00	0.00	0.00	0.00	0.00
129-31920.000 Pilot/TIF	0.00	0.00	0.00	0.00	0.00
129-35503.000 Grants	0.00	0.00	0.00	0.00	0.00
129-36110.000 Interest Income	75.00	172.81	740.02	986.69	(665.02)
129-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
129-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	75.00	172.81	740.02	986.69	(665.02)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

129-TIF & CID SPECIAL TAX

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
129-41540.000 City Reimbursable Project	0.00	0.00	0.00	0.00	0.00
129-41540.320 Professional Fees	0.00	0.00	0.00	0.00	0.00
129-41540.497 Grant Matching	0.00	0.00	0.00	0.00	0.00
129-41540.699 Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00
129-41540.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	75.00	172.81	740.02		(665.02)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

130-INMATE SECURITY FUND

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
130-34434.000 Court Cost Surcharge	3,500.00	304.90	1,985.10	56.72	1,514.90
130-36110.000 Interest Income	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	3,500.00	304.90	1,985.10	56.72	1,514.90

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

130-INMATE SECURITY FUND

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
130-49500.800 Biometric Verification Cos	0.00	0.00	373.00	0.00	(373.00)
130-49500.801 Prisoner Housing Expenses	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	373.00	0.00	(373.00)
REVENUES OVER/(UNDER) EXPENDITURES	3,500.00	304.90	1,612.10		1,887.90

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

131-FIRE PROTECTION TAX

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
131-31300.000 Sales Tax Revenue	642,198.00	65,278.10	370,109.62	57.63	272,088.38
131-36110.000 Interest	1,600.00	7,059.69	27,945.65	1,746.60	(26,345.65)
131-36120.000 Lease Proceeds	0.00	0.00	0.00	0.00	0.00
131-39100.000 Transfer From Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	643,798.00	72,337.79	398,055.27	61.83	245,742.73

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

131-FIRE PROTECTION TAX

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
131-41000.100 Salaries	0.00	0.00	0.00	0.00	0.00
131-41000.130 Salaries Overtime	0.00	0.00	0.00	0.00	0.00
131-41000.210 Health Insurance	0.00	0.00	0.00	0.00	0.00
131-41000.220 FICA	0.00	0.00	0.00	0.00	0.00
131-41000.230 Pension Plan	0.00	0.00	0.00	0.00	0.00
131-41000.260 Workers' Compensation	0.00	0.00	0.00	0.00	0.00
131-41000.290 Disability Insurance	0.00	0.00	0.00	0.00	0.00
131-41000.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
131-42210.800 Capital Projects	435,800.00	0.00	84,975.69	19.50	350,824.31
131-42210.801 Transfer to Other Funds	321,100.00	0.00	0.00	0.00	321,100.00
131-46110.000 Interest Expense	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	756,900.00	0.00	84,975.69	11.23	671,924.31
REVENUES OVER/(UNDER) EXPENDITURES	(113,102.00)	72,337.79	313,079.58		(426,181.58)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

141-FAIR ACRES SPORTS COMPLEX

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
141-36110.000 Interest Income	0.00	0.00	0.00	0.00	0.00
141-36120.000 Bond Proceeds	0.00	0.00	0.00	0.00	0.00
141-36401.000 Steadley Grant	0.00	0.00	0.00	0.00	0.00
141-39100.000 Transfer From Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	0.00	0.00	0.00	0.00	0.00

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

141-FAIR ACRES SPORTS COMPLEX

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
141-45200.730 Fair Acres Expansion	0.00	0.00	0.00	0.00	0.00
141-45200.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
141-47110.720 C.O.P. Payments	0.00	0.00	0.00	0.00	0.00
141-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	0.00	0.00	0.00		0.00

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

161-CAPITAL IMPROVEMENTS

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
161-31303.000 Capital Improvement Tax	1,301,030.00	130,556.25	740,423.54	56.91	560,606.46
161-36110.000 Interest Income	3,500.00	14,090.10	56,252.18	1,607.21	(52,752.18)
161-36120.000 Bond Proceeds	0.00	0.00	0.00	0.00	0.00
161-36130.000 Grants	162,468.00	0.00	0.00	0.00	162,468.00
161-36636.000 Insurance Proceeds	0.00	0.00	0.00	0.00	0.00
161-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
161-39600.000 Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
161-39601.000 FEMA Grant	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,466,998.00	144,646.35	796,675.72	54.31	670,322.28

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

161-CAPITAL IMPROVEMENTS

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
161-43150.000 Capital Projects	984,044.00	0.00	23,043.63	2.34	961,000.37
161-46636.320 Professional Fees	0.00	0.00	0.00	0.00	0.00
161-46636.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
161-46636.800 Capital Outlay	0.00	0.00	0.00	0.00	0.00
161-46636.825 Casualty Insurance Activit	0.00	0.00	0.00	0.00	0.00
161-47111.730 Bond Payment	0.00	0.00	0.00	0.00	0.00
161-47120.824 Sidewalk Repair Incentive	0.00	0.00	0.00	0.00	0.00
161-49500.900 Transfer to Other Funds	1,040,098.00	0.00	0.00	0.00	1,040,098.00
TOTAL EXPENDITURES	2,024,142.00	0.00	23,043.63	1.14	2,001,098.37
REVENUES OVER/(UNDER) EXPENDITURES	(557,144.00)	144,646.35	773,632.09		(1,330,776.09)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

162-PARKS & RECREATION

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
162-31110.000 Property Taxes	260,000.00	30,610.99	33,221.90	12.78	226,778.10
162-31200.000 M&M Sur Tax	35.00	0.48	0.48	1.37	34.52
162-36110.000 Interest Income	1,200.00	483.90	2,292.44	191.04	(1,092.44)
162-39210.000 Sale of City Assets	0.00	0.00	0.00	0.00	0.00
162-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	261,235.00	31,095.37	35,514.82	13.59	225,720.18

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

162-PARKS & RECREATION

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
162-49500.900 Transfer to Other Funds	260,000.00	0.00	0.00	0.00	260,000.00
TOTAL EXPENDITURES	260,000.00	0.00	0.00	0.00	260,000.00
REVENUES OVER/(UNDER) EXPENDITURES	1,235.00	31,095.37	35,514.82		(34,279.82)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

163-MYERS PARK

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
163-32000.000 Stormwater Permit Fees	0.00	0.00	0.00	0.00	0.00
163-36110.000 Interest Income	400.00	1,778.88	4,041.94	1,010.49	(3,641.94)
163-36200.000 Crop Sales	0.00	0.00	0.00	0.00	0.00
163-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
163-39210.000 Sale of City Assets	0.00	0.00	488,525.00	0.00	(488,525.00)
163-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	400.00	1,778.88	492,566.94	3,141.74	(492,166.94)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

163-MYERS PARK

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
163-46300.320 Professional Fees	0.00	0.00	4,184.00	0.00	(4,184.00)
163-46300.520 Other Insurance	0.00	0.00	0.00	0.00	0.00
163-46300.700 Travel/Training	0.00	0.00	0.00	0.00	0.00
163-49500.800 Capital Outlay	300,197.00	1,760.00	366,342.01	122.03	(66,145.01)
TOTAL EXPENDITURES	300,197.00	1,760.00	370,526.01	123.43	(70,329.01)
REVENUES OVER/(UNDER) EXPENDITURES	(299,797.00)	18.88	122,040.93		(421,837.93)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

164-JUDICIAL EDUCATION FUND

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
164-34434.000 Court Cost Surcharge	250.00	14.48	54.37	21.75	195.63
164-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	250.00	14.48	54.37	21.75	195.63

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

164-JUDICIAL EDUCATION FUND

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
164-42000.700 Travel/Training	0.00	0.00	0.00	0.00	0.00
164-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	250.00	14.48	54.37		195.63

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

165-USE TAX

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
165-36110.000 Interest Revenue	75.00	1,541.82	6,619.71	8,826.28	(6,544.71)
165-39100.000 Transfer from Other Funds	704,295.00	0.00	0.00	0.00	704,295.00
TOTAL REVENUES	704,370.00	1,541.82	6,619.71	0.94	697,750.29

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

165-USE TAX

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
165-41000.800 Capital Outlay	321,171.00	0.00	0.00	0.00	321,171.00
165-42110.800 Capital Outlay - Police De	0.00	0.00	16,526.00	0.00	(16,526.00)
165-42210.800 Capital Outlay - Fire	0.00	0.00	0.00	0.00	0.00
165-43100.800 Capital Outlay - Street	0.00	0.00	0.00	0.00	0.00
165-45121.800 Capital Outlay - Park	0.00	0.00	0.00	0.00	0.00
165-45125.800 Capital Outlay - Golf	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	321,171.00	0.00	16,526.00	5.15	304,645.00
REVENUES OVER/(UNDER) EXPENDITURES	383,199.00	1,541.82	(9,906.29)		393,105.29

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

175-Public Fac/Bond Fund

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
175-36110.000 Interest Income	3,750.00	10,825.93	45,860.75	1,222.95	(42,110.75)
175-38602.000 Bond Redemption	0.00	0.00	0.00	0.00	0.00
175-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
175-39210.000 Sale of City Assets	0.00	0.00	0.00	0.00	0.00
175-39600.000 Miscellaneous Revenue	1,333,841.00	0.00	0.00	0.00	1,333,841.00
TOTAL REVENUES	1,337,591.00	10,825.93	45,860.75	3.43	1,291,730.25

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

175-Public Fac/Bond Fund

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
175-41540.699 Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00
175-41551.210 Rebates	0.00	0.00	0.00	0.00	0.00
175-42210.800 Capital Projects	2,451,007.00	14,624.06	66,187.81	2.70	2,384,819.19
175-46400.320 Professional Fees	0.00	0.00	0.00	0.00	0.00
175-49500.900 Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	2,451,007.00	14,624.06	66,187.81	2.70	2,384,819.19
REVENUES OVER/(UNDER) EXPENDITURES	(1,113,416.00)	(3,798.13)	(20,327.06)		(1,093,088.94)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

221-ECONOMIC DEVELOPMENT

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
221-36110.000 Interest Income	25.00	46.35	188.83	755.32	(163.83)
221-36400.000 Donations	0.00	0.00	0.00	0.00	0.00
221-39101.000 PropertyTax Abatement	31,819.00	31,819.00	31,819.00	100.00	0.00
221-39102.000 Administration Fees Reimb	1,500.00	1,500.00	1,500.00	100.00	0.00
221-39600.000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	33,344.00	33,365.35	33,507.83	100.49	(163.83)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

221-ECONOMIC DEVELOPMENT

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
221-41550.320 Professional Fees	0.00	0.00	0.00	0.00	0.00
221-41550.699 Miscellaneous	0.00	0.00	0.00	0.00	0.00
221-41551.210 Tax Distribution	31,819.00	31,819.00	31,819.00	100.00	0.00
221-41552.210 Administrative Fees	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	31,819.00	31,819.00	31,819.00	100.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	1,525.00	1,546.35	1,688.83		(163.83)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

222-AMERICAN RESCUE PLAN ACT

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
222-33100.000 Grant / Federal	1,502,101.00	0.00	1,502,101.31	100.00	(0.31)
222-33400.000 Grant / State	0.00	0.00	0.00	0.00	0.00
222-33700.000 Grant / Local	0.00	0.00	0.00	0.00	0.00
222-36110.000 Interest	1,750.00	2,692.30	15,458.13	883.32	(13,708.13)
222-39100.000 Transfer from Other Funds	0.00	0.00	0.00	0.00	0.00
222-39600.000 Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
222-39610.000 Donation Revenue	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,503,851.00	2,692.30	1,517,559.44	100.91	(13,708.44)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: DECEMBER 31ST, 2022

222-AMERICAN RESCUE PLAN ACT

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
222-41000.800 Capital Outlay	1,288,247.00	8,211.00	628,211.00	48.76	660,036.00
222-42110.800 Capital Outlay-Police	0.00	23,943.58	113,226.58	0.00	(113,226.58)
222-42210.800 Capital Outlay - Fire	0.00	34,805.45	34,805.45	0.00	(34,805.45)
222-47120.800 Capital Outlay	0.00	0.00	90,154.48	0.00	(90,154.48)
TOTAL EXPENDITURES	1,288,247.00	66,960.03	866,397.51	67.25	421,849.49
REVENUES OVER/(UNDER) EXPENDITURES	215,604.00	(64,267.73)	651,161.93		(435,557.93)

City Administrator's Report 12/13/22-01/06/22

City Staff and Internal Projects

- Upstairs Office Construction Is in progress (Public Works)
- Updating of Comprehensive Plan moving forward, have set a deadline to have to committee by Feb (Planning and Zoning, Public Works, Engineering and Administration)
- **Budget Process has started** (All departments)

Community

- GRO Community Meeting
- Meeting with community leader who is on Steadley Board
- Chamber of Commerce Meeting

Meetings

- Discussions with Glitner Construction regarding trucking terminal
- CEDC Board Meeting
- Website kickoff meeting with Apptegy
- Jasper County Emergency Services Board Meeting
- Insurance Audit and Claims
- Budget Ways and Means
- Public Services Committee
- Several Meetings with Mayor and various department heads
- Several Meetings about County Wide Public Radio System

Upcoming

- **Council Planning session January, 30th**
- Outside agency contract negotiations have started

COUNCIL BILL NO. ___22-43___ **ORDINANCE NO. _____**

An Ordinance to amend **Chapter 6 Buildings and Building Regulations** by adding Article X Public Art Policy.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: Chapter 6 Article X Public Art Policy shall read as follows:

Article X Public Art Policy

Section 6-552 Purpose:

This Public Art Policy guides the development and implementation of public art in Carthage. The policy is intended to provide Council, the Department of Parks and Recreation, the Public Services Committee, the arts community, and general community with a mechanism through which the City of Carthage assesses, acquires, and manages works of public art for municipally owned public spaces through purchase, loan, commission, or donation.

Section 6-553: Vision and Objectives

1.1 Mandate

To organize and leverage City, community and business resources, knowledge, and experience to support creative place-making across Carthage through contemporary and innovative public art initiatives and programs.

1.2 Key **Objectives**

- Contribute to a vibrant, high-quality public realm in Carthage.
- Engage the community in creative place-making across the entire City: downtown, residential, rural, and natural areas.
- Celebrate and promote Carthage's identity, including building on the City's complete history, diversity, and geography, while imagining new futures.
- Invest in the development of artists from a wide range of disciplines through a variety of training and commissioning opportunities.

1.3 Guiding Principles

- Strive for artistic value and creativity of approach.
- Cultural equity.
- Collaboration with artists, communities, municipal departments, other levels of government and the private sector.
- Follow best practices.
- Be responsive to community needs.
- Be risk-taking, creative, and innovative.
- Be transparent, accessible, and inclusive.
- Cultivate the local arts sector, including a wide variety of art forms and

practices.
- Prioritize sites for public art/creative placemaking based on potential impact, both high profile and under-serviced areas.
- Encourage investment in the program from a wide variety of sources.

Section 6-554: Defining Public Art

2.1 Areas of Focus

The City of Carthage Public Art Program includes three main areas of focus:

1. Temporary Public Art, Street Art, and Public Art Platforms: Developing opportunities for diverse cultural expression in civic spaces, places and neighborhoods through the commission and exhibition of works of temporary public art from a variety of art forms including street art and establishing one or more public art platforms to exhibit a rotating display of art in a public venue. This work will not become part of the Civic Collection.
2. Community Arts, Public Engagement and Education: Engaging communities in developing Carthage's story and creative place-making across the City. Community members will be involved in the public art program through art-making, consultation, education, and promotions. This work will not become part of the Civic Collection.
3. Public Art Development Program: Encouraging provision of public art in significant development projects through the community planning process. The Director of Parks and Recreation, working collaboratively with the Public Art Committee, will offer assistance to private developers and other public entities in acquisition of public art where needed.

2.2 Limitations of this Policy

This policy does not include the following:

- Special events
- Archaeological, archival and museum collections/exhibitions
- Commemorations that are not created by an artist and/or sited in public space
- Graffiti management
- Work on private land
- Public art in City of Carthage facilities and on City of Carthage property that are leased or licensed to another party. Public art in facilities that are excluded from this policy are the responsibility of the organization occupying the facility.
- This Policy does not address changing the current City budget or allotting additional funds for the purchase of Public Art. It outlines the process for selecting works of art to be purchased through City of Carthage procurement policies, or for accepting /rejecting works of art proposed for donation to the City by individuals or organizations.

2.3 Definitions

Public Art is a work in any media created by an artist that has been planned and executed with the specific intention of being sited or staged in public space, acquired following the conditions established in the Public Art Policy of the City of Carthage.

A **Work of Art** is a work in any media created by one or more Artists.

Civic Collection shall be defined as the artifacts, archives, and works of art belonging to the City of Carthage.

Public Art Collection shall be defined as the works of public art belonging to the City of Carthage.

Public Space is defined herein as any space on or within City property accessible to the general public, or any space that is accessible to the general public and approved by the City as a viable public art project site.

Creative Place making is a practice that intentionally leverages the power of the arts, culture, and creativity to serve a community's interest while driving a broader agenda for change, growth and transformation in a way that also builds character and quality of place.

Acquisition is the acquiring of public art through commission, purchase, donation, gift, or bequest.

De-accession is the formal process to permanently remove an object from the Public Art Collection. Possibilities include selling, returning or destroying etc.

Types of Public art

Art that is **Site-specific**, whether long-term or temporary, functional, or aesthetic, stand- alone or integrated and in any media, is an original work that is created in response to the immediate context.

Integrated Public Art forms a physical part of a building, structure, or landscape. If the site were to be redeveloped, the art would be as well.

Stand-alone Public Art is not a physical part of a building, structure, or landscape.

Temporary Public Art is an original work by an artist(s) that is created for a specific occasion, time frame or event and which is situated at a particular site on a temporary basis. The art may cover a range of forms including, but not limited to, the visual arts, digital, sound art, and performance-based work.

A **Public Art Platform** is a place in public space reserved for the regular and temporary exhibit of new works of art. The art platform can take many forms including a physical
podium, a sanctioned street art wall or a digital screen. The art platform could be dedicated exclusively to public art or shared with other content. To ensure success for an art platform, there should be a regular funding stream or an endowment in place for new works of art before it is established.

Community Art is an artistic activity led by an artist based in a community setting involving community members, who contribute a variety of talents, to design and

create a public art piece. The content of the artwork usually reflects local issues that have been identified by people within the community. Community Art helps people articulate their goals to build a strong place for the community.

Street Art is an urban style of Temporary Public Art on walls, sidewalks and roadways that is sanctioned and permitted.

Non-sanctioned Public Art is work that is initiated outside the Public Art Program scope and did not follow the City of Carthage's Public Art Policy. Therefore, works are not sanctioned and will not be included in the Public Art Collection.

Section 6-554: Administration, Funding and Site Selection

3.1 Administration

The Carthage Parks & Recreation Department has the primary responsibility for the management of the Public Art Program within a larger portfolio of the Department's work. The Department will create a Public Art Committee with whom it will work to administer the Public Arts Policy. The responsibilities related to the Public Art Program include:

Program Coordination:

- Managing art acquisition processes, including coordinating with the Public Art Committee, and technical reviews.
- Managing artist contracts and payments.
- Coordinating between the artist, City departments, and community agencies.
- Collaborating with City staff to coordinate public art projects and programs.
- Collaborating with the arts sector, community members and program partners (e.g. local organizations, private sector and other levels of government).
- Providing community outreach and education.

Management of Public Art Collection:

- Managing the Public Art Collection as one collection node within the larger Civic Collection, including acquisitions, maintenance, conservation, research, interpretation, and de-accessions.
- Maintaining an up-to-date inventory as well as processing and documenting new items and items being removed from the collection.

Council

The Mayor, Council and Public Service Committee are arms-length of any acquisition processes, but their role is to perform the following functions or empower staff to do so on Council's behalf:

- Review and approve the City of Carthage's Public Art Policy.
- Approve Municipal capital project allocations regarding public art.

- Approve negotiated agreements with private developers that may contain sections related to the provision of public art, where applicable.

3.2 Funding

Encourage the development of partnerships, grants and sponsorships from local organizations and businesses to further support the development of public art in public spaces. The City will encourage public art initiatives from the community through the development of partnerships with local organizations and businesses, advice from the Director of Parks and Recreation, assistance where appropriate, and where projects meet the Public Art Program goals and priorities.

3.3 Site Selection Values

Public Art sites for City projects and private developer contributions will be selected based on the following Site Selection Values:

1. Sites for public art will be accessible; visible; compatible with the site's current and potential uses; and compatible with surrounding sites and adjacent public art. Sites must be able to accommodate work, be safe and meet all required standards.
2. Public art will be located in a diversity of sites across Carthage and will not be concentrated in any one site or area.
3. Support economic development and revitalization efforts.
4. Placemaking and opportunities for art to create community.

3.4 Project Selection Process

Sites that best fit the Site Selection Criteria in **Section 3.3** above will be prioritized annually to fit within the funding available for the City's Public Art Program.

1. **Evaluation**: The Public Art Committee will evaluate proposed public art donation or purchase.
2. **Approval:** The Public Service Committee will vote on whether to approve the proposed public art installation and forward to the City Council.
3. **City Council Review:** The City Council will review the decision of the Public Service Committee and confirm by resolution.
4. **Purchase/Acceptance of Donation and Installation.**

Section 6-555: Acquisitions and Donations

4.1 Conflict of Interest

Carthage Council and staff shall declare a conflict of interest, pecuniary or any other interest, and remove themselves in all cases from a juried selection process, or any decision regarding the acquisition of public art in which he or she is involved either directly or indirectly.

4.2 Acquisitions

Public art acquisitions must be conducted in accordance with the criteria and processes outlined in this policy. Works may be acquired through any of five methods: commission; purchase; donation; loan; and lease. Elected officials and the Park and Recreation Department agree to adhere to the acquisition processes in this policy and not acquire works outside of this process.

The City will use a wide range of commissioning methods and can seek opportunities to engage the community through these processes and other programs, for example; educational events, workshops, lectures, and mentorships.

4.3 Installation and Acceptance
The responsibility for the installation of public art acquired will be identified, in advance, through the agreement of purchase, commission, donation or rental contract. All acquired public art will be condition-reported upon receipt by the Director of Parks and Recreation, or his designee, who is managing the public art acquisition, and any problems found will be referred to the artist(s)/installer/lender for resolution as appropriate.

4.4 Public Art Committee
Public art acquisitions shall be reviewed by The Public Art Committee. The selected winning scheme shall be recommended to the Director of Parks and Recreation. The Public Art Committee must be established for each acquisition or donation over $5,000 in value, but they may also be established for works of a lesser amount. The Director of Parks and Recreation and The Public Art Committee will be responsible for selecting an artist for a commission or an artwork for purchase following the Acquisition Criteria below.

Public Art Committee members include recognized arts and design professionals such as practicing artists, curators, art critics, art educators, architects, and landscape architects. Local representation with interests in the site could include a neighborhood or community representative from a local association, a business representative, or a resident.

The Public Art Committee typically consists of three or five members, with the majority being qualified art and design experts. While the ultimate objective of the panel is to reach a unanimous decision, members may be divided in their evaluations and as such, a panel will consist of uneven numbers to enable a majority vote. Depending on the scope of the competition, invited members may be local or regional art professionals.

The Public Art Committee shall recommend an artist to the Director of Parks and Recreation. All recommendations will remain confidential until the Park and Recreation Department announces the results. Relevant City staff and other experts may attend the adjudication session as applicable to the project and/or provide their input, but they will be non-voting advisors.

4.1 **Acquisition**

Criteria

Artist Evaluation

Criteria

The Park and Recreation Department, working collaboratively with The Public Art Committee will consider the following criteria when selecting an artist:

- The mandate, and objectives of the Public Art Program overall, and the specific aims in the project/program brief.
- Artistic excellence of previous work.
- Ability to achieve highest quality of contemporary artistic excellence and innovation.
- Professional qualifications and relevant working experience as related to public art, project management and working with a design team, project team and/or community group, as appropriate.
- Potential to comprehend, access and interpret relevant technical requirements.
- Interest in and understanding of the public art opportunity and the context.

4.6 Artwork Acquisition Criteria

When evaluating specific art proposals, the Director of Parks & Recreation, with input from the Public Art Committee and relevant City staff, will use the Artist Evaluation Criteria as well as the following criteria:

- Artistic value and creativity of approach.
- Compliance with the objectives and requirements.
- Appropriateness to the site and community context.
- Maintenance and conservation requirements.
- Budget, timeline and technical feasibility and probability of success.

4.6 Donations

The City of Carthage recognizes that individuals or organizations may wish to make donations of public art.

All donations are to be referred to the Director of Parks and Recreation for evaluation. Donations having a value of more than $5000 or that are deemed to be politically sensitive must be assessed by the Public Service Committee. Proposals for donations of works in progress may be given conditional approval, for a period of no longer than two years, after which the proposed donation will be re-evaluated.

The following information must be provided by the potential donor when submitting a donation proposal:

1. Information about the artwork including photographs of the artwork (if existing) or illustrations (if proposed);
2. Maintenance and conservation plan, including the condition of the work and any repairs needed;

3 Site and installation requirements of the artwork;
4 Projected budget for installation and ongoing maintenance of the artwork; and
5 Legal proof of the donor's authority to donate the work.

Donation Criteria

The following criteria will be used by the Park and Recreation Department in collaboration with the Public Art Committee, as needed, to assess proposed donated artworks:

1 Artwork acquisition criteria.
2 Compatibility with the City's Civic Collection Policy, Public Art Collection, and the objectives of the Public Art Program.
3 Authenticity and provenance.
4 Absence of restrictive conditions imposed by the donor and any conflicts of interest.
5 The physical condition, durability, and maintenance requirements of the artwork.
6 Alignment with the City of Carthage Vison and Mission Statement.

Associated Donation Costs

Unless waived by the City, the donor is responsible for all costs including, but not limited to:

1 Appraisal or evaluation by a certified specialist.
2 Photographs for inventory and insurance purposes.
3 Transporting the donation.
4 10% of the value of the donation to cover future maintenance and conservation (more for artwork deemed to be subject to a high maintenance cost)
5 Any costs associated with the engineering, site planning and preparation and installation of the artwork.

Section 6-556: Collection Management, Maintenance and De- accessioning

5.1 Collection Management

Identification

After final acceptance of the public art by the City of Carthage, the City shall, at its expense, prepare and install at the public art site, or in the surrounding area, a plaque or other signage that identifies the artist, the title of the artwork and the year of completion. The City shall reasonably maintain such notice in good repair against the effects of time and the elements.

5.2 Alteration or Relocation

Due to the changing nature of urban and built environments, the location of an artwork may, in time, no longer be appropriate to the context, and the City may

determine that the artwork shall be relocated. Where this is the case, the City of Carthage will notify the artist of any proposed significant alteration to the public art site or any relocation of the artwork that would affect the intended character and appearance of the art. The City will endeavor to contact the artist to consult with them prior to any such alteration but will not be bound by the artist's advice. Where the artist does not agree to the change, the artist has the right to renounce authorship of the artwork.

5.3 De-accession Process

1. **Evaluation**: The Public Art Committee will evaluate the work of art based on the Removal/De-Accessing criteria.
2. **Public Notice**: Public notice will be made, and the public will have an opportunity to provide comment.
3. **Approval**: The Public Service Committee will vote to de-access a piece of public art and forward to the City Council.
4. **City Council Review:** The City Council will review the decision of the Public Service Committee and confirm by resolution.
5. **Removal/De-accession.**

5.4 Monitoring of the Public Art Policy and Program

Carthage Parks & Recreation, in consultation with the Public Art Committee will monitor the Public Art Policy and Program implementation to determine if:

- The assumptions underpinning the policy continue to be valid.
- Policy priorities remain constant.
- The policy is being carried out as intended.
- The policy is having the desired outcome.

SECTION II: This Ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
Dan Rife, MAYOR

ATTEST:

_____
Miranda Deal, CITY CLERK

Sponsored by: Public Services

COUNCIL BILL NO. ___22-50____ ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CARTHAGE ECONOMIC DEVELOPMENT CORPORATION AND THE CARTHAGE WATER AND ELECTRIC PLANT TO AGREE UPON GENERAL TERMS AND COMMIT TO THE FINANCIAL TERMS OF THE AGREEMENT.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The Mayor of the City of Carthage is hereby authorized to execute on behalf of the City of Carthage a Memorandum of Understanding between the City of Carthage, the Carthage Economic Development Corporation, and the Carthage Water and Electric Plant to agree upon the general and financial terms of the MOU.

SECTION II: That all ordinances or parts of ordinances therefore enacted, which are in conflict herewith, are hereby repealed.

SECTION III: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
Dan Rife, Mayor

ATTEST:

_____
Miranda Deal, City Clerk

Sponsored by: Budget Ways and Means

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU" or "Memorandum"), is entered into on _____, 2023 (the "Effective Date"), by and between:

The City of Carthage located at 326 Grant St, Carthage, Missouri 64836.

The Carthage Economic Development Corporation located at 627 W. Centennial, Carthage, Missouri 64836.

The Carthage Water and Electric Plant located at 627 W. Centennial, Carthage, Missouri 64836.

1. **MISSION**

This partnership on which the Parties are intending to collaborate, has the following intended mission in mind:

To position Carthage as an inclusive and welcoming community of choice that attracts and supports a diverse workforce and economy.

2. **PURPOSE AND SCOPE**

The Parties intend for this Memorandum to provide the cornerstone and structure for any and all future agreements being considered by the Parties and which may be related to an economic development partnership.

3. **OBJECTIVES**

The Carthage Economic Development Corporation and their economic development director will be the lead agency for economic development in Carthage, Missouri. The parties intend to work together to retain, expand, and attract businesses that contribute to the overall economic growth, diversification, and resiliency of the region. Funding for the economic director position will created through a partnership between the City of Carthage and the Carthage Water and Electric Plant. The objectives of the Board of Directors of the Carthage Economic Development Corporation and their economic development director will be to implement the goals and priorities described in the strategic plan proposed and adopted by the Ady Advantage Consulting group. These objectives are summarized below:

- Alignment/Regionalism
- Readiness
- Marketing/Differentiation

4. EVALUATION

The board of the Carthage Economic Development Corporation will evaluate this program and the Economic Development Director, at least quarterly. This evaluation will be shared

with management representatives of the City of Carthage and of the Carthage Water and Electric plant. This program evaluation will be based upon the milestones set forth in the adopted Ady consulting strategic plan that includes the three core pillars listed above, but further details eight focus areas, 22 strategies, and 81 unique tactics.

RESPONSIBILITIES AND OBLIGATIONS OF THE PARTIES

Any Party may decide not to proceed with the partnership contemplated herein for any reason or no reason. 45 days notice, provided in writing, should be sent to all Parties if any Party decides to disengage from the terms of this MOU.

The City of Carthage will provide full support and guidance to the economic development director and this economic development program. The City of Carthage will contribute $20,000 in Fiscal Year 23, $70,000 in Fiscal Year 24, and $70,000 in Fiscal Year 25, to the Carthage Economic Development Corporation to be designated for this program. This payment will consist of one lump sum provided to the Carthage Economic Development Corporation before August 31st of each year.

The Carthage Water and Electric Plant will provide full support and guidance to the economic development director and this economic development program. The Carthage Water and Electric Plant will contribute $70,000 to the Carthage Economic Development Corporation to be designated for this program. Additionally, the Carthage Water and Electric Plant will provide payroll services, employee benefits, office space and office support for the economic development director as agreed between the Carthage Water and Electric Plant and the Carthage Economic Development Corporation. See the attached employment contract.

Carthage Economic Development Corporation shall regularly update officials from the City of Carthage and the Carthage Water and Electric Plant by appearing at City Council Meetings/Board of Director Meetings at least quarterly to describe the progress of the program and list strategic plan milestones met.

5. **TERMS OF UNDERSTANDING**

The term of this Memorandum shall be for a period of 3 years from the effective date and may be extended upon the written mutual agreement of both Parties.

6. **LEGAL COMPLIANCE**

The Parties acknowledge and understand that they must be able to fulfill their responsibilities under this Memorandum in accordance with the provisions of the law and regulations that govern their activities. Nothing in the Memorandum is intended to negate or otherwise render ineffective any such provisions or operating procedures. The Parties assume full responsibility for their performance under the terms of this Memorandum.

If at any time either Party is unable to perform their duties or responsibilities under this memorandum the affected Party shall immediately provide written notice to the other Parties to establish a date for resolution of the matter.

7. **NOTICE**

Any notice or communication required or permitted under this Memorandum shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph or to such address as one may have furnished to the other in writing.

8. **AUTHORIZATION AND EXECUTION**

The signing of this Memorandum does not constitute a formal undertaking, and as such, it simply intends that the signatories shall strive to reach, to the best of their abilities, the goals and objectives stated in this MOU.

This Agreement shall be signed by City of Carthage, The Carthage Economic Development Corporation, and Carthage Water and Electric, and shall be effective for three years as of the date first written above.

(First Party Signature) City of Carthage 326 Grant St Carthage, Missouri 64836	(Date)
(Second Party Signature) Carthage Economic Development Corporation 627 W Centennial Ave Carthage, Missouri 64836	(Date)
(Third Party Signature) Carthage Water and Electric Plant 627 W Centennial Ave Carthage, Missouri 64836	(Date)

Conditional Offer of Employment

Applicant: Jeff Meredith

Position: CEDC Economic Development Director

Dear Jeff,

It is with great pleasure that Carthage Economic Development Corporation (CEDC) offers you the position of Carthage Economic Development Corporation Economic Development Director.

This position includes the following salary/benefits:

- Full-time, exempt position that is not eligible for overtime
- Any and all future modifications in salary, including but not limited to cost-of-living adjustments, to be made under the sole discretion of the CEDC Board and independent of other CEDC positions.
- Benefits will coincide with the benefit package available to all CWEP employees (including but not limited to health insurance, pension, vacation, paid holidays, etc.)
- CEDC will provide employee with a cell phone
- CEDC will reimburse employee for any relocation expenses, up to $3,000 in total
- CEDC will provide the following through arrangement with CWEP:
    - Office space
    - Office furnishings
    - Laptop or desktop computer
    - Internet access
    - Use of office equipment, such as printers, scanners, etc.

Additional conditions of employment:

- Applicant is subject to CWEP hiring practices, which includes a background check and worker's compensation claim history inquiry.
- Employee will report directly to the CEDC Board.
- Employee will pay for necessary expenses out of employee's own funds and will submit expense reports with itemized receipts to the CEDC for reimbursement. CEDC will reimburse employee at least monthly, subject to approval of the CEDC President and CEDC Treasurer.
- Employee is required to report to City Council and CWEP Board in a manner and timing to be determined by CEDC Board.
- The Ady Strategic Plan will be the basis of employee's work program and evaluation.
- Employee will coordinate activities with the CEDC President.

This offer of employment is contingent upon the Applicant's acknowledgement and successful completion of the foregoing job conditions and may be revoked by CEDC at any time before the hiring process is complete. If hired, Applicant's employment with CEDC is considered at will, meaning either CEDC or the employee may terminate the employment relationship at any time with or without notice or cause.

By signing below, I acknowledge that I have read, understand, and agree to the above criteria pertaining to the job offer I am receiving from CEDC. I understand that any misrepresentation in the hiring process may result in not being hired or being terminated post-hire. I declare that the information I have provided during the hiring process is true and accurate and I accept the conditional job offer as presented.

_____ _____

Applicant Signature Date

COUNCIL BILL NO. 22-51 **ORDINANCE NO. _____**

An Ordinance to amend Section 207 – Resignation and Retirement of the Personnel Policy Manual of the City of Carthage.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: Section **207 – Resignation and Retirement** of the Personnel Policy Manual is hereby amended by amending subsections 01 and 02.

207. Resignation and Retirement:

01. Notice of Resignation: In order to terminate employment in good standing, regular full-time employees are required to give at least two (2) weeks notice, and part-time employees, at least one (1) week notice prior to the effective date of resignation. Department Heads and/or Exempt Employees are required to give at least thirty (30) days notice prior to the effective date of resignation.

02. Advanced Notice of Resignation: It is the responsibility of an employee who plans to resign from employment with the City to notify their immediate supervisor in advance as follows:

1. A written resignation will be submitted to the supervisor at least two weeks before the effective date for regular full-time employees, one (1) week for part-time employees, and thirty (30) days for exempt employees/department heads. Accrued vacation does not count as notice. Leave, paid or unpaid, may not be taken during the employee's resignation notice period unless pre-authorized by the employee's Department Head or the City Administrator.

2. Failure to give adequate notice will be recorded in the resigning employee's personnel file and may be cause for denying re-employment with the City and forfeiture of any vacation paid upon separation pursuant to Section 502.08.

SECTION II: This Ordinance shall take effect and be in force effective from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____

Dan Rife, Mayor

ATTEST:

Miranda Deal, City Clerk

Sponsored by: Insurance, Audit and Claims

COUNCIL BILL NO. ___22-52__ **ORDINANCE NO. _____**

An Ordinance to amend Section 503 – Holidays Authorized of the Personnel Policy Manual of the City of Carthage by amending Subsection 09 and adding Subsection 10.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: Section **503 – Holidays Authorized** of the Personnel Policy Manual is hereby amended by amending Subsection 09 and adding Subsection 10.

503. **Holidays Authorized:** All full-time employees are authorized the following paid holidays each year: New Year's Day - January 1
Martin Luther King Jr. Day – Third Monday in January President's Day - Third Monday in February
Memorial Day - Last Monday in May Juneteenth – June 19
Independence Day - July 4
Labor Day - First Monday in September Veteran's Day - November 11
Thanksgiving Day - Fourth Thursday in November Thanksgiving Friday
Christmas Eve - December 24 Christmas Day - December 25 Personal Leave Day

In the event a holiday falls on a Saturday, the preceding Friday shall be observed. In the event that a holiday falls on a Sunday, the following Monday shall be observed. In the event Christmas Eve falls on a Sunday the preceding Friday shall be observed as the holiday.

In the event Christmas Day falls on a Saturday then the preceding Thursday and Friday shall be observed as the Christmas Eve and Christmas Day holidays.

01. **Holiday Pay:** "Holiday Pay" is defined as a benefit to all employees which provides compensation for time not worked on a holiday or additional compensation for required time worked on the holiday.

02. **Part-Time employees, who are not required to work on a holiday** which falls on a day which they normally would have worked, shall be paid for the hours which they normally would have worked but no additional compensation (i.e., if they normally work four (4) hours on the day of a holiday, they shall be paid for the four (4) hours which they are not working). If the holiday falls on a day which

they normally would not have worked, the employee shall receive no compensation for that day.

03. **Part-Time employees, who are required to work on a holiday**, shall be given an extra ½ hour of pay for each hour worked, in addition to their normal hourly pay, but no additional compensation. Example: A Part-Time employee who works eight (8) hours on a holiday will be paid for 12 hours total.

04. **Full-Time Employees Not Required to Work on a Holiday** (civilian only): All full-time employees, who are not required to work on a holiday, shall be paid straight time for the hours they normally would have worked but no additional compensation. Since the employee is not required to work on the holiday, the hours spent off the job shall not be considered as "working time" as defined by the Fair Labor Standards Act.

05. **Full-Time Employees Required to Work on a Holiday** (Civilian only): All full-time employees, who are required to work on a holiday, will be paid for the hours which they normally would have worked, as a holiday benefit, plus they shall be paid time and one half for the hours they actually work on the holiday.

06. **Police Officers and Firefighters Not Required to Work on a Holiday:** Classified Police Officers and Firefighters, who are not scheduled to work on a holiday, will receive their "Base Pay" plus, as a holiday benefit, shall receive eight hours credit for each holiday listed.

07. **Police Officers and Firefighters Required to Work on a Holiday (previously scheduled)** Classified Police Officers and Firefighters, who are required to work on a holiday as a part of their normal work schedule, shall be paid their "Base Pay" plus, as a holiday benefit, they shall

be paid an amount equal to straight time for the number of hours they work (i.e., A Police Officer who works a 12-hour shift will receive 12 hours as a holiday bonus. Firefighters who work a 24-hour shift will receive a 24-hour holiday bonus).

08. **Police Officers and Firefighters Required to Work on a Holiday (not previously scheduled):** Police Officers and Firefighters who are required to work on a holiday, and such work is not a part of their normal work schedule, shall be given credit for the holiday, as listed in Paragraph "07". In addition, the employee will be paid according to the City's Overtime Policy for the time worked. This requirement to work a holiday, which is not normally scheduled, should be reserved for emergency situations.

09. **Exempt Positions:** Employees who are in an exempt position as classified by the Fair Labor Standards Act will be paid their full workweek salary if they work any hours during the workweek in which the holiday falls. Exempt employees are not entitled to any additional holiday benefit pay, regardless of whether the employee is required or not required to work on the holiday.

10. **Non-Payment:** An employee who is separated or commences an authorized or unauthorized leave without pay on the last scheduled workday preceding or following a holiday, will not receive holiday pay.

SECTION II: This Ordinance shall take effect and be in force effective from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____

Dan Rife, Mayor

ATTEST:

_____

Miranda Deal, City Clerk

Sponsored by: Insurance, Audit and Claims

COUNCIL BILL NO. ___22-53___ **ORDINANCE NO. _____**

An Ordinance rezoning certain property at 828 and 830 West Fairview in the City of Carthage from District A, to District F, Light Industrial, as requested by Philip K and Sharon R Brown, in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The following described property is hereby rezoned from District A, to District F, Light Industrial to wit:

TRACT I: ALL OF LOTS NUMBERED THIRTEEN (13) AND FOURTEEN (14) IN SOUTH SIDE ADDITION LOCATED ON PART OF THE NORTHWEST QUARTER OF SECTION 16 TOWNSHIP 28 RANGE 31, JASPER COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF.

Commonly Known as 828 Fairview:

SECTION II: The following described property is hereby rezoned from District A, to District F, Light Industrial to wit:

TRACT II: ALL OF LOT NUMBERED FIFTEEN (15) IN SOUTH SIDE ADDITION LOCATED IN THE NORTHWEST QUARTER OF SECTION 16 TOWNSHIP 28 RANGE 31, JASPER COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF.

Commonly Known as 830 Fairview:

SECTION III: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

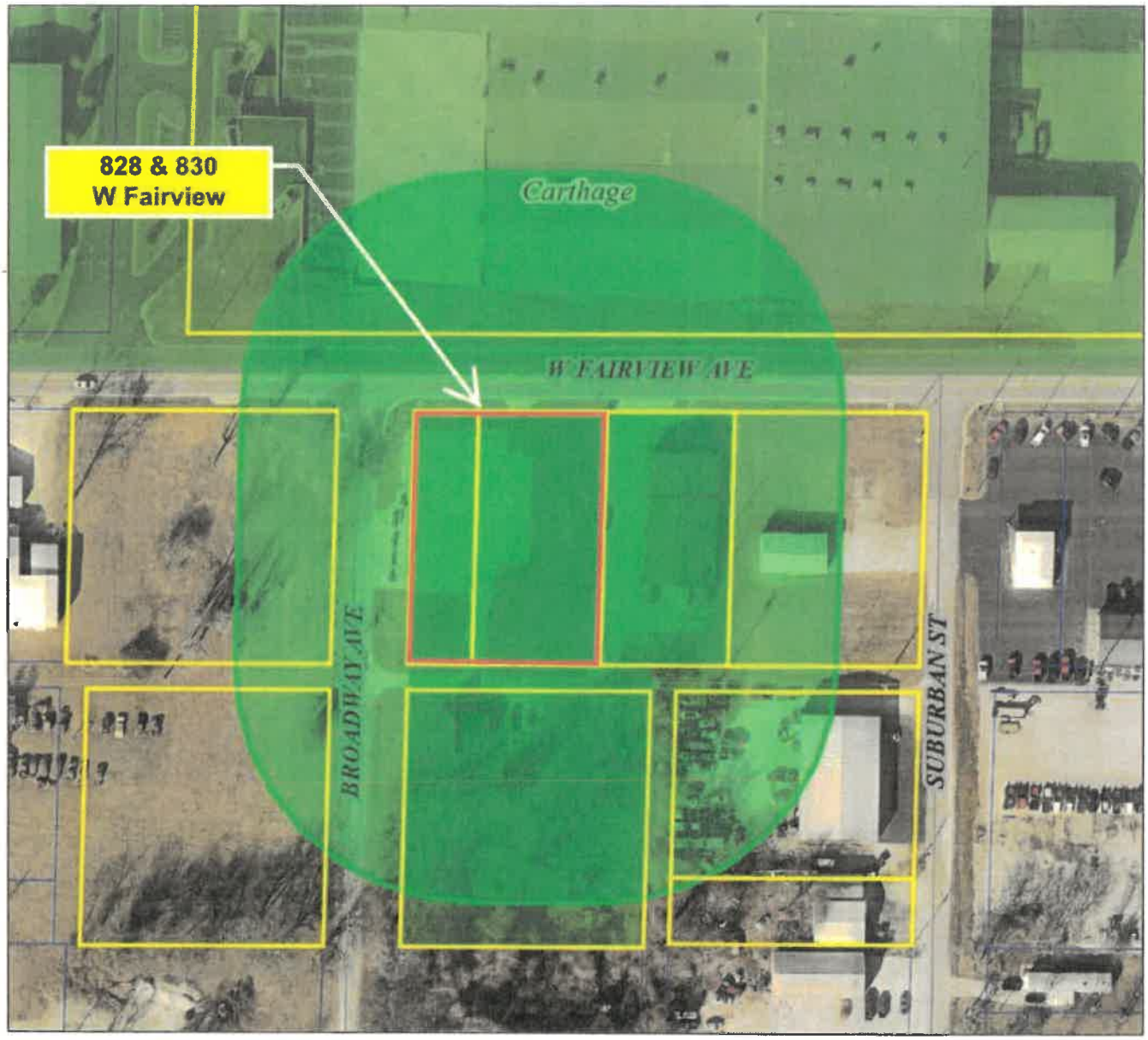
_____
Dan Rife, Mayor

ATTEST:

_____
Miranda Deal, City Clerk

22-53 Sponsored by: Planning, Zoning and Historic Preservation Commission

185' Property Ownership Map
828 & 830 W Fairview

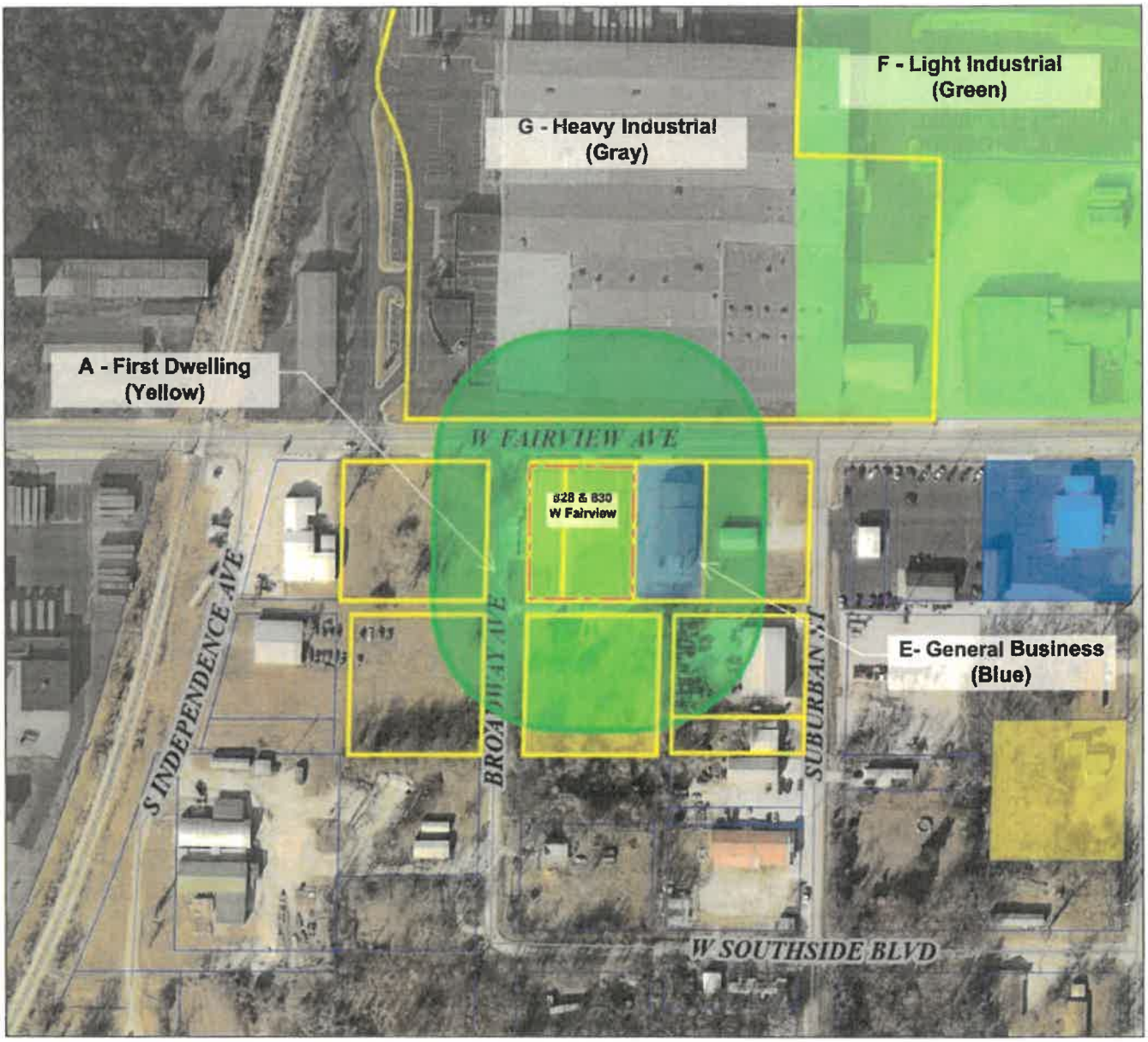


Any split parcels recorded after the middle of May will not display until the next tax year.

Date created: 11/20/2022
Last Data Uploaded: 11/18/2022 1:57:35 AM

Developed by Schneider GEOSPATIAL

Current Zoning Map



Developed by Schneider GEOSPATIAL

COUNCIL BILL NO. ___22-54___ **ORDINANCE NO. _____**

An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission to provide funding for ADA compliant sidewalks and crossings on HH Highway from Steadley Elementary to Creekside Subdivision, in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The agreement with Missouri Highway and Transportation Commission for the Alternatives Funds Program Agreement (TAP-1601(705)) for ADA compliant sidewalks, curbs, ramps, entrances and crosswalks along Rte. HH/Fir Road, from Steadley Elementary east to Chapel Road, and then south to the crosswalk located south of Creekside Subdivision, and the Missouri Highway and Transportation Commission Sidewalk Improvements Agreement, attached hereto as Exhibit A and incorporated herein by reference is approved as a contractual obligation of the city of Carthage, Missouri.

SECTION II: The Mayor is hereby authorized and directed to execute said agreement, in Exhibit A, on behalf of the City of Carthage, Missouri, and to affix the municipal seal hereto and to attest the same.

SECTION III: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
Dan Rife, Mayor

ATTEST:

_____
Miranda Deal, City Clerk

CB 22-54 Sponsored by: Public Works Committee

CCO Form: DE65
Approved: 12/07 (BDG)
Revised: 12/21 (BDG)
Modified:

TAP – 1601(705)

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
SIDEWALK IMPROVEMENTS AGREEMENT

THIS AGREEMENT is made and entered into by and between the Missouri Highways and Transportation Commission (hereinafter, "Commission"), whose address is P.O. Box 270, 105 W. Capitol, Jefferson City, Missouri 65102, and the City of Carthage, Missouri (hereinafter, "City"), whose address is 326 Grant, Carthage, MO 64836.

WITNNESSETH:

WHEREAS, the Commission owns and operates, as part of the State Highway System, Route HH located within the City limits in Jasper County; and

WHEREAS, the City is desirous of performing certain tasks related to the installation and maintenance of sidewalk improvements within the City limits.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained in this Agreement, the parties agree as follows:

(1) PROPOSAL: The City proposes and the Commission will allow the installation, including maintenance, of sidewalk improvements on Commission right-of-way as provided in this Agreement.

(2) LOCATION: The general location of the sidewalk improvements to be installed and maintained pursuant to this Agreement is along the south side of Route HH, from the East entrance to Steadley Elementary School to Chapel Road and then South to the crosswalk located south of Creekside Subdivision, City of Carthage, Jasper County, Missouri, as shown on the attachment marked as Exhibit A, which is incorporated herein by reference.

(3) COSTS: All costs associated with the construction of the proposed sidewalk improvements, including, but not limited to, signing, traffic signals, and traffic control during construction, will be borne entirely by the City, with no cost incurred by the Commission.

(4) PLANS: The City shall have detailed plans prepared at no cost to the Commission, which are to be submitted to the Commission's District Engineer for the Commission's review and approval. The Commission's District Engineer, in his/her sole discretion, may require modifications to the plans prior to approving the plans.

(5) TRAFFIC CONTROL DEVICES: All pavement marking, signs, and traffic signals installed with the proposed improvements shall be in accordance with the latest revision of the *Manual on Uniform Traffic Control Devices for Streets and Highways*.

(6) RELOCATION: The City shall secure the removal, relocation or adjustment of any public or private utilities located on private easements or public right-of way, if the construction of the herein contemplated improvements so required, without cost to the Commission.

(7) INSPECTION: The City will allow inspection of the construction and maintenance activities of the herein contemplated improvements by the Commission's District Engineer, or his authorized representative, at any time and shall take no attempts to prevent said inspection. Within thirty (30) days following notice by the City to the Commission that construction is complete, the Commission will inspect the work to determine that it is acceptable. The sidewalk improvements will not be placed in operation until the Commission authorizes.

(8) INDEMNIFICATION:

(A) To the extent allowed or imposed by law, the City shall defend, indemnify and hold harmless the Commission, including its members and department employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the City's wrongful or negligent performance of its obligations under this Agreement.

(B) The City will require any contractor procured by the City to work under this Agreement:

(1) To obtain a no cost permit from the Commission’s district engineer prior to working on the Commission’s right-of-way, which shall be signed by an authorized contractor representative (a permit from the Commission’s district engineer will not be required for work outside of the Commission’s right-of-way); and

(2) To carry commercial general liability insurance and commercial automobile liability insurance from a company authorized to issue insurance in Missouri, and to name the Commission, and the Missouri Department of Transportation and its employees, as additional named insureds in amounts sufficient to cover the sovereign immunity limits for Missouri public entities ($500,000 per claimant and $3,500,000 per occurrence) as calculated by the Missouri Department of Insurance, Financial Institutions and Professional Registration, and published annually in the Missouri Register pursuant to Section 537.610, RSMo.

(C) In no event shall the language of this Agreement constitute or be construed as a waiver or limitation for either party’s rights or defenses with regard to each party’s applicable sovereign, governmental, or official immunities and

protections as provided by federal and state constitution or law.

(9) OWNERSHIP AND MAINTENANCE: All improvements made pursuant to this Agreement within the state-owned right-of-way shall become the Commission's property. The City, at its sole cost and expense, is responsible for maintaining all sidewalks constructed or installed pursuant to this Agreement in fully operational, safe and aesthetically acceptable condition. All future alterations, modifications, or maintenance of the sidewalk improvements will be the responsibility of the City. Maintenance by the City will include, but is not limited to, crack repair, patching holes, removing litter, debris, trash, and leaves, and removal of snow and ice (through methods approved by the Commission). All sidewalks constructed pursuant to this Agreement shall be maintained in a condition safe for use of the sidewalks by the general public at all times. If the City fails to maintain the sidewalks in a safe condition, the Commission may cancel this Agreement and remove the sidewalks from Commission right of way or the Commission may maintain the sidewalks at the City's cost and expense.

(10) PERMITS: Before beginning work, the City shall secure from the Commission's District Engineer a permit for the proposed improvement. The City shall comply with any additional conditions placed on the permit by the Commission.

(11) BOND: The City shall secure sufficient bond, as determined by the Commission's District Engineer or his authorized representative, for the construction of the proposed improvement on Commission right-of-way.

(12) CONSTRUCTION OF IMPROVEMENTS: All construction of the proposed improvements shall be according to the latest editions of the Missouri Highways and Transportation Commission's *Standard Specifications for Highway Construction*, Standard Plans for Highway Construction, and the Missouri Department of Transportation's *Approved Products List for Traffic Signals and Highway Lighting*.

(13) AMENDMENTS: Any change in this Agreement, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by the duly authorized representative of the City and the Commission.

(14) ASSIGNMENT: The City shall not assign, transfer or delegate any interest in this Agreement without the prior written consent of the Commission.

(15) AUDIT OF RECORDS: The City must maintain all records relating to this Agreement, including but not limited to invoices, payrolls, etc. These records must be available at all reasonable times at no charge to the Commission and/or its designees or representatives during the period of this Agreement and any extension thereof, and for three (3) years from the date of final payment made under this Agreement.

(16) CANCELLATION: The Commission may cancel this Agreement at any time for a material breach of contractual obligations or for convenience by providing the City with written notice of cancellation. Should the Commission exercise its right to cancel the contract for such reasons, cancellation will become effective upon the date specified in the notice of cancellation sent to the City.

(17) LAW OF MISSOURI TO GOVERN: This Agreement shall be construed according to the laws of the state of Missouri. The City shall comply with all local, state and federal laws and regulations relating to the performance of this Agreement.

(18) MISSOURI NONDISCRIMINATION CLAUSE: The City shall comply with all state and federal statutes applicable to City relating to nondiscrimination, including, but not limited to, Chapter 213, RSMo; Title VI and Title VII of the Civil Rights Act of 1964 as amended (42 U.S.C. Sections 2000d and 2000e, *et seq*.); and with any provision of the "Americans with Disabilities Act" (42 U.S.C. Section 12101, *et seq*.).

(19) VENUE: It is agreed by the parties that any action at law, suit in equity, or other judicial proceeding to enforce or construe this Agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of Cole County, Missouri.

(20) SECTION HEADINGS: All section headings contained in this Agreement are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

(21) SOLE BENEFICIARY: This Agreement is made for the sole benefit of the parties hereto and nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Commission and the City.

(22) NO INTEREST: By constructing and maintaining the sidewalk improvements on Commission right of way, the City gains no interest in Commission right-of-way whatsoever. The Commission shall not be obligated to keep the constructed improvements in place if the Commission, in its sole discretion, determines removal or modification of the improvements is in the best interests of the state highway system. In the event the Commission decides to remove the improvements, the City shall not be entitled to a refund of the funds expended by the City pursuant to this Agreement.

(23) AUTHORITY TO EXECUTE: The signers of this Agreement warrant that they are acting officially and properly on behalf of their respective institutions and have been duly authorized, directed and empowered to execute this Agreement.

(24) VOLUNTARY NATURE OF AGREEMENT: Each party to this Agreement warrants and certifies that it enters into this transaction and executes this Agreement freely and voluntarily and without being in a state of duress or under threats or coercion.

(25) ENTIRE AGREEMENT: This Agreement represents the entire understanding between the parties regarding this subject and supersedes all prior written or oral communications between the parties regarding this subject.

(26) DURATION: Unless otherwise terminated pursuant to (9) or (16), above, or through mutual agreement of the parties, this Agreement shall be in effect for a continuing duration upon execution of this Agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date last written below.

Executed by the City on _____(DATE).

Executed by the Commission on _____(DATE).

MISSOURI HIGHWAYS AND
TRANSPORTATION COMMISSION

By_____

Title_____

ATTEST:

_____
Secretary to the Commission

Approved as to Form:

_____
Commission Counsel

CITY OF CARTHAGE

By_____

Title_____

ATTEST:

By_____

Title_____

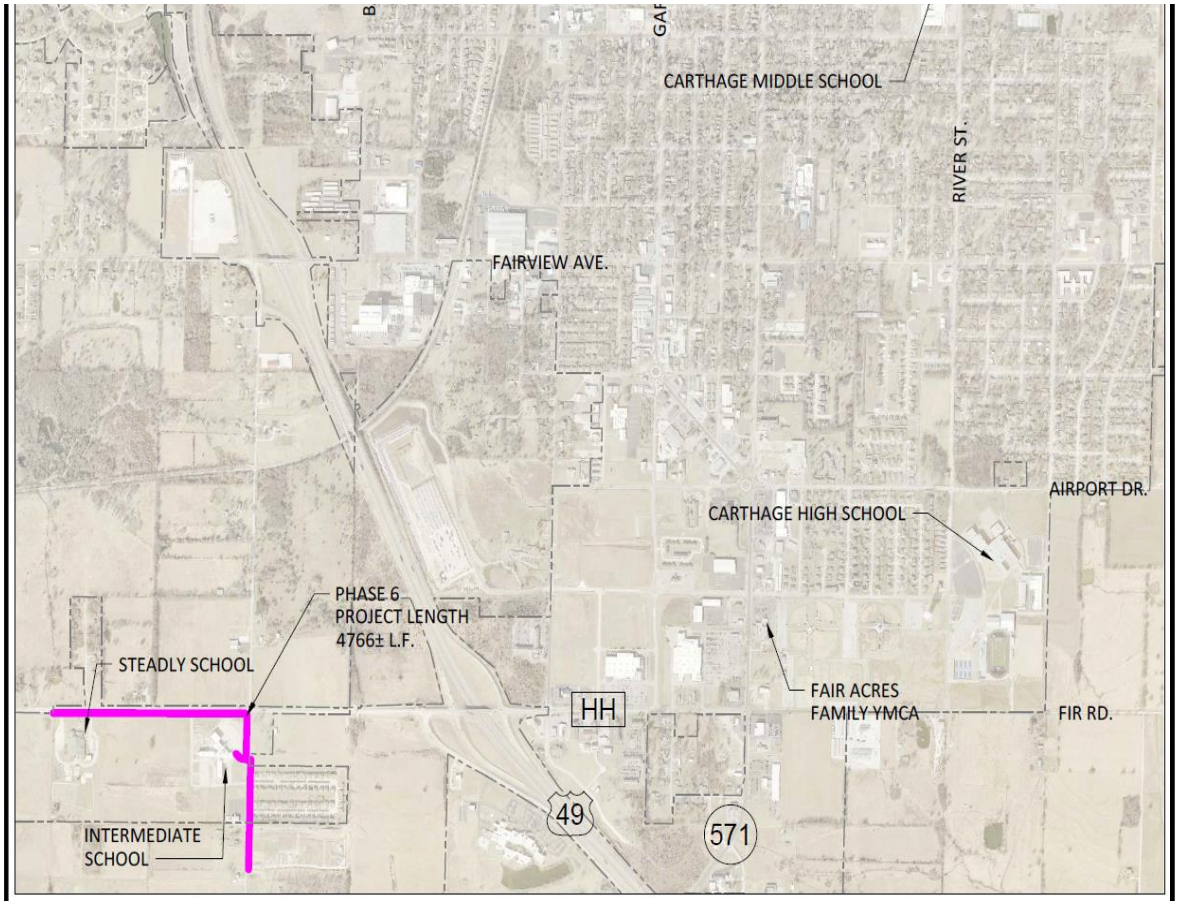
Approved as to Form:

_____

Title_____

Ordinance Number:_____

Exhibit A


CARTHAGE MIDDLE SCHOOL
RIVER ST.
FAIRVIEW AVE.
AIRPORT DR.
CARTHAGE HIGH SCHOOL
PHASE 6
PROJECT LENGTH
4766± L.F.
STEADLY SCHOOL
FAIR ACRES
FAMILY YMCA
FIR RD.
HH
49
571
INTERMEDIATE
SCHOOL

CCO Form: FS25
Approved: 04/95 (MGB)
Revised: 03/17 (MWH)
Modified: 10/22 (MWH)

CFDA Number: 20.205
CFDA Title: Highway Planning and Construction
Award name/number: TAP – 1601(705)
Award Year: 2023
Federal Agency: Federal Highway Administration, Department of Transportation

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
TRANSPORTATION ALTERNATIVES FUNDS
PROGRAM AGREEMENT

THIS AGREEMENT is entered into by the Missouri Highways and Transportation Commission (hereinafter, "Commission") and City of Carthage (hereinafter, “City”).

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations in this Agreement, the parties agree as follows:

(1) PURPOSE: : The United States Congress has authorized, in Infrastructure Investment and Jobs Act (IIJA), 23 U.S.C. §101, §106, §133, and §208, funds to be used for transportation enhancements activities. The purpose of this Agreement is to grant the use of such transportation enhancement funds to the City.
(2) .

(2) LOCATION: The transportation alternatives funds which are the subject of this Agreement are for the project at the following location: New ADA compliant sidewalks, curbs, ramps, entrances and crosswalks along Rte. HH/Fir Road, from Steadley Elementary east to Chapel Rd. and then south to the crosswalk located south of Creekside Subdivision.

The general location of the project is shown on attachment marked "Exhibit A" and incorporated herein by reference.

(3) REASONABLE PROGRESS POLICY: The project as described in this agreement is subject to the reasonable progress policy set forth in the Local Public Agency (LPA) Manual and the final deadline specified in Exhibit B attached hereto and incorporated herein by reference. In the event, the LPA Manual and the final deadline within Exhibit B conflict, the final deadline within Exhibit B controls. If the project is within a Transportation Management Area that has a reasonable progress policy in place, the

project is subject to that policy. If the project is withdrawn for not meeting reasonable progress, the City agrees to repay the Commission for any progress payments made to the City for the project and agrees that the Commission may deduct progress payments made to the City from future payments to the City. The City may not be eligible for future Transportation Alternatives Funds if the City does not meet the reasonable progress policy.

(4) INDEMNIFICATION:

(A) To the extent allowed or imposed by law, the City shall defend, indemnify and hold harmless the Commission, including its members and the Missouri Department of Transportation (MoDOT or Department) employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the City's wrongful or negligent performance of its obligations under this Agreement.

(B) The City will require any contractor procured by the City to work under this Agreement:

1. To obtain a no cost permit from the Commission's district engineer prior to working on the Commission's right-of-way, which shall be signed by an authorized contractor representative (a permit from the Commission's district engineer will not be required for work outside of the Commission's right-of-way); and

2. To carry commercial general liability insurance and commercial automobile liability insurance from a company authorized to issue insurance in Missouri, and to name the Commission, and MoDOT and its employees, as additional named insureds in amounts sufficient to cover the sovereign immunity limits for Missouri public entities as calculated by the Missouri Department of Insurance, Financial Institutions and Professional Registration, and published annually in the Missouri Register pursuant to Section 537.610, RSMo. The City shall cause insurer to increase the insurance amounts in accordance with those published annually in the Missouri Register pursuant to Section 537.610, RSMo.

(C) In no event shall the language of this Agreement constitute or be construed as a waiver or limitation for either party's rights or defenses with regard to each party's applicable sovereign, governmental, or official immunities and protections as provided by federal and state constitution or law.

(5) AMENDMENTS: Any change in this Agreement, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by the duly authorized representatives of the City and the Commission.

(6) COMMISSION REPRESENTATIVE: The Commission's Southwest District

Engineer is designated as the Commission's representative for the purpose of administering the provisions of this Agreement. The Commission's representative may designate by written notice other persons having the authority to act on behalf of the Commission in furtherance of the performance of this Agreement.

(7) NONDISCRIMINATION ASSURANCE: With regard to work under this Agreement, the City agrees as follows:

(A) Civil Rights Statutes: The City shall comply with all state and federal statutes relating to nondiscrimination, including but not limited to Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. §2000d and §2000e, *et seq*.), as well as any applicable titles of the "Americans with Disabilities Act" (42 U.S.C. §12101, *et seq*.). In addition, if the City is providing services or operating programs on behalf of the Department or the Commission, it shall comply with all applicable provisions of Title II of the "Americans with Disabilities Act".

(B) Administrative Rules: The City shall comply with the administrative rules of the United States Department of Transportation relative to nondiscrimination in federally-assisted programs of the United States Department of Transportation (49 C.F.R. Part 21) which are herein incorporated by reference and made part of this Agreement.

(C) Nondiscrimination: The City shall not discriminate on grounds of the race, color, religion, creed, sex, disability, national origin, age or ancestry of any individual in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The City shall not participate either directly or indirectly in the discrimination prohibited by 49 C.F.R. §21.5, including employment practices.

(D) Solicitations for Subcontracts, Including Procurements of Material and Equipment: These assurances concerning nondiscrimination also apply to subcontractors and suppliers of the City. These apply to all solicitations either by competitive bidding or negotiation made by the City for work to be performed under a subcontract including procurement of materials or equipment. Each potential subcontractor or supplier shall be notified by the City of the requirements of this Agreement relative to nondiscrimination on grounds of the race, color, religion, creed, sex, disability or national origin, age or ancestry of any individual.

(E) Information and Reports: The City shall provide all information and reports required by this Agreement, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Commission or the United States Department of Transportation to be necessary to ascertain compliance with other contracts, orders and instructions. Where any information required of the City is in the exclusive possession of another who fails or refuses to furnish this information, the City shall so certify to the Commission or the United States Department of Transportation as appropriate and shall set forth what efforts it has made to obtain the information.

(F) Sanctions for Noncompliance: In the event the City fails to comply with the nondiscrimination provisions of this Agreement, the Commission shall impose such contract sanctions as it or the United States Department of Transportation may determine to be appropriate, including but not limited to:

1. Withholding of payments under this Agreement until the City complies; and/or

2. Cancellation, termination or suspension of this Agreement, in whole or in part, or both.

(G) Incorporation of Provisions: The City shall include the provisions of paragraph (7) of this Agreement in every subcontract, including procurements of materials and leases of equipment, unless exempted by the statutes, executive order, administrative rules or instructions issued by the Commission or the United States Department of Transportation. The City will take such action with respect to any subcontract or procurement as the Commission or the United States Department of Transportation may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that in the event the City becomes involved or is threatened with litigation with a subcontractor or supplier as a result of such direction, the City may request the United States to enter into such litigation to protect the interests of the United States.

(8) ASSIGNMENT: The City shall not assign, transfer or delegate any interest in this Agreement without the prior written consent of the Commission.

(9) LAW OF MISSOURI TO GOVERN: This Agreement shall be construed according to the laws of the State of Missouri. The City shall comply with all local, state and federal laws and regulations relating to the performance of this Agreement.

(10) CANCELLATION: The Commission may cancel this Agreement at any time for a material breach of contractual obligations by providing the City with written notice of cancellation. Should the Commission exercise its right to cancel this Agreement for such reasons, cancellation will become effective upon the date specified in the notice of cancellation sent to the City.

(11) ACCESS TO RECORDS: The City and its contractors must maintain all records relating to this Agreement, including but not limited to invoices, payrolls, etc. These records must be available at no charge to the Federal Highway Administration (FHWA) and the Commission and/or their designees or representatives during the period of this Agreement and any extension, and for a period of three (3) years after the date on which the City receives reimbursement of their final invoice from the Commission.

(12) FEDERAL-AID PROVISIONS: Because responsibility for the performance of all functions or work contemplated as part of this project is assumed by the City, and

the City may elect to construct part of the improvement contemplated by this Agreement with its own forces, a copy of Section II and Section III, as contained in the United States Department of Transportation Form Federal Highway Administration (FHWA) 1273 "Required Contract Provisions, Federal-Aid Construction Contracts," is attached and made a part of this Agreement as Exhibit C. Wherever the term "the contractor" or words of similar import appear in these sections, the term “the City” is to be substituted. The City agrees to abide by and carry out the condition and obligations of "the contractor" as stated in Section II, Equal Opportunity, and Section III, Nonsegregated Facilities, as set out in Form FHWA 1273.

(13) ACQUISITION OF RIGHT OF WAY: With respect to the acquisition of right of way necessary for the completion of the project, City shall acquire any additional necessary right of way required for this project and in doing so agrees that it will comply with all applicable federal laws, rules and regulations, including 42 U.S.C. 4601-4655, the Uniform Relocation Assistance and Real Property Acquisition Act, as amended and any regulations promulgated in connection with the Act.

(14) MAINTENANCE OF DEVELOPMENT: The City shall maintain the herein contemplated improvements without any cost or expense to the Commission. All maintenance by the City shall be done for the safety of the general public and the esthetics of the area. In addition, if any sidewalk or bike trails are constructed on the Commission's right-of-way pursuant to this Agreement, the City shall inspect and maintain the sidewalk or bike trails constructed by this project in a condition reasonably safe to the public and, to the extent allowed by law, shall indemnify and hold the Commission harmless from any claims arising from the construction and maintenance of said sidewalk or bike trails. If the City fails to maintain the herein contemplated improvements, the Commission or its representatives, at the Commission's sole discretion shall notify the City in writing of the City’s failure to maintain the improvement. If the City continues to fail in maintaining the improvement, the Commission may remove the herein contemplated improvement whether or not the improvement is located on the Commission's right of way. Any removal by the Commission shall be at the sole cost and expense of the City. Maintenance includes but is not limited to mowing and trimming between shrubs and other plantings that are part of the improvement.

(15) PLANS: The City shall prepare preliminary and final plans and specifications for the herein improvements. The plans and specifications shall be submitted to the Commission for the Commission's review and approval. The Commission has the discretion to require changes to any plans and specification prior to any approval by the Commission.

(16) REIMBURSEMENT: The cost of the contemplated improvements will be borne by the United States Government and by the City as follows:

(A) Any federal funds for project activities shall only be available for

reimbursement of eligible costs which have been incurred by City. Any costs incurred by City prior to authorization from FHWA and notification to proceed from the Commission are **not** reimbursable costs. The federal share for this project will be 64 percent not to exceed $330,707.20. The calculated federal share for seeking federal reimbursement of participating costs for the herein improvements will be determined by dividing the total federal funds applied to the project by the total participating costs. Any costs for the herein improvements which exceed any federal reimbursement or are not eligible for federal reimbursement shall be the sole responsibility of City. The Commission shall not be responsible for any costs associated with the herein improvement unless specifically identified in this Agreement or subsequent written amendments.

(17) PROGRESS PAYMENTS: The City may request progress payments be made for the herein improvements as work progresses but not more than once every two weeks. Progress payments must be submitted monthly. The City shall repay any progress payments which involve ineligible costs.

(18) PROMPT PAYMENTS: Progress invoices submitted to MoDOT for reimbursement more than thirty (30) calendar days after the date of the vendor invoice shall also include documentation that the vendor was paid in full for the work identified in the progress invoice. Examples of proof of payment may include a letter or e-mail from the vendor, lien waiver or copies of cancelled checks. Reimbursement will not be made on these submittals until proof of payment is provided. Progress invoices submitted to MoDOT for reimbursement within thirty (30) calendar days of the date on the vendor invoice will be processed for reimbursement without proof of payment to the vendor. If the City has not paid the vendor prior to receiving reimbursement, the City must pay the vendor within two (2) business days of receipt of funds from MoDOT.

(19) PERMITS: The City shall secure any necessary approvals or permits from any federal or state agency as required for the completion of the herein improvements. If this improvement is on the right of way of the Commission, the City must secure a permit from the Commission prior to the start of any work on the right of way. The permits which may be required include, but are not limited to, environmental, architectural, historical or cultural requirements of federal or state law or regulation.

(20) INSPECTION OF IMPROVEMENTS AND RECORDS: The City shall assure that representatives of the Commission and FHWA shall have the privilege of inspecting and reviewing the work being done by the City's contractor and subcontractor on the herein project. The City shall also assure that its contractor, and all subcontractors, if any, maintain all books, documents, papers and other evidence pertaining to costs incurred in connection with the Transportation Enhancement Program Agreement, and make such materials available at such contractor's office at all reasonable times at no charge during this Agreement period, and for three (3) years from the date of final payment under this Agreement, for inspection by the Commission, FHWA or any authorized representatives of the Federal Government and the State of Missouri, and copies shall be furnished, upon request, to authorized representatives of the Commission, State, FHWA, or other Federal agencies.

(21) CREDIT FOR DONATIONS OF FUNDS, MATERIALS, OR SERVICES: A person may offer to donate funds, materials or services in connection with this project. Any donated funds, or the fair market value of any donated materials or services that are accepted and incorporated into this project shall be credited according to 23 U.S.C. §323.

(22) DISADVANTAGED BUSINESS ENTERPRISES (DBE): The Commission will advise the City of any required goals for participation by disadvantaged business enterprises (DBEs) to be included in the City's proposal for the work to be performed. The City shall submit for Commission approval a DBE goal or plan. The City shall comply with the plan or goal that is approved by the Commission and all requirements of 49 C.F.R. Part 26, as amended.

(23) VENUE: It is agreed by the parties that any action at law, suit in equity, or other judicial proceeding to enforce or construe this Agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of Cole County, Missouri.

(24) NOTICE TO BIDDERS: The City shall notify the prospective bidders that disadvantaged business enterprises shall be afforded full and affirmative opportunity to submit bids in response to the invitation and will not be discriminated against on grounds of race, color, sex, or national origin in consideration for an award.

(25) FINAL AUDIT: The Commission may, in its sole discretion, perform a final audit of project costs. The United States Government shall reimburse the City, through the Commission, any monies due. The City shall refund any overpayments as determined by the final audit.

(26) AUDIT REQUIREMENT : If the City expend(s) seven hundred fifty thousand dollars ($750,000) or more in a year in federal financial assistance it is required to have an independent annual audit conducted in accordance with 2 CFR Part 200. A copy of the audit report shall be submitted to MoDOT within the earlier of thirty (30) days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period. Subject to the requirements of 2 CFR Part 200, if the City expend(s) less than seven hundred fifty thousand dollars ($750,000) a year, the City may be exempt from auditing requirements for that year but records must be available for review or audit by applicable state and federal authorities.

(27) FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006: The City shall comply with all reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA) of 2006, as amended. This Agreement is subject to the award terms within 2 C.F.R. Part 170.

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IN WITNESS WHEREOF, the parties have entered into this Agreement on the date last written below.

Executed by the City on _____(DATE)

Executed by the Commission on _____(DATE)

MISSOURI HIGHWAYS AND
TRANSPORTATION COMMISSION

_____

Title _____

ATTEST:

_____
Secretary to the Commission

Approved as to Form:

_____
Commission Counsel

CITY OF CARTHAGE

By _____

Title _____

ATTEST:

By _____

Title _____

Approved as to Form:

_____

Title _____

Ordinance No _____

Exhibit A - Location of Project

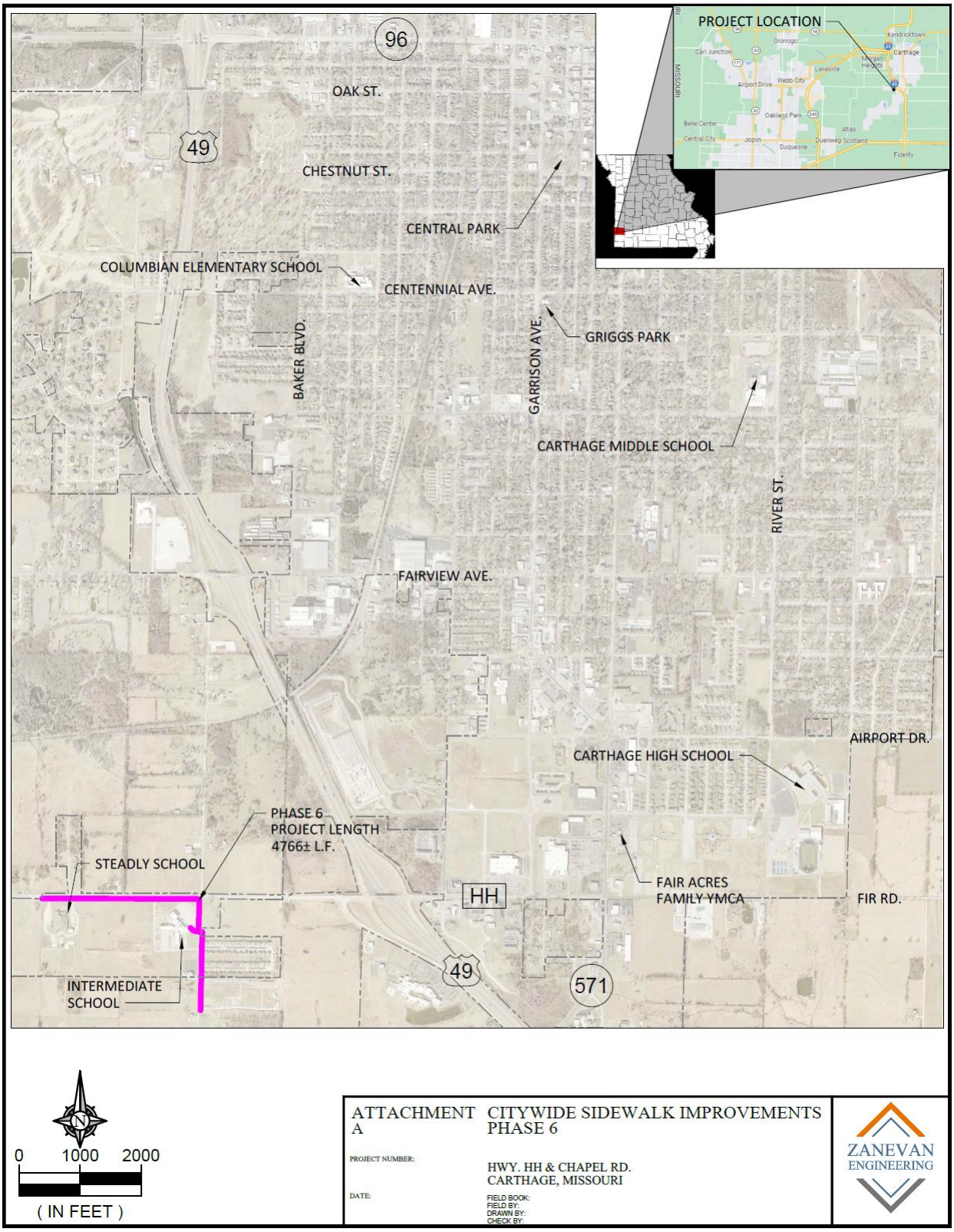


Exhibit B – Project Schedule

Project Description: Project: TAP – 1601(705), ADA compliant sidewalks, crosswalks and entrances along Rte. HH/Fir Rd. and continuing south along Chapel Rd

Task	**Date**
Date funding is made available or allocated to recipient	10/2022
Solicitation for Professional Engineering Services (advertised)	12/2022
Engineering Services Contract Approved	02/2023
Conceptual Study (if applicable)	
Preliminary and Right-of-Way Plans Submittal (if Applicable)	08/2023
Plans, Specifications & Estimate (PS&E) Submittal	03/2024
Plans, Specifications & Estimate (PS&E) Approval	06/2024
Advertisement for Letting	07/2024
Bid Opening	08/2024
Construction Contract Award or Planning Study completed **(REQUIRED)**	09/2024

*Note: the dates established in the schedule above will be used in the applicable ESC between the sponsor agency and consultant firm.

**Schedule dates are approximate as the project schedule will be actively managed and issues mitigated through the project delivery process. The Award Date or Planning Study Date deliverable is not approximate and a Supplemental Agreement is required to modify this date.

FHWA-1273 -- Revised July 5, 2022

REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS

I. General
II. Nondiscrimination
III. Non-segregated Facilities
IV. Davis-Bacon and Related Act Provisions
V. Contract Work Hours and Safety Standards Act Provisions
VI. Subletting or Assigning the Contract
VII. Safety: Accident Prevention
VIII. False Statements Concerning Highway Projects
IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
X. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
XI. Certification Regarding Use of Contract Funds for Lobbying
XII. Use of United States-Flag Vessels:

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under title 23, United States Code, as required in 23 CFR 633.102(b) (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services). 23 CFR 633.102(e).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider. 23 CFR 633.102(e).

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services) in accordance with 23 CFR 633.102. The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract). 23 CFR 633.102(b).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract. 23 CFR 633.102(d).

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b). The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

II. NONDISCRIMINATION (23 CFR 230.107(a); 23 CFR Part 230, Subpart A, Appendix A; EO 11246)

The provisions of this section related to 23 CFR Part 230, Subpart A, Appendix A are applicable to all Federal-aid construction contracts and to all related construction subcontracts of $10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR Part 60, 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding $10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR Part 60, and 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR Part 230, Subpart A, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal Employment Opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (*see* 28 CFR Part 35, 29 CFR Part 1630, 29 CFR Parts 1625-1627, 41 CFR Part 60 and 49 CFR Part 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140, shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract. 23 CFR 230.409 (g)(4) & (5).

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action or are substantially involved in such action, will be made fully cognizant of and will implement the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable company official.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to ensure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action

within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs (i.e., apprenticeship and on-the-job training programs for the geographical area of contract performance). In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. 23 CFR 230.409. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established thereunder. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors, suppliers, and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurances Required:

a. The requirements of 49 CFR Part 26 and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:
(1) Withholding monthly progress payments;
(2) Assessing sanctions;
(3) Liquidated damages; and/or
(4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E are incorporated by reference. 49 CFR Part 21.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women.

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of more than $10,000. 41 CFR 60-1.5.

As prescribed by 41 CFR 60-1.8, the contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location under the contractor's control where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding $2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 “Contract provisions and related matters” with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages (29 CFR 5.5)

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH–1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b.(1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding (29 CFR 5.5)

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records (29 CFR 5.5)

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency.

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or

subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH–347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 231.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees (29 CFR 5.5)

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the

corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

9. Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility (29 CFR 5.5)

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph 1 of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 of this section, in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 of this section. 29 CFR 5.5.

* $27 as of January 23, 2019 (See 84 FR 213-01, 218) as may be adjusted annually by the Department of Labor; pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990).

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contacting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 of this section. 29 CFR 5.5.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section. 29 CFR 5.5.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System pursuant to 23 CFR 635.116.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term “perform work with its own organization” in paragraph 1 of Section VI refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions: (based on longstanding interpretation)

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
(2) the prime contractor remains responsible for the quality of the work of the leased employees;
(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract. 23 CFR 635.102.

2. Pursuant to 23 CFR 635.116(a), the contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. Pursuant to 23 CFR 635.116(c), the contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on long-standing interpretation of 23 CFR 635.116).

5. The 30-percent self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements. 23 CFR 635.116(d).

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR Part 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. 23 CFR 635.108.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR Part 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704). 29 CFR 1926.10.

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance

with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR Part 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 11, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT (42 U.S.C. 7606; 2 CFR 200.88; EO 11738)

This provision is applicable to all Federal-aid construction contracts in excess of $150,000 and to all related subcontracts. 48 CFR 2.101; 2 CFR 200.326.

By submission of this bid/proposal or the execution of this contract or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, subcontractor, supplier, or vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal Highway Administration and the Regional Office of the Environmental Protection Agency. 2 CFR Part 200, Appendix II.

The contractor agrees to include or cause to be included the requirements of this Section in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements. 2 CFR 200.326.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost $25,000 or more – as defined in 2 CFR Parts 180 and 1200. 2 CFR 180.220 and 1200.220.

1**. Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction. 2 CFR 180.320.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default. 2 CFR 180.325.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 2 CFR 180.345 and 180.350.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900-180.1020, and 1200. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant

who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;.

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

3. **Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost $25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances. 2 CFR 180.365.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900 – 180.1020, and 1200. You may contact the person to which this proposal is

submitted for assistance in obtaining a copy of those regulations. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 1200.220.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(b) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(c) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed $100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier

subcontracts, which exceed $100,000 and that all such recipients shall certify and disclose accordingly.

XII. USE OF UNITED STATES-FLAG VESSELS:

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.

2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, ‘on-board’ commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS (23 CFR 633, Subpart B, Appendix B)
This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

CCO Form: FS13
Approved: (DPP)
Revised: 09/22 (MWH)
Modified:

CFDA Number:	CFDA #20.205
CFDA Title:	Highway Planning and Construction
Award name/number:	BRO – R117(01)
Award Year:	2022 - 2024
Federal Agency:	Federal Highway Administration, Department of Transportation

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
OFF-SYSTEM BRIDGE PROGRAM AGREEMENT

THIS AGREEMENT is entered into by the Missouri Highways and Transportation Commission (hereinafter, "Commission") and the City of Carthage, a municipal corporation in the State of Missouri (hereinafter, "City").

WITNESSETH:

WHEREAS, the Congress of the United States has authorized, in the Infrastructure Investment and Jobs Act (IIJA), 23 U.S.C. §133, §144 and title VIII of division J, Public Law No. 117-58, the Secretary of Transportation to grant funds to states for projects for the replacement and rehabilitation of toll-free public bridges which are not part of any Federal-Aid System and which are under the jurisdiction of and maintained by a public authority and are open to public travel; and

WHEREAS, the City desires to replace a certain bridge, more specifically described below, under the Off-System Bridge Program. Said improvement is to be designed and constructed in compliance with the provisions of 23 U.S.C. §133, §144 and title VIII of division J, Public Law No. 117-58, and applicable federal directives.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations in this Agreement, the parties agree as follows:

(1) PURPOSE: The improvement contemplated by this Agreement, and designated as Project BRO-R117(01) by the Commission is on CART/County Road in Jasper County. The length of this improvement is 0.038 mile(s). This improvement involves a bridge which has been inventoried by the City or Commission in accordance with 23 U.S.C. §144.

(2) LOCATION: The general location of the improvement is shown on the attachment labeled "Exhibit A" and that attachments incorporated by reference. The location is as follows:

(3) REASONABLE PROGRESS POLICY***:*** The project as described in this agreement is subject to the reasonable progress policy set forth in the Local Public Agency (LPA) Manual [and the final deadline specified in Exhibit B attached hereto and incorporated herein by reference. In the event, the LPA Manual and the final deadline within Exhibit B conflict, the final deadline within Exhibit B controls. If the project is within a Transportation Management Area that has a reasonable progress policy in place, the project is subject to that policy. If the project is withdrawn for not meeting reasonable progress, the City agrees to repay the Commission for any progress payments made to the City for the project and agrees that the Commission may deduct progress payments made to the City from future payments to the City.

(4) INDEMNIFICATION:

(A) To the extent allowed or imposed by law, the City shall defend, indemnify and hold harmless the Commission, including its members and the Missouri Department of Transportation ("MoDOT" or "Department") employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the City's wrongful or negligent performance of its obligations under this Agreement.

(B) The City will require any contractor procured by the City to work under this Agreement:

1. To obtain a no cost permit from the Commission's district engineer prior to working on the Commission's right-of-way, which shall be signed by an authorized contractor representative (a permit from the Commission's district engineer will not be required for work outside of the Commission's right-of-way); and

2. To carry commercial general liability insurance and commercial automobile liability insurance from a company authorized to issue insurance in Missouri, and to name the Commission, and MoDOT and its employees, as additional named insureds in amounts sufficient to cover the sovereign immunity limits for Missouri public entities as calculated by the Missouri Department of Insurance, Financial Institutions and Professional Registration, and published annually in the Missouri Register pursuant to Section 537.610, RSMo. The City shall cause insurer to increase the insurance amounts in accordance with those published annually in the Missouri Register pursuant to Section 537.610, RSMo.

(C) In no event shall the language of this Agreement constitute or be construed as a waiver or limitation for either party's rights or defenses with regard to each party's applicable sovereign, governmental, or official immunities and protections as provided by federal and state constitution or law.

(5) MAINTENANCE: Upon completion of this improvement, the City shall accept control and maintenance of the improved road as a part of its road system and at its own cost and expense. Once construction of this improvement is completed, all obligations of the Commission under this Agreement shall terminate.

(6) FEDERAL-AID PROVISIONS: Because responsibility for the performance of all functions or work contemplated as part of this project is assumed by the City, and the City may elect to construct part of the improvement contemplated by this Agreement with its own forces, a copy of Section II and Section III, as contained in the United States Department of Transportation Form Federal Highway Administration (FHWA) 1273 "Required Contract Provisions, Federal-Aid Construction Contracts," is attached and made a part of this Agreement as Exhibit C. Wherever the term "the contractor" or words of similar import appear in these sections, the term “the City” is to be substituted. The City agrees to abide by and carry out the condition and obligations of "the contractor" as stated in Section II, Equal Opportunity, and Section III, Nonsegregated Facilities, as set out in Form FHWA 1273.

(7) TRAFFIC CONTROL: The plans shall provide for handling traffic with signs, signals, and markings in accordance with the Manual on Uniform Traffic Control Devices (MUTCD).

(8) ACQUISITION OF RIGHT OF WAY: With respect to the acquisition of right of way necessary for the completion of the project, City shall acquire any additional necessary right of way required for this project and in doing so agrees that it will comply with all applicable federal laws, rules and regulations, including 42 U.S.C. §4601-§4655, the Uniform Relocation Assistance and Real Property Acquisition Act, as amended and any regulations promulgated in connection with that Act.

(9) PERMITS: The City shall secure approval or permits from the Federal Government and the State of Missouri as required to permit the construction and maintenance of the improvements contemplated by this Agreement.

(10) DISADVANTAGED BUSINESS ENTERPRISES (DBE): It is the policy of the U.S. Department of Transportation and the Commission that businesses owned by socially and economically disadvantaged individuals (DBE's), as defined in 49 C.F.R. Part 26, have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds.

(11) NONDISCRIMINATION ASSURANCE: With regard to work under this Agreement, the City agrees as follows:

(A) Civil Rights Statutes: The City shall comply with all state and federal statutes relating to nondiscrimination, including but not limited to Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. §2000d and §2000e, *et seq.*), as well as any applicable titles of the "Americans with Disabilities Act" (42 U.S.C. §12101, *et*

seq.). In addition, if the City is providing services or operating programs on behalf of the Department or the Commission, it shall comply with all applicable provisions of Title II of the "Americans with Disabilities Act".

(B) Administrative Rules: The City shall comply with the administrative rules of the United States Department of Transportation relative to nondiscrimination in federally-assisted programs of the United States Department of Transportation (49 C.F.R. Part 21) which are herein incorporated by reference and made part of this Agreement.

(C) Nondiscrimination: The City shall not discriminate on grounds of the race, color, religion, sex, disability, national origin, age or ancestry of any individual in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The City shall not participate either directly or indirectly in the discrimination prohibited by 49 C.F.R. §21.5, including employment practices.

(D) Solicitations for Subcontracts, Including Procurements of Material and Equipment: These assurances concerning nondiscrimination also apply to subcontractors and suppliers of the City. These apply to all solicitations either by competitive bidding or negotiation made by the City for work to be performed under a subcontract including procurement of materials or equipment. Each potential subcontractor or supplier shall be notified by the City of the requirements of this Agreement relative to nondiscrimination on grounds of the race, color, religion, sex, disability or national origin, age or ancestry of any individual.

(E) Information and Reports: The City shall provide all information and reports required by this Agreement, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Commission or the United States Department of Transportation to be necessary to ascertain compliance with other contracts, orders and instructions. Where any information required of the City is in the exclusive possession of another who fails or refuses to furnish this information, the City shall so certify to the Commission or the United States Department of Transportation as appropriate and shall set forth what efforts it has made to obtain the information.

(F) Sanctions for Noncompliance: In the event the City fails to comply with the nondiscrimination provisions of this Agreement, the Commission shall impose such contract sanctions as it or the United States Department of Transportation may determine to be appropriate, including but not limited to:

1. Withholding of payments under this Agreement until the City complies; and/or

2. Cancellation, termination or suspension of this Agreement, in whole or in part, or both.

(G) Incorporation of Provisions: The City shall include the provisions of paragraph (11) of this Agreement in every subcontract, including procurements of materials and leases of equipment, unless exempted by the statutes, executive order, administrative rules or instructions issued by the Commission or the United States Department of Transportation. The City will take such action with respect to any subcontract or procurement as the Commission or the United States Department of Transportation may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that in the event the City becomes involved or is threatened with litigation with a subcontractor or supplier as a result of such direction, the City may request the United States to enter into such litigation to protect the interests of the United States.

(12) ACCESS TO RECORDS: The City and its contractors must maintain all records relating to this Agreement, including but not limited to invoices, payrolls, etc. These records must be available at no charge to the FHWA and the Commission and/or their designees or representatives during the period of this Agreement and any extension, and for a period of three (3) years after the date on which the City receives reimbursement of their final invoice from the Commission.

(13) INSPECTION OF PERFORMANCE: The City shall insure that representatives of the Commission and the FHWA shall have access to the project for the purpose of inspecting and reviewing work performed in connection with this Agreement.

(14) PROGRESS PAYMENTS: The City may request progress payments be made for the herein improvements as work progresses but not more than once every two weeks. Progress payments must be submitted monthly. All progress payment requests must be submitted for reimbursement within 90 days of the project completion date for the final phase of work. The City shall repay any progress payments which involve ineligible costs.

(15) PROMPT PAYMENTS: Progress invoices submitted to MoDOT for reimbursement more than thirty (30) calendar days after the date of the vendor invoice shall also include documentation that the vendor was paid in full for the work identified in the progress invoice. Examples of proof of payment may include a letter or e-mail from the vendor, lien waiver or copies of cancelled checks. Reimbursement will not be made on these submittals until proof of payment is provided. Progress invoices submitted to MoDOT for reimbursement within thirty (30) calendar days of the date on the vendor invoice will be processed for reimbursement without proof of payment to the vendor. If the City has not paid the vendor prior to receiving reimbursement, the City must pay the vendor within two (2) business days of receipt of funds from MoDOT.

(16) REIMBURSEMENT: The cost of the contemplated improvements will be borne by the United States Government and by the City as follows:

Any federal funds for project activities shall only be available for reimbursement of eligible

costs that have been incurred by City. Any costs incurred by City prior to authorization from FHWA and notification to proceed from the Commission are **not** reimbursable costs. All federally funded projects are required to have a project end date. Any costs incurred after the project end date are not eligible for reimbursement. A pro-rata share shall be established for each phase of a project, i.e. Preliminary Engineering, Right of Way, Utilities and Construction. All costs incurred by City will be reimbursed at the pro-rata share established for each project phase. The pro-rata share for federal reimbursement of participating costs for the herein improvements will be determined by dividing the total federal funds applied to that project phase by the total participating costs for that phase. The pro-rata share for the Construction Phase shall be established at concurrence in award and cannot be increased. Any costs for the herein improvements which exceed any federal reimbursement or are not eligible for federal reimbursement shall be the sole responsibility of City. The Commission shall not be responsible for any costs associated with the herein improvement unless specifically identified in this Agreement or subsequent written amendments.

(17) FINAL AUDIT: The Commission will perform a final audit of project costs. The United States Government shall reimburse the City, through the Commission, any monies due. The City shall refund any overpayments as determined by the final audit.

(18) AUDIT REQUIREMENTS: If the City expend(s) seven hundred fifty thousand dollars ($750,000) or more in a year in federal financial assistance it is required to have an independent annual audit conducted in accordance with 2 CFR Part 200. A copy of the audit report shall be submitted to MoDOT within the earlier of thirty (30) days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period. Subject to the requirements of 2 CFR Part 200, if the City expend(s) less than seven hundred fifty thousand dollars ($750,000) a year, the City may be exempt from auditing requirements for that year but records must be available for review or audit by applicable state and federal authorities.

(19) FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006: The City shall comply with all reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA) of 2006, as amended. This Agreement is subject to the award terms within 2 C.F.R. Part 170.

(20) AMENDMENTS: Any change in this Agreement, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by the duly authorized representatives of the City and the Commission.

(21) COMMISSION REPRESENTATIVE: The Commission's District Engineer is designated as the Commission's representative for the purpose of administering the provisions of this Agreement. The Commission's representative may designate by written notice other persons having the authority to act on behalf of the Commission in furtherance of the performance of this Agreement.

(22) VENUE: It is agreed by the parties that any action at law, suit in equity, or other judicial proceeding to enforce or construe this Agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of Cole County, Missouri.

(23) LAW OF MISSOURI TO GOVERN: This Agreement shall be construed according to the laws of the State of Missouri. The City shall comply with all local, state and federal laws and regulations relating to the performance of this Agreement.

(24) CONFLICT OF INTEREST: The City shall comply with conflict of interest policies identified in 23 CFR 1.33. A conflict of interest occurs when an entity has a financial or personal interest in a federally funded project.

(25) MANDATORY DISCLOSURES: The City shall comply with 2 CFR 200.113 and disclose, in a timely manner, in writing all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date last written below.

Executed by the City on _____(DATE).

Executed by the Commission on _____(DATE).

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

_____

Title _____

ATTEST:

_____
Secretary to the Commission

Approved as to Form:

_____
Commission Counsel

CITY OF CARTHAGE

By _____

Title _____

ATTEST:

_____
Clerk

Approved as to Form:

_____

Title_____

Ordinance No. _____

Exhibit A - Location of Project

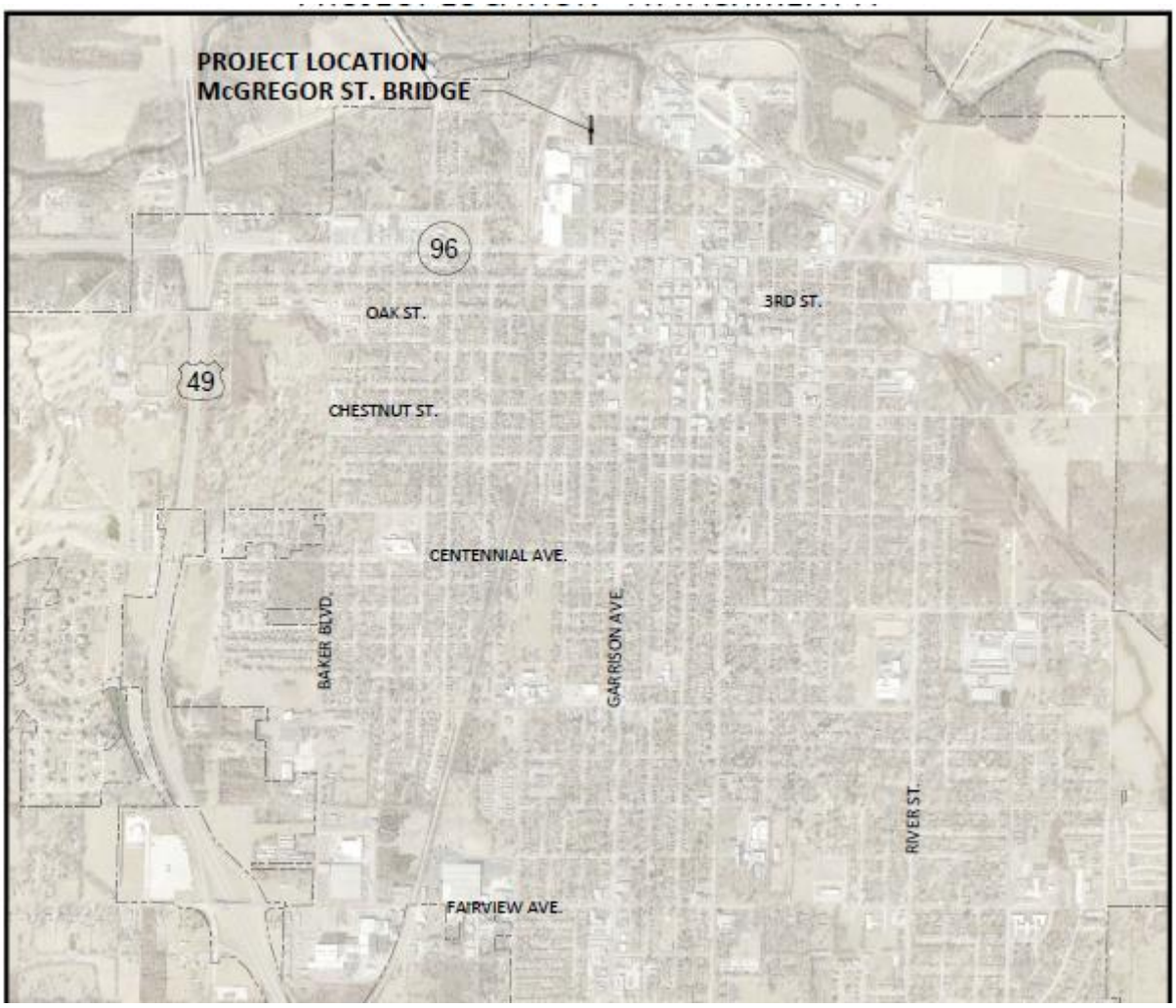


Exhibit B – Project Schedule

Project Description: Bridge #0720005 on McGregor Street over Missouri/Northern Arkansas Railroad

Task	**Date**
Date funding is made available or allocated to recipient	10/2022
Solicitation for Professional Engineering Services (advertised)	12/2022
Engineering Services Contract Approved	02/2023
Conceptual Study (if applicable)	
Preliminary and Right-of-Way Plans Submittal (if Applicable)	08/2023
Plans, Specifications & Estimate (PS&E) Submittal	03/2024
Plans, Specifications & Estimate (PS&E) Approval	06/2024
Advertisement for Letting	07/2024
Bid Opening	08/2024
Construction Contract Award or Planning Study completed **(REQUIRED)**	09/2024

*Note: the dates established in the schedule above will be used in the applicable ESC between the sponsor agency and consultant firm.

**Schedule dates are approximate as the project schedule will be actively managed and issues mitigated through the project delivery process. The Award Date or Planning Study Date deliverable is not approximate and a Supplemental Agreement is required to push this date back.

FHWA-1273 -- Revised July 5, 2022

REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS

I. General
II. Nondiscrimination
III. Non-segregated Facilities
IV. Davis-Bacon and Related Act Provisions
V. Contract Work Hours and Safety Standards Act Provisions
VI. Subletting or Assigning the Contract
VII. Safety: Accident Prevention
VIII. False Statements Concerning Highway Projects
IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
X. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
XI. Certification Regarding Use of Contract Funds for Lobbying
XII. Use of United States-Flag Vessels:

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under title 23, United States Code, as required in 23 CFR 633.102(b) (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services). 23 CFR 633.102(e).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider. 23 CFR 633.102(e).

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services) in accordance with 23 CFR 633.102. The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract). 23 CFR 633.102(b).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract. 23 CFR 633.102(d).

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b). The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

II. NONDISCRIMINATION (23 CFR 230.107(a); 23 CFR Part 230, Subpart A, Appendix A; EO 11246)

The provisions of this section related to 23 CFR Part 230, Subpart A, Appendix A are applicable to all Federal-aid construction contracts and to all related construction subcontracts of $10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR Part 60, 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding $10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR Part 60, and 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR Part 230, Subpart A, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal Employment Opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (*see* 28 CFR Part 35, 29 CFR Part 1630, 29 CFR Parts 1625-1627, 41 CFR Part 60 and 49 CFR Part 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140, shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract. 23 CFR 230.409 (g)(4) & (5).

b. The contractor will accept as its operating policy the following statement:

> "It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action or are substantially involved in such action, will be made fully cognizant of and will implement the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable company official.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to ensure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action

within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs (i.e., apprenticeship and on-the-job training programs for the geographical area of contract performance). In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. 23 CFR 230.409. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established thereunder. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors, suppliers, and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurances Required:

a. The requirements of 49 CFR Part 26 and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:
(1) Withholding monthly progress payments;
(2) Assessing sanctions;
(3) Liquidated damages; and/or
(4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E are incorporated by reference. 49 CFR Part 21.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women.

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of more than $10,000. 41 CFR 60-1.5.

As prescribed by 41 CFR 60-1.8, the contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location under the contractor's control where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding $2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 “Contract provisions and related matters” with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages (29 CFR 5.5)

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH–1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b.(1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding (29 CFR 5.5)

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records (29 CFR 5.5)

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency.

(2) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or

subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH–347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 231.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees (29 CFR 5.5)

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the

corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

9. Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility (29 CFR 5.5)

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph 1 of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 of this section, in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 of this section. 29 CFR 5.5.

* $27 as of January 23, 2019 (See 84 FR 213-01, 218) as may be adjusted annually by the Department of Labor; pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990).

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contacting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 of this section. 29 CFR 5.5.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section. 29 CFR 5.5.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System pursuant to 23 CFR 635.116.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term “perform work with its own organization” in paragraph 1 of Section VI refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions: (based on longstanding interpretation)

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
(2) the prime contractor remains responsible for the quality of the work of the leased employees;
(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract. 23 CFR 635.102.

2. Pursuant to 23 CFR 635.116(a), the contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. Pursuant to 23 CFR 635.116(c), the contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on long-standing interpretation of 23 CFR 635.116).

5. The 30-percent self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements. 23 CFR 635.116(d).

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR Part 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. 23 CFR 635.108.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR Part 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704). 29 CFR 1926.10.

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance

with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR Part 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 11, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT (42 U.S.C. 7606; 2 CFR 200.88; EO 11738)

This provision is applicable to all Federal-aid construction contracts in excess of $150,000 and to all related subcontracts. 48 CFR 2.101; 2 CFR 200.326.

By submission of this bid/proposal or the execution of this contract or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, subcontractor, supplier, or vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal Highway Administration and the Regional Office of the Environmental Protection Agency. 2 CFR Part 200, Appendix II.

The contractor agrees to include or cause to be included the requirements of this Section in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements. 2 CFR 200.326.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost $25,000 or more – as defined in 2 CFR Parts 180 and 1200. 2 CFR 180.220 and 1200.220.

1**. Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction. 2 CFR 180.320.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default. 2 CFR 180.325.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 2 CFR 180.345 and 180.350.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900-180.1020, and 1200. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant

who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;.

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

3. **Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost $25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances. 2 CFR 180.365.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900 – 180.1020, and 1200. You may contact the person to which this proposal is

submitted for assistance in obtaining a copy of those regulations. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 1200.220.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(b) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(c) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed $100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier

subcontracts, which exceed $100,000 and that all such recipients shall certify and disclose accordingly.

XII. USE OF UNITED STATES-FLAG VESSELS:

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.

2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, ‘on-board’ commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS (23 CFR 633, Subpart B, Appendix B)
This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

COUNCIL BILL NO. ___22-55__ **ORDINANCE NO. _____**

An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission providing replacement of Bridge #0720005 on McGregor Street over Missouri/Northern Arkansas Railroad.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The agreement with Missouri Highway and Transportation Commission providing for an Off-System Bridge Program Agreement (BRO-R117(01)) for the replacement of Bridge #0720005 on McGregor Street over Missouri/Northern Arkansas Railroad, attached hereto as Exhibit A and incorporated herein by reference is approved as a contractual obligation of the city of Carthage, Missouri.

SECTION II: The Mayor is hereby authorized and directed to execute said agreement, in Exhibit A, on behalf of the City of Carthage, Missouri, and to affix the municipal seal hereto and to attest the same.

SECTION III: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
Dan Rife, Mayor

ATTEST:

_____
Miranda Deal, City Clerk

Sponsored by Public Works Committee

COUNCIL BILL NO. ___23-01_____ ORDINANCE NO. _____

An Ordinance authorizing the Mayor to enter into a contract with Play and Park for Playground Equipment at Municipal Park for $879,640.63, in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The Mayor of the City of Carthage is hereby authorized to enter into a contract with Play and Park for Playground Equipment at Municipal Park in the amount of $879,640.63, a copy of which is attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
Dan Rife, Mayor

ATTEST:

_____
Miranda Deal, City Clerk

Sponsored by: Public Services

Play & Park Structures of MO
303 Bass St.
Park Hills, MO, 63601
Phone: 573-631-1968
Fax: 423-425-3124
Email:
scasada@playandpark.com
Contact: Steve Casada

Municipal Park

Carthage Parks & Recreation
Attn: Abi Almandinger
521 Robert Ellis Young Drive
Carthage, MO 64836
Phone: 417-237-7035

Quote Number: 796-153666
Quote Date: 1/6/2023

Stock ID	Description	Quantity	Weight	Unit Price	Amount
RDU	5-12 Play Structure	1	20838.31	$270,996.00	$270,996.00
RDU	5-12 Swing Set	1	633	$3,966.00	$3,966.00
RDU	2-5 Play Structure	1	6131.04	$93,771.00	$93,771.00
RDU	2-5 Swing Set	1	682	$6,619.00	$6,619.00
7310	20"HYPNETIC WHEEL 2-SIDE	1	10	$1,300.00	$1,300.00
7352	20" TWO SIDED HOURGLASS	1	16	$1,419.00	$1,419.00
7357	20" TWO SIDED PACHINKO	1	14	$1,512.00	$1,512.00
65162	TRIPLE SOLSTICE	1	319	$7,204.00	$7,204.00
65192	NDS PLAY ON SIGN PKG	2	124	$0.00	$0.00
65193	NDS INCLUSIVE PLAY SIGN PKG	2	124	$0.00	$0.00
65195	NDS NATURE GROUNDS SIGN PKG	3	186	$0.00	$0.00
65196	SWIZZLER	2	342	$2,499.00	$4,998.00
65218	INCLUSIVE ORBIT	1	794	$14,781.00	$14,781.00
65276	Double Temple Trolley Long	1	3261	$36,995.00	$36,995.00
65277	TempleTrolley Belt Seat Package	1	539	$5,000.00	$5,000.00
65278	Temple Trolley Made-For-Me (Yellow)	1	66	$3,500.00	$3,500.00
68115	ACTIVITY METER	3	120	$633.00	$1,899.00
68128	SONATA	1	261	$5,215.00	$5,215.00
68131	CURVED "S" CHIME	1	454	$6,624.00	$6,624.00
68140	CONGA (SET OF 3)	1	203	$4,625.00	$4,625.00
MC040F	FIRE STATION PNL-RECYCLED	1	172	$1,012.00	$1,012.00
MC040P	POST OFFICE PNL-RECYCLED	1	172	$1,012.00	$1,012.00
MC040S	SCHOOL PANEL-RECYCLED	1	172	$1,012.00	$1,012.00
MEC222	STANDARD GAS PUMP ON POST	1	48	$665.00	$665.00
MEC241	DUAL GAS PUMP STATION	1	300	$1,334.00	$1,334.00
SF-166	6' STANDARD PICNIC TABLE	4	904	$1,489.00	$5,956.00
313199	PPS OWNER'S KIT	1	11	$0.00	$0.00
UP128	TRIKE SCHOOL ZONE SIGN	1	0	$187.00	$187.00
UP156	TRIKE DIRECTIONAL ARROW SIGN	1	0	$187.00	$187.00
UP125	TRIKE STOP SIGN	1	0	$187.00	$187.00
UP126	TRIKE YIELD SIGN	1	0	$187.00	$187.00
PIP	10,985 SF OF POURED IN PLACE *- COLOR IS 50/50 BLACK/ STANDARD. 4.25" THICKNESS FOR 9' CFH @ 5961 SF. 5.25" THICKNESS FOR 12' CFH @ 5024 SF. INCLUDES GRAPHICS AS SUBMITTED. NO OPTION TO FURNISH AND INSTALL 4". THICK CRUSHED STONE BASE-CONCRETE BY OTHERS.*	1	0	$228,145.00	$228,145.00
INSTALL	Install ONLY as per prints provided *- Quote Number: 796-153666*	1	0	$156,000.00	$156,000.00
INSTALL	Aggregate Subbase up to 4” thick	1	0	$32,780.00	$32,780.00
INSTALL	Concrete Sidewalk *- 5’ wide with a light broom fi nish Side walk to shelter and from shelter to play area Side walk around the entire perimeter of the play area*	1	0	$26,670.00	$26,670.00
INSTALL	Site prep up to 6” cut	1	0	$20,860.00	$20,860.00
INSTALL	20x20 Hip Shelter	1	0	$39,100.00	$39,100.00

- Price includes: Installation Concrete fl ooring 22x22 with a light broom fi nish Engineered Drawings Shipping

Total Weight: 36896.35

SubTotal:	$985,718.00
Discount:	$129,030.95
Estimated Freight:	$22,953.58
Total Amount:	$879,640.63

Pricing per MO State Contract #CC202382005 _____ Taxes not included. If the customer is not tax exempt, taxes will be added to the total.

THIS QUOTATION IS SUBJECT TO POLICIES IN THE CURRENT PLAY & PARK STRUCTURES CATALOG AND THE FOLLOWING TERMS AND CONDITIONS. OUR QUOTATION IS BASED ON SHIPMENT OF ALL ITEMS AT ONE TIME TO A SINGLE DESTINATION, UNLESS NOTED, AND CHANGES ARE SUBJECT TO PRICE ADJUSTMENT. PURCHASES IN EXCESS OF $1,000.00 TO BE SUPPORTED BY YOUR WRITTEN PURCHASE ORDER MADE OUT TO PLAY & PARK STRUCTURES, C/O Play & Park Structures of MO.

Pricing: f.o.b. factory, firm for 30 days from date of quotation.

Shipment: order shall ship within 45-60 days after Play & Park Structures' receipt and acceptance of your purchase order, color selections, approved submittals, and receipt of deposit, if required.

Freight charges: Prepaid & added

Installation: A certified Play & Park Structures Installer is recommended for play equipment installation. Customer shall be responsible for scheduling coordination and site preparation. Site should be level and permit installation equipment access. Purchaser shall be responsible for unknown conditions such as buried utilities, tree stumps, bedrock or any concealed materials or conditions that may result in additional labor or material costs.

Submittals: our design proposal reflects the spirit and intent of the project plans and specifications. While some variations may exist between our quotation and the project design, the differences do not materially affect the intended use. Play & Park Structures designs and specifications are unique and not intended to be identical in all respects to other manufacturers. We shall submit for review and approval by the owner's representative detailed drawings depicting the equipment to be furnished accompanied by specifications describing materials. Once approved, these drawings and specifications shall constitute the final documents for the project and shall take precedence over all other requirements.

Exclusions: unless specifically included, this quotation excludes all site work and landscaping; removal of existing equipment; acceptance of equipment and off-loading; storage of goods prior to installation; safety surfacing; borders and drainage provisions.

Acceptance of quotation:

Accepted By (printed): _____ P.O. No: _____

Signature: _____ Date: _____

Title: _____ Phone: _____

Purchase Amount: $879,640.63 E-mail: _____

Order Information

Bill to: Ship to:

Company: _____ Company: _____

Attn: _____ Attn: _____

Address: _____ Address: _____

City/State/Zip: _____ City/State/Zip: _____

Billing Contact: _____ Jobsite Contact: _____

Billing Phone: _____ Jobsite Phone: _____

Billing Fax: _____ Jobsite Fax: _____

Enter desired color palette name: _____ OR

Enter desired color: Uprights ( ) Decks ( )

Accents ( ) Roofs/Tubes ( ) Slides/Panels ( )

Play & Park Structures of MO

By: _____

Salesperson's signature

_____ _____

Salesman's Signature Customer's Signature

COUNCIL BILL NO. ___23-02_____ ORDINANCE NO. _____

An Ordinance authorizing the Mayor to enter into a contract with Play and Park for Playground Equipment at Carter Park for $531,193.60, in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The Mayor of the City of Carthage is hereby authorized to enter into a contract with Play and Park for Playground Equipment at Carter park in the amount of $531,193.60, a copy of which is attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
MAYOR

ATTEST:

_____
CITY CLERK

Sponsored by: Public Services

Play & Park Structures of MO
303 Bass St.
Park Hills, MO, 63601
Phone: 573-631-1968
Fax: 423-425-3124
Email:
scasada@playandpark.com
Contact: Steve Casada

Carter Park

Carthage Parks & Recreation
Attn: Abi Almandinger
521 Robert Ellis Young Drive
Carthage, MO 64836
Phone: 417-237-7035

Quote Number: 796-154586
Quote Date: 1/6/2023

Stock ID	Description	Quantity	Weight	Unit Price	Amount
RDU	Play Structure	1	16098.87	$228,605.00	$228,605.00
65173	REFLECTIONS SELFIE SWING 5"	1	62	$1,915.00	$1,915.00
65174	SELFIE TOT SWING 5"	1	28	$853.00	$853.00
65192	NDS PLAY ON SIGN PKG	1	62	$0.00	$0.00
65193	NDS INCLUSIVE PLAY SIGN PKG	1	62	$0.00	$0.00
65196	SWIZZLER	2	342	$2,499.00	$4,998.00
65198	SWIRL WITH ME W/HANDLE	1	491	$5,999.00	$5,999.00
65224	SHADED SWING 3 BAY	1	3024	$12,594.00	$12,594.00
67598	BELT SEAT PKG 5"OD	3	72	$382.00	$1,146.00
67854	5"MADE-FOR-ME SEAT GV	1	55	$596.00	$596.00
68115	ACTIVITY METER	1	40	$633.00	$633.00
68127	ALLEGRO (SET OF 7)	1	454	$7,482.00	$7,482.00
68128	SONATA	1	261	$5,215.00	$5,215.00
68129	PRESTO	1	287	$6,095.00	$6,095.00
68130	CONGA (SET OF 2)	1	181	$3,485.00	$3,485.00
68140	CONGA (SET OF 3)	1	203	$4,625.00	$4,625.00
68143	SINGLE A MINOR	1	245	$3,454.00	$3,454.00
SF-126	6' BENCH INGROUND	5	565	$770.00	$3,850.00
PIP	7,143 SF OF POURED IN PLACE *- COLOR IS 50/50 BLACK/ CUSTOM 3.75" THICKNESS FOR 8' CFH INCLUDES LF FOR TURNDOWN AS SUBMITTED NO OPTION TO FURNISH AND INSTALL 4" THICK CRUSHED STONE BASE-PROVIDED BY OTHERS*	1	0	$137,200.00	$137,200.00
INSTALL	Install ONLY as per prints provided	1	0	$98,766.00	$98,766.00
INSTALL	20x20 Hip Shelter *- Price includes: Installation Concrete flooring 22x22 with a light broom finish Engineered Drawings Shipping*	1	0	$39,020.00	$39,020.00
INSTALL	Aggregate Subbase up to 4” thick up to sf listed	1	0	$19,215.00	$19,215.00
INSTALL	Site prep up to 6” cut up to sf listed	1	0	$12,230.00	$12,230.00
INSTALL	Dumpster	1	0	$1,025.00	$1,025.00

Total Weight: 22532.87

SubTotal: $599,001.00
Discount: $84,042.70
Freight: $16,235.30
Total Amount: $531,193.60

Pricing per MO State Contract #CC202382005 _____ Taxes not included. If the customer is not tax exempt, taxes will be added to the total.

THIS QUOTATION IS SUBJECT TO POLICIES IN THE CURRENT PLAY & PARK STRUCTURES CATALOG AND THE FOLLOWING TERMS AND CONDITIONS. OUR QUOTATION IS BASED ON SHIPMENT OF ALL ITEMS AT ONE TIME TO A SINGLE DESTINATION, UNLESS NOTED, AND CHANGES ARE SUBJECT TO PRICE ADJUSTMENT. PURCHASES IN EXCESS OF $1,000.00 TO BE SUPPORTED BY YOUR WRITTEN PURCHASE ORDER MADE OUT TO PLAY & PARK STRUCTURES, C/O Play & Park Structures of MO.

Pricing: f.o.b. factory, firm for 30 days from date of quotation.

Freight charges: Prepaid & added

Installation: A certified Play & Park Structures Installer is recommended for play equipment installation. Customer shall be responsible for scheduling coordination and site preparation. Site should be level and permit installation equipment access. Purchaser shall be responsible for unknown conditions such as buried utilities, tree stumps, bedrock or any concealed materials or conditions that may result in additional

labor or material costs.

Submittals: our design proposal reflects the spirit and intent of the project plans and specifications. While some variations may exist between our quotation and the project design, the differences do not materially affect the intended use. Play & Park Structures designs and specifications are unique and not intended to be identical in all respects to other manufacturers. We shall submit for review and approval by the owner's representative detailed drawings depicting the equipment to be furnished accompanied by specifications describing materials. Once approved, these drawings and specifications shall constitute the final documents for the project and shall take precedence over all other requirements.

Exclusions: unless specifically included, this quotation excludes all site work and landscaping; removal of existing equipment; acceptance of equipment and off-loading; storage of goods prior to installation; safety surfacing; borders and drainage provisions.

Acceptance of quotation:

Accepted By (printed): _____ P.O. No: _____

Signature: _____ Date: _____

Title: _____ Phone: _____

Purchase Amount: $531,193.60 E-mail: _____

Order Information

Bill to: Ship to:

Company: _____ Company: _____

Attn: _____ Attn: _____

Address: _____ Address: _____

City/State/Zip: _____ City/State/Zip: _____

Billing Contact: _____ Jobsite Contact: _____

Billing Phone: _____ Jobsite Phone: _____

Billing Fax: _____ Jobsite Fax: _____

Enter desired color palette name: _____ OR

Enter desired color: Uprights ( ) Decks ( )

Accents ( ) Roofs/Tubes ( ) Slides/Panels ( )

Play & Park Structures of MO

By: _____

Salesperson's signature

_____ _____

Salesman's Signature Customer's Signature

COUNCIL BILL NO. 23-03 **ORDINANCE NO. _____**

An Ordinance authorizing the Mayor to enter into a contractual agreement with Baker Tilley US, LLC, for grant writing services, in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The Mayor of the City of Carthage is hereby authorized to enter into a contract with Baker Tilley for grant writing services for the terms as stated in the attached engagement letter, a copy of which is attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
MAYOR

ATTEST:

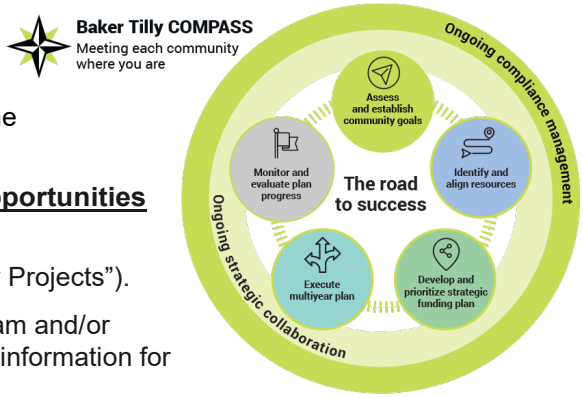
_____
CITY CLERK

Sponsored by:

RE: Infrastructure Investment and Jobs Act ("IIJA"), American Rescue Plan Act ("ARPA") and Inflation Reduction Act ("IRA") Grant Pursuit Consulting Services

DATE:

This Scope Appendix is attached by reference to the above-named engagement letter (the "Engagement Letter") between the City of Carthage, Missouri (the "Client") and Baker Tilly US, LLP and relates to services to be provided by Baker Tilly Municipal Advisors, LLC.



SCOPE OF WORK

Baker Tilly Municipal Advisors ("BTMA") will perform the following services:

Task 1: Identify potential IIJA/ARPA/IRA grant opportunities ("Take Bearing")

1. Determine potential projects to be financed ("Priority Projects").
    a. Review Client's Capital Improvement Program and/or provide client with a questionnaire soliciting information for those projects to be financed
2. Utilize Baker Tilly's internal ARPA and IIJA grant database and other industry sources to identify potential federal and state funding sources for Client's Priority Projects.
3. Deliver to Client
    a. A letter report detailing potential federal and state funding sources for Priority Projects.

Task 2: Create detailed action plan for projects client chooses to pursue ("Chart Course")

1. For Priority Projects which the Client wishes to further pursue IIJA/ARPA/IRA grant funding, BTMA will prepare an action plan to include:
    a. Most current status of the grant program
    b. Grant program deadlines
    c. Grant application requirements
    d. Criteria for selection and insight on what constitutes a strong application
2. As appropriate, arrange for Client to meet with grant program administrators to receive feedback on potential grant applications
3. For grant programs which are not yet accepting applications, Baker Tilly will monitor the program on Client's behalf and periodically inform Client of program status.

Task 3: Assist in submission of grant application ("Expedition")

1. At the request of the Client, BTMA will assist in preparation and submission of one or more grant applications. BTMA will:
    a. Assist the Client in developing a working group (subject matter experts).
    b. Prepare and maintain a Schedule of Events and Distribution List
    c. Prepare grant application materials and collect grant application materials from members of the working group

d. Assemble the grant application and submit it on Client's behalf

Compensation and Invoicing

BTMA's fee for Task 1 will be $200 per project researched.

BTMA's fee for services for Tasks 2 and 3 will be billed monthly at the hourly rate of $285 based upon the actual time incurred. Fees to be billed monthly.

Fees shall include all expenses incurred by BTMA except expenses incurred for travel which will be billed on a separate line item. No travel expenses will be incurred without the prior authorization of the Client.

Assigned Professionals

Tom Kaleko, Principal

Role: Lead and primary City contact

Tom works with a variety of Missouri local governments advising on public finance and economic development. Prior to 2005, he served for 20 years in various city management roles. Recognizing the importance of the IIJA, ARPA, and IRA to municipal governments, Tom has expanded his practice to incorporate these landmark pieces of legislation. He coordinates Baker Tilly's ARPA services and advises local government in multiple states on administration of their ARPA awards. He has held numerous live and remote ARP training events for the Missouri Municipal League and is the author of multiple articles on the ARPA. Tom earned a Master of Public Administration degree from the University of Kansas and a Bachelor of Business Administration from the University of Tennessee. He is an MSRB Series 50 Qualified Municipal Advisor and Series 54 Qualified Municipal Advisor Principal.

Carlos Maciel, Manager

Role: Research and analysis

Carlos joined the firm in 2021. His previous experience includes working as a financial analyst for a municipal legal firm and as a risk analyst for the wealth management division of a major bank. Carlos will research potential grant opportunities for the City's priority projects and assist in preparation of grant applications.

Schedule

BTMA is available to immediately begin work on this engagement. BTMA will work with Client to establish a mutually agreeable timeline for completion understanding that some grant programs may not be available until a future date.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- Evaluate the adequacy and results of the nonattest services we perform.
- Accept responsibility for the results of our nonattest services.
- Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

This Scope Appendix will terminate according to the terms of the Engagement Letter. If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,

Tom Kaleko

Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: _____
Title: _____
Date: _____

COUNCIL BILL NO. __23-04__ **ORDINANCE NO. _____**

AN ORDINANCE IMPOSING A SALES TAX AT A RATE OF THREE PERCENT ON ALL TANGIBLE PERSONAL PROPERTY RETAIL SALES OF ADULT USE MARIJUANA SOLD WITHIN THE CITY OF CARTHAGE MISSOURI, PURSUANT TO ARTICLE XIV, SECTION 2.6(5) OF THE MISSOURI CONSTITUTION SUBJECT TO THE APPROVAL BY THE VOTERS OF THE CITY AT THE GENERAL MUNICIPAL ELECTION TO BE HELD APRIL 4, 2023; DESIGNATING THE FORM OF BALLOT; AND DIRECTING THE CITY CLERK TO PROVIDE NOTICE OF SAID ELECTION.

WHEREAS, on November 8, 2022, the electors of the State of Missouri approved Amendment 3 to the Missouri Constitution enacting Section 2 of Article XIV of the Missouri Constitution effective December 8, 2022; and

WHEREAS, the newly enacted Article XIV, section 2.6(5) of the Missouri Constitution authorizes the City of Carthage Missouri to impose, by ordinance, an additional sales tax in amount not to exceed three percent on all tangible personal property retail sales of non-medical adult use marijuana sold in such political subdivision subject to approval by voters of the City of Carthage Missouri; and

WHEREAS, the City Council finds that it is in the best interests of the citizens of the City of Carthage Missouri to impose a sales tax of three percent on all tangible personal property retail sales of non-medical adult use marijuana sold in the City of Carthage, Missouri and to submit the same to the voters of the City for approval by a majority of those voting at the general municipal election to be held on April 4, 2023.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CARTHAGE MISSOURI AS FOLLOWS:

SECTION I – ADULT USE MARIJUANA SALES TAX. A sales tax at the rate of three percent on all tangible personal property retail sales of adult use marijuana sold in the City of Carthage Missouri, as authorized by Article XIV, section 2.6(5) of the Missouri Constitution, is hereby imposed. The tax imposed hereunder shall be in addition to any and all other sales taxes allowed by law.

SECTION II – EFFECTIVE DATE. The sales tax imposed by this Ordinance shall not be effective unless approved by a majority of the votes cast by the qualified voters voting thereon at the General Municipal Election to be held on April 4, 2023, at which election a proposal to authorize the City Council of the City of Carthage Missouri, to impose the tax herein provided for shall be submitted to the voters of the City of Carthage

SECTION III – FORM OF BALLOT. The ballot to be used in such election shall contain the following question:

Question 1

Shall the City of Carthage Missouri, impose a sales tax of three percent (3%) on all retail sales of adult "non-medicinal" use marijuana sold in the City of Carthage Missouri?

☐ Yes ☐ No

SECTION IV – NOTICE OF ELECTION. The City Clerk is hereby directed to notify the Clerk of the County of Jasper County, Missouri, of the enactment of this Ordinance no later than 5:00 p.m. on Tuesday, January 24, 2023 in accordance with the Comprehensive Election Act, Chapter 115 of the Revised Statutes of Missouri, as amended.

SECTION V: This ordinance is to be considered an emergency ordinance under the terms of the charter of the City of Carthage.

SECTION VI: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

_____
Dan Rife, Mayor

ATTEST:

_____
Miranda Deal, City Clerk

Steadley Notification

Greg Dagnan <g.dagnan@carthagemo.gov>
Fri 1/6/2023 12:50 PM
To: Miranda (Hale) Deal <m.deal@carthagemo.gov>
The letter for the council packet as well.

Mr. Ryan Huntley
Fire Chief
City of Carthage, Missouri
326 Grant Street
Carthage, MO 64836

Dear Mr. Huntley:

Thank you for your recent grant application to the K. D. & M. L. Steadley Trust. We are sorry to report that City of Carthage, Missouri was not awarded a grant at this time.

The Trustee reviewed numerous interesting and innovative proposals. Unfortunately, the funds available did not enable us to support all the worthwhile projects.

We regret that we cannot assist your organization at this time, but we wish you success in the continuance of your work. Should you have any questions, please do not hesitate to contact me at tony.twyman@bofa.com.

We request all correspondence to be conducted electronically; however, please do not add our contact email addresses to your organization's general newsletter or annual report mailing lists.

Sincerely,

Tony Twyman
SVP, Philanthropic Client Manager
tony.twyman@bofa.com

For the Trustee of K. D. & M. L. Steadley Trust
Bank of America Private Bank

Greg Dagnan
City Administrator
City of Carthage, MO
417-237-7003 (telephone)
417-359-6223 (cellular)

Please note: I check my email and text messages at structured intervals each day. If you need to contact me immediately, please call me on my mobile phone. If I am helping someone and don't answer the call, please leave a detailed voice message and I will contact you promptly. Thank you for your understanding.

This email may contain identifiable personal information that is subject to protection under state and federal law. This information is intended for the use of the individual named above. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this information is

MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Michael L. Parson
Governor

Dru Buntin
Director

December 28, 2022

Mr. Greg Dagnan
City Administrator
326 Grant Street
Carthage, MO 64836

Dear Greg Dagnan,

At our recent Certified Local Government (CLG) Forum in Jefferson City on November 3, 2022, we recognized several CLG anniversaries. There were many to recognize as it was the first anniversary recognition since 2019 due to the pandemic. We recognized those communities who reached anniversary milestones during the period 2020-2022.

Please accept the enclosed certificate with much appreciation from the Missouri SHPO for participating in the Missouri CLG program!

As always, feel free to contact our office if you have any questions.

Sincerely,

John K. Peterson

John K. Peterson
Certified Local Government Coordinator
Missouri State Historic Preservation Office
P.O. Box 176, 1659 Elm Street
Jefferson City, MO 65102-1076
(573) 522-5632
John.peterson@dnr.mo.gov

enclosure

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

NEW ISSUE **RATING: S&P: "A+"**
BOOK-ENTRY ONLY **See "Rating" herein.**

In the opinion of Gilmore & Bell, P.C., Special Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2022 Certificates (including any original issue discount properly allocable to an owner thereof) (1) 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 and (2) is exempt from income taxation by the State of Missouri. The Series 2022 Certificates have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Special Counsel notes that for tax years beginning after December 31, 2022, interest on the Series 2022 Certificates may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

$15,000,000
CITY OF CARTHAGE, MISSOURI
(CARTHAGE WATER AND ELECTRIC PLANT)
CERTIFICATES OF PARTICIPATION
SERIES 2022

Dated: Date of Delivery **Due: May 1, as shown on inside cover**

The Series 2022 Certificates are deliverable only as fully registered certificates, without coupons, and, when delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2022 Certificates. Purchases of the Series 2022 Certificates will be made in book-entry form, in authorized denominations. Purchasers will not receive certificates representing their interests in Series 2022 Certificates purchased. So long as Cede & Co. is the registered owner of the Series 2022 Certificates, as nominee of DTC, references herein to the owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Series 2022 Certificates. Principal Components and Interest Components of Rental Payments represented by the Series 2022 Certificates will be payable at maturity or upon earlier prepayment at the payment office of UMB Bank, N.A., Kansas City, Missouri, as trustee and paying agent (the "Trustee" and "Paying Agent"). So long as DTC or its nominee, Cede & Co., is the owner, such payments will be made directly to such owner. DTC is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Series 2022 Certificates will be delivered in the denomination of $5,000 or any integral multiple thereof. Principal Components of Rental Payments will be payable each May 1, beginning May 1, 2024, and semiannual Interest Components of Rental Payments will be payable each May 1 and November 1, beginning May 1, 2023. Principal Components of Rental Payments will be payable by check or draft mailed by the Trustee upon presentation and surrender of the Series 2022 Certificates by the registered owners thereof at the payment office of the Trustee. Interest Components of Rental Payments will be payable by check or draft mailed (or by electronic transfer in certain circumstances as described herein) by the Trustee to the person in whose name each Series 2022 Certificate is registered on the 15th day of the month next preceding each interest payment date.

The Series 2022 Certificates evidence undivided ownership interests in the right to receive Rental Payments from the City under an annually renewable Lease Agreement dated as of December 15, 2022 (the "Lease Agreement"), between the Trustee, as lessor and the City, as lessee. The Series 2022 Certificates are to be executed and delivered pursuant to a Trust Indenture dated as of December 15, 2022 (the "Indenture") between the City and the Trustee. The net proceeds from the Series 2022 Certificates, together with other available funds of the City, will be used to (1) finance the costs of certain improvements for the City as further described herein and (2) to pay the costs related to the delivery and sale of the Series 2022 Certificates.

Neither the Series 2022 Certificates nor the Lease Agreement shall constitute a liability or obligation of the City beyond the Lease Term in effect at any time. The City is under no obligation to renew the Lease Agreement at the end of the Original Term or any Renewal Term. Neither the Series 2022 Certificates nor the Lease Agreement will constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction.

Series 2022 Certificates shall be subject to payment prior to maturity as more fully described herein.

The Series 2022 Certificates will be offered when, as and if delivered and approved by the Underwriter, subject to prior sale, modification or withdrawal of the offer without sale, and subject to the approval of validity and certain other matters by Gilmore & Bell, P.C., Kansas City, Missouri, Special Counsel, and certain other conditions. Certain legal matters related to this Official Statement will be passed upon by Gilmore & Bell, P.C. It is expected that the Series 2022 Certificates will be available for delivery in New York, New York on or about December 20, 2022.

PIPER | SANDLER

The date of this Official Statement is December 8, 2022.

$15,000,000
CITY OF CARTHAGE, MISSOURI
(CARTHAGE WATER AND ELECTRIC PLANT)
CERTIFICATES OF PARTICIPATION
SERIES 2022

MATURITY SCHEDULE

SERIAL CERTIFICATES

Maturity May 1	Principal Amount	Interest Rate	Price	Yield	CUSIP Number
2024	$455,000	5.000%	102.998%	2.750%	146636 FY6
2025	475,000	5.000	104.971	2.810	146636 FZ3
2026	500,000	5.000	106.747	2.880	146636 GA7
2027	525,000	5.000	108.332	2.950	146636 GB5
2028	555,000	5.000	109.733	3.020	146636 GC3
2029	580,000	5.000	111.015	3.080	146636 GD1
2030	610,000	5.000	112.070	3.150	146636 GE9
2031	640,000	5.000	111.652*	3.210	146636 GF6
2032	670,000	5.000	111.236*	3.270	146636 GG4
2033	705,000	5.000	110.684*	3.350	146636 GH2
2034	740,000	5.000	109.523*	3.520	146636 GJ8

TERM CERTIFICATES

Maturity May 1	Principal Amount	Interest Rate	Price	Yield	CUSIP Number
2037	$2,445,000	5.000%	106.122%*	4.030%	146636 GK5
2040	2,835,000	5.000	105.211*	4.170	146636 GL3
2043	3,265,000	4.375	98.339	4.500	146636 GM1

*Priced to the call date.

CITY OF CARTHAGE, MISSOURI

326 Grant Street
Carthage, MO 64836
(417) 237-7000

ELECTED OFFICIALS

Mayor and City Council	Term Expires
Dan Rife, Mayor	4/2026
Brandi Ensor, Council Member, Ward 1	4/2024
Robin Harrison, Council Member, Ward 1	4/2023
David Armstrong, Council Member, Ward 2	4/2023
Trudy Blankenship, Council Member, Ward 2	4/2024
Robin Blair, Council Member, Ward 3	4/2024
Ceri Otero, Council Member, Ward 3	4/2023
Ed Hardesty, Council Member, Ward 4	4/2024
Alan Snow, Council Member, Ward 4	4/2023
Tiffany Cossey, Council Member, Ward 5	4/2023
Mark Elliff, Council Member, Ward 5	4/2024

ADMINISTRATIVE OFFICIALS

Greg Dagnan, City Administrator
Traci Cox, Assistant City Administrator
Miranda Deal, City Clerk
Nathaniel Dally, City Attorney

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Overland Park, Kansas and Saint Paul, Minnesota

SPECIAL COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

UNDERWRITER

Piper Sandler & Co.
Leawood, Kansas

CARTHAGE WATER AND ELECTRIC PLANT

627 W. Centennial Avenue
Carthage, MO 64836
(417) 237-7300

BOARD OF PUBLIC UTILITIES

Name	Office
Danny Lambeth	President & Member
Ron Ross	Vice President & Member
Darren Collier	Secretary & Member
Brian Schmidt	Member
Pat Goff	Member
G. Stephen Beimdiek	Member
Alan Snow	City Council Liaison

ADMINISTRATIVE OFFICIALS

Name	Office
Chuck Bryant	General Manager
Cassandra Ludwig	General Counsel
Kelli Nugent	Chief Financial Officer
Kevin Emery	Director of Power Services
Jason Peterson	Director of IT and Broadband Services
Jason Choate	Director of Water Services

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2022 CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representation with respect to the Series 2022 Certificates offered hereby other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Series 2022 Certificates offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES 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 IS A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE "RISK FACTORS AND INVESTMENT CONSIDERATIONS" SECTION OF THIS OFFICIAL STATEMENT. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT

$15,000,000
CITY OF CARTHAGE, MISSOURI
(CARTHAGE WATER AND ELECTRIC PLANT)
CERTIFICATES OF PARTICIPATION
SERIES 2022

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the entire Official Statement and should be read in conjunction with the more detailed information and financial statements of the City contained in the specific sections of this Official Statement and a full review should be made of the entire Official Statement and the documents included or described herein.

Purpose of this Official Statement

This Official Statement, including its appendices, is furnished to provide information relating to the City of Carthage, Missouri (the "City") and $15,000,000 aggregate principal amount of City of Carthage, Missouri (Carthage Water and Electric Plant) Certificates of Participation, Series 2022 (the "Series 2022 Certificates").

The City

The City is a constitutional charter city and political subdivision organized and existing under the laws of the State of Missouri. See "THE CITY" and "ECONOMIC INFORMATION CONCERNING THE CITY" in ***Appendix A*** to this Official Statement.

The Carthage Water and Electric Plant

The Carthage Water and Electric Plant is a municipally owned utility which is a component unit of the City. Carthage Water and Electric Plant is an administrative board of the City duly organized under the Charter of the City to operate and control the public utilities of the City. Carthage Water and Electric Plant is engaged in the supply and distribution of electricity, supply and distribution of water, the collection and treatment of sanitary sewer and the providing of telecommunication services for the City. See "CARTHAGE WATER AND ELECTRIC PLANT" in ***Appendix A*** to this Official Statement.

Purpose of the Series 2022 Certificates

The proceeds from the sale of the Series 2022 Certificates will be used, together with other available funds of the City, to (1) acquire, construct, improve, renovate, furnish and equip improvements to the City's electric system, including (a) replacement of transmission lines between the Southwest Power Administration Substation and Substation No. 1, (b) upgrading and improving infrastructure for transmitting and transforming electricity from Power Plant Substation to Substation No. 1, (c) replacement and upgrade of transformer and other infrastructure in Substation No. 2, and (d) upgrading and extending the feeder that ties the distribution system to Substation No. 2 (collectively, the "Project"); and (2) pay the costs related to the delivery and sale of the Series 2022 Certificates. See the caption "PLAN OF FINANCE" herein.

Security and Source of Payment

Pursuant to the terms of a Lease Agreement dated as of December 15, 2022 (the "Lease Agreement"), between the City and UMB Bank, N.A., as trustee (the "Trustee"), a Trust Indenture dated as of December 15, 2022 (the "Indenture") between the City and the Trustee, and the terms of a Base Lease dated as of December 15, 2022 (the "Base Lease") between the City and the Trustee, (a) the City will lease certain real estate and the

improvements thereon (the "Site") (collectively, the Site and the Project are the "Facilities") to the Trustee, (b) the proceeds of the Series 2022 Certificates will be used to finance the costs of the Project, and (c) the Trustee will lease the Facilities to the City for an initial term ending June 30, 2023 (the "Original Term"), with successive one-year renewal options, provided that the final renewal term does not extend beyond June 30, 2043 (the "Renewal Terms"), which Renewal Terms are subject to the City's annual budget appropriations. The City expects to make payments related to the Series 2022 Certificates from revenues derived from the operation of its electric system (the "System").

The Series 2022 Certificates evidence undivided ownership interests in the right to receive lease payments (the "Rental Payments," consisting of "Principal Components" and "Interest Components") under the Lease Agreement. The Series 2022 Certificates are being executed and delivered pursuant to the Indenture, which will be executed by the City and the Trustee.

The Series 2022 Certificates will be payable solely from the rents, revenues and receipts received by the Trustee, as lessor under the Lease Agreement, for the use of the Facilities and not from any other fund or source of the Trustee, from certain proceeds of insurance policies or condemnation awards, from interest earnings on moneys in certain funds held by the Trustee, from money derived from the sale or lease of the Facilities or portions thereof and not from any other fund or source of the Trustee. Pursuant to the Indenture, the Trustee will pledge and assign such rents, revenues and receipts and other moneys to the payment of the Series 2022 Certificates and the Interest Component due thereon.

Parity Obligations

The Indenture provides for the future delivery of additional certificates ("Additional Certificates") which, if delivered, would rank on a parity with the Series 2022 Certificates and any other certificates then outstanding under the Indenture. See the caption "SECURITY FOR THE SERIES 2022 CERTIFICATES – Parity Obligations" herein. The Series 2022 Certificates and any future Additional Certificates delivered under the Indenture are hereinafter referred to collectively as the "Certificates."

Limited Obligations

The payments scheduled to be made by the City under the Lease Agreement are payable solely from amounts which may, but are not required to, be appropriated annually by the City. See "SECURITY FOR THE SERIES 2022 CERTIFICATES" herein. The Series 2022 Certificates, the Lease Agreement and any payments required under the Lease Agreement shall not constitute a mandatory payment obligation of the City in any year beyond the year during which the City is a lessee under the Lease Agreement, or constitute or give rise to a general obligation or other indebtedness of the City. The City is not legally obligated to budget or appropriate moneys for any fiscal year beyond the current fiscal year or any subsequent fiscal year in which the Lease Agreement is in effect, and there can be no assurance that the City will appropriate funds to make Rental Payments or renew the Lease Agreement after the Original Term or any Renewal Term of the Lease Agreement. The City may terminate its obligations under the Lease Agreement on an annual basis. The City will have the option to purchase the Trustee's title and interest in the Facilities as provided in the Indenture and the Lease Agreement.

Except for its duties as Trustee to make payments from the funds and accounts created and held under the Indenture, UMB Bank, N.A. has no obligation to make any debt service payment on the Series 2022 Certificates or any payments under the Lease Agreement.

Risk Factors

Payment of the Principal Component and Interest Component distributable with respect to the Series 2022 Certificates is subject to certain risks. See the caption "RISK FACTORS AND INVESTMENT CONSIDERATIONS."

Regulatory Factors

Due to the nature of the Facilities, the Project and the Facilities are subject to federal and state regulation. See the caption "CERTAIN REGULATORY FACTORS AFFECTING THE UTILITY INDUSTRIES."

Continuing Disclosure Information

The City has covenanted in its Continuing Disclosure Certificate to provide certain financial information and notices of certain enumerated events to the Municipal Securities Rulemaking Board, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the caption "CONTINUING DISCLOSURE."

Other Information

This Official Statement includes financial and other information about the City and also contains descriptions of the Series 2022 Certificates, the Base Lease, the Lease Agreement and the Indenture. See "TRUST INDENTURE, LEASE AND BASE LEASE" in ***Appendix D*** hereto. The descriptions of the Series 2022 Certificates, the Base Lease, the Lease Agreement, the Indenture and other documents described in this Official Statement do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entireties by reference to the approved form of those documents, copies of which may be viewed at the offices of the Underwriter, Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

THE SERIES 2022 CERTIFICATES

General

The Series 2022 Certificates will be dated as of their date of delivery, will mature on May 1 in the years and in the respective principal amounts (subject to prior prepayment as described herein) and shall bear interest at the respective rates per annum, as set forth on the inside cover page hereof. The Series 2022 Certificates will be delivered in fully registered form in the denominations of $5,000 or any integral multiple thereof. The Principal Component and prepayment premium, if any, of Rental Payments represented by Series 2022 Certificates shall be payable by check or draft mailed to the registered owner thereof at the payment office of the Trustee upon presentation and surrender thereof. The Interest Components of Rental Payments represented by the Series 2022 Certificates shall be payable semiannually on May 1 and November 1, beginning May 1, 2023, to the registered owner of each Certificate, determined as of the close of business on the Record Date (which shall be the fifteenth day of the calendar month next preceding the Certificate Payment Date) (a) by check or draft mailed to such registered owner at the address appearing on the registration books of the Trustee or its successor, as registrar, or (b) in the case of an interest payment to the Securities Depository or to any other Registered Owner of $500,000 or more in aggregate principal amount of the Series 2022 Certificates, by electronic transfer to such Registered Owner upon written request given to the Trustee by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed. All such payments shall be made in lawful money of the United States of America.

Prepayment of Series 2022 Certificates

Optional Prepayment. The Series 2022 Certificates are subject to prepayment on and after May 1, 2030, as a whole or in part at any time at 100% of the Principal Component represented thereby, plus the Interest Component accrued thereon to the prepayment date.

Extraordinary Optional Prepayment. The Series 2022 Certificates shall be subject to extraordinary optional prepayment prior to the stated maturity thereof, upon instructions from the City, as a whole or in part at any time at a price of 100% of the Principal Component represented thereby, plus the Interest Component accrued thereon to the prepayment date, upon the occurrence of any of the following conditions or events:

(a) if title to, or the use for a limited period of, all or substantially all of the Facilities is condemned by any authority having the power of eminent domain (other than the City or any entity controlled by or otherwise affiliated with the City);

(b) if title to all, or substantially all, of the Facilities is found to be deficient or nonexistent to the extent that the efficient utilization of such Facilities by the City is impaired;

(c) if all, or substantially all, of the Facilities are damaged or destroyed by fire or other casualty; or

(d) if as a result of changes in the Constitution of the State of Missouri or of legislative or administrative action by the State of Missouri or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Indenture, the Lease Agreement, or the Base Lease shall become void or unenforceable, or impossible of performance without reasonable delay, or in any other way by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City with respect to the Indenture, the Lease Agreement or the Base Lease.

Mandatory Prepayment

(1) The Series 2022 Certificates with a stated maturity date of May 1, 2037, will be subject to mandatory prepayment on May 1, 2035, and on each May 1 thereafter through May 1, 2037, at a Prepayment Price equal to 100% of the Principal Component represented by the Series 2022 Certificates being prepaid plus the Interest Component to the Prepayment Date, as follows:

Prepayment Date May 1	**Principal Amount**
2035	$775,000
2036	815,000
2037	855,000*

* Final maturity.

(2) The Series 2022 Certificates with a stated maturity date of May 1, 2040, will be subject to mandatory prepayment on May 1, 2038, and on each May 1 thereafter through May 1, 2040, at a Prepayment Price equal to 100% of the Principal Component represented by the Series 2022 Certificates being prepaid plus the Interest Component to the Prepayment Date, as follows:

Prepayment Date May 1	**Principal Amount**
2038	$900,000
2039	945,000
2040	990,000*

* Final maturity.

(3) The Series 2022 Certificates with a stated maturity date of May 1, 2043, will be subject to mandatory prepayment on May 1, 2041, and on each May 1 thereafter through May 1, 2043, at a Prepayment Price equal to 100% of the Principal Component represented by the Series 2022 Certificates being prepaid plus the Interest Component to the Prepayment Date, as follows:

Prepayment Date May 1	**Principal Amount**
2041	$1,040,000
2042	1,090,000
2043	1,135,000*

* Final maturity.

Selection of Series 2022 Certificates to be Prepaid

Series 2022 Certificates shall be prepaid only in the principal amount of $5,000 or any integral multiple thereof. When less than all of the Outstanding Series 2022 Certificates are to be paid prior to maturity (other than by mandatory sinking fund prepayment, if any), such Series 2022 Certificates shall be prepaid from such maturities selected by the City, with Series 2022 Certificates of less than a full maturity to be selected by the Trustee in $5,000 units of face value by lot or in such other equitable manner as the Trustee may determine.

Notice of Prepayment

Notice of the prepayment identifying the Series 2022 Certificates or portions thereof to be prepaid shall be given by the Trustee to the Owners of Series 2022 Certificates by mailing a copy of the notice by first-class mail, postage pre-paid, at least 20 days prior to the date of prepayment to the Owner of each Certificate to be prepaid at the address shown on the registration books maintained by the Trustee or at such other address as is furnished in writing by such Owner to the Trustee; provided, however, that any defect in giving such notice by mailing as aforesaid shall not affect the validity of any proceedings for the prepayment of Series 2022 Certificates. Any notice of prepayment shall state the date and place of prepayment, the maturities and the CUSIP numbers of the Series 2022 Certificates or portions of Certificates to be prepaid (and in the case of the prepayment of a portion of any Series 2022 Certificates, the amount of Principal Component being paid), the prepayment price and that interest will cease to accrue from and after the prepayment date.

Prepayments

Prior to the date fixed for prepayment, funds shall be deposited with the Trustee to pay, and the Trustee is authorized and directed to apply such funds to the prepayment of, the Series 2022 Certificates, together with the Interest Component accrued thereon to the prepayment date, and any required premium. Upon the giving of notice and the deposit of such funds or government securities as may be available for prepayment pursuant to the Indenture, the Interest Components of Rental Payments represented by the Series 2022 Certificates or portions thereof thus called shall no longer accrue after the date fixed for prepayment.

Registration, Transfer and Exchange of Series 2022 Certificates

Any Series 2022 Certificate may be transferred or exchanged only upon the Register upon surrender thereof at the payment office of the Trustee duly endorsed for transfer or accompanied by an assignment or authorization for exchange duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer or exchange, the Trustee shall execute and deliver in exchange for such Series 2022 Certificate a new fully registered Series 2022 Certificate or Certificates, registered in the name of the transferee, of the same series and maturity, of any denomination or denominations authorized by the Indenture, and bearing interest at the same rate.

In all cases in which Series 2022 Certificates shall be exchanged or transferred, the Trustee shall execute and deliver Series 2022 Certificates in accordance with the Indenture. All Series 2022 Certificates surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. The Trustee may make a charge to the Registered Owner requesting the same for every such exchange or transfer of Series 2022 Certificates sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such new Certificate shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any certificate printing necessary to effect such transfer or exchange shall be paid by the City.

THE BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2022 Certificates. The Series 2022 Certificates will be delivered 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 maturity of the Series 2022 Certificates.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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 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**.

Purchases of Series 2022 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 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 Series 2022 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2022 Certificates, except in the event that use of the book-entry system for the Series 2022 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2022 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 Series 2022 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 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.

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 Series 2022 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Certificates, such as prepayments, defaults, and proposed amendments to the related documents. For example, Beneficial Owners of Series 2022 Certificates may wish to ascertain that the nominee holding the Series 2022 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.

Prepayment notices shall be sent to DTC. If less than all of the Series 2022 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022 Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Series 2022 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal Components and Interest Components 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 City or the Trustee, on each 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 Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment 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 City or the 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.

DTC may discontinue providing its services as depository with respect to the Series 2022 Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2022 Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2022 Certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Transfer Outside Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Series 2022 Certificates are transferable only upon the Register upon presentation and surrender of the Series 2022 Certificates, together with instructions for transfer. Series 2022 Certificates may be exchanged for other Series 2022 Certificates of any denomination authorized by the Indenture in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Trustee, 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.

SECURITY FOR THE SERIES 2022 CERTIFICATES

Nature of Series 2022 Certificates; Limited Obligations

Each Series 2022 Certificate evidences the undivided interest of the Owner thereof in the right to receive Rental Payments from the City under the Lease Agreement, and other payments, revenues and receipts derived under the Lease Agreement (including, in certain circumstances, Certificate proceeds and income from the temporary investment thereof and proceeds from insurance and condemnation awards), and are secured by a pledge and assignment of the Trust Estate granted by the Trustee in favor of the Owners of the Series 2022 Certificates, as provided in the Indenture.

Neither the Lease Agreement nor the Series 2022 Certificates shall constitute a liability or obligation of the City beyond the Lease Term in effect at any time. The Series 2022 Certificates shall not constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The Lease Agreement is subject to termination on an annual basis at the option of the City.

The Original Term of the Lease Agreement shall commence on the date of its delivery (the "Commencement Date"), and subject to earlier termination pursuant to the provisions thereof, shall terminate on the last day of the City's current fiscal year (i.e., June 30, 2023). The Lease Term may be extended, solely at the option of the City, at the end of the Original Term or any Renewal Term for an additional one-year Renewal Term for up to the final Renewal Term to expire not later than June 30, 2043. Under the terms of the Lease Agreement, if the City elects to renew the Lease Agreement at the end of the Original Term or any Renewal Term, it is obligated

to budget, appropriate and set aside a portion of its revenues derived from electric utility revenues and other sources, which appropriation shall be sufficient to make the Rental Payments coming due during the ensuing fiscal year.

The City is obligated to make two annual Rental Payments to the Trustee prior to each Certificate Payment Date during each fiscal year in which the Lease Agreement is in effect, which payments represent the Principal Components, redemption premium, if any, and Interest Components of Rental Payments represented by the Series 2022 Certificates becoming due during such fiscal year (but only if the City elects to renew the Lease Agreement for each Renewal Term). THERE CAN BE NO ASSURANCE THAT THE CITY WILL APPROPRIATE FUNDS FOR RENTAL PAYMENTS OR RENEW THE LEASE AGREEMENT AFTER THE ORIGINAL TERM. NEITHER THE SERIES 2022 CERTIFICATES NOR THE LEASE AGREEMENT CONSTITUTE A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE CITY, NOR A MANDATORY PAYMENT OBLIGATION IN ANY FISCAL YEAR SUBSEQUENT TO A FISCAL YEAR IN WHICH THE LEASE AGREEMENT IS IN EFFECT. THE CITY IS NOT LEGALLY REQUIRED TO BUDGET OR APPROPRIATE MONEYS FOR ANY SUBSEQUENT FISCAL YEAR BEYOND THE CURRENT FISCAL YEAR.

The City will have the option to purchase the Trustee's title and interest in the Facilities as provided in the Indenture and the Lease Agreement. See "LEASE – Option and Obligation to Purchase the Lessor's Interest in the Facilities," and "TRUST INDENTURE - Satisfaction and Discharge of the Indenture" in ***Appendix D*** hereto.

Property Subject to the Base Lease and the Lease Agreement

Pursuant to the provisions of the Base Lease and the Lease Agreement between the Trustee and the City, (a) the City will lease the Site to the Trustee for a term ending June 30, 2073, (b) the proceeds of the Series 2022 Certificates will be used to pay the costs of the Project and pay costs related to the delivery of the Series 2022 Certificates as described in this Official Statement, and (c) the Trustee will lease the Facilities (including of the Site and the improvements thereon, as described below) to the City for an initial term ending June 30, 2023 (the "Original Term"), with successive one-year renewal options, provided that the final renewal term does not extend beyond June 30, 2043 (the "Renewal Terms"), which Renewal Terms are subject to annual budget appropriations.

The Site includes approximately 21.58 acres within the City. Included on the Site is the Power Plant Substation; Substation No. 1; Substation No. 2; and various other improvements and pieces of equipment, including underground fuel tanks, to support the electric operations of Carthage Water and Electric Plant. The Site is comprised of essential portions of the electric system and, without such, the electric system would not function. The total insured value, plus the land value, of the Site is approximately $10,500,000. Additionally, various transmission lines and pieces of underground equipment are of significant value to the electric system overall, although not of an insurable nature.

Parity Obligations

Additional Certificates may be delivered without the consent of the Owners of the Certificates (a) to refund the Certificates of any series in a manner which provides present value debt service savings to the City or (b) to make additional improvements as the City may deem necessary, so long as the total principal amount of all Certificates then Outstanding under the Indenture does not exceed $30,000,000.

All Additional Certificates will be secured by the lien of the Indenture, the Lease Agreement and the Base Lease, and will rank on parity with the Series 2022 Certificates and any Additional Certificates. Unless provided otherwise in a supplement to the Indenture, any Additional Certificates will be in substantially the same form as the Series 2022 Certificates, but will bear such date or dates, bear such interest rate or rates, have such payment date or dates, prepayment dates and prepayment premiums, and be issued at such prices as are approved in writing by the City, subject to the requirements of the Indenture.

THE TRUSTEE

UMB Bank, N.A., Kansas City, Missouri, a national banking association authorized to transact business in the State of Missouri, will be the Trustee under the Indenture and a party to the Lease Agreement and the Base Lease. The Trustee may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection with respect to any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trustee may execute any trusts or powers or perform the duties required by the Indenture, the Lease Agreement or the Base Lease by or through attorneys, agents or receivers and will not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it in good faith.

The Series 2022 Certificates are executed by the Trustee, not individually or personally but solely as Trustee under the Indenture, in the exercise of the power and authority conferred upon and invested in it as such Trustee. Except for its negligence or willful misconduct, nothing contained in the Indenture, the Lease Agreement or the Base Lease is to be construed as creating any liability on the Trustee, individually or personally, to perform any covenant either expressed or implied in the Certificates, the Indenture, the Lease Agreement or the Base Lease, all such liability, if any, being expressly waived by the Owners of the Certificates by the acceptance thereof and by each and every person now or hereafter claiming by, through or under the Trustee or the Owners of the Certificates. Insofar as the City is concerned, the Trustee and the Owner of any Certificate and any person claiming by, through or under the Trustee or the Owner of any Certificate may look solely to the Trust Estate described in the Indenture for payment of the interests evidenced by the Certificates.

As security for the compensation, expenses, disbursements and indemnification to which it is entitled upon the occurrence of an Event of Default under the Indenture or an Event of Nonappropriation under the Lease Agreement, the Trustee will have a first lien with right of payment prior to payment on account of any Principal Components or Interest Components with respect to the Certificates for such compensation, expenses, disbursements and indemnification.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

The purchase of the Series 2022 Certificates involves certain investment risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2022 Certificates should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain risk factors relating to the Series 2022 Certificates are described below.

General

The following is a discussion of certain risks that could affect the Rental Payments and other payments to be made by the City with respect to the Lease Agreement and the Series 2022 Certificates. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Series 2022 Certificates are an appropriate investment. Prospective purchasers of the Series 2022 Certificates should consider carefully all possible factors that may result in a default in the payment of the Principal Component or Interest Component of Rental Payments represented by the Series 2022 Certificates, by the City under the Lease Agreement, the prepayment of the Series 2022 Certificates prior to maturity or the determination that the Interest Component of the Rental Payments represented by the Series 2022 Certificates might be includible in gross income for purposes of federal and Missouri income taxation. The following list of possible factors, while not setting forth all the factors that must be considered, contains some of the factors that should be considered prior to purchasing the Series 2022 Certificates. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Right of the City to Terminate the Lease Agreement Annually by Declining to Appropriate Funds

The City's obligations under the Lease Agreement may be terminated on an annual basis by the City without any penalty and there is no assurance that the City will renew the Lease Agreement. The likelihood that the City will renew the Lease Agreement throughout the Lease Term is dependent upon certain factors which are beyond the control of the owners of the Series 2022 Certificates, including (a) the continuing need of the City for the Facilities, (b) the demographic conditions within the City, and (c) the ability of the City to generate sufficient funds from taxes, utility rates and other sources to pay its obligations under the Lease Agreement and the other obligations of the City.

The City Council of the City has declared its current intention and expectation that the Lease Agreement will be renewed annually until the Trustee's leasehold interest in the Facilities is acquired by the City. Such a declaration cannot be construed as contractually obligating or otherwise binding the City. Neither the payment of the Rental Payments by the City under the Lease Agreement nor any payments under the Series 2022 Certificates constitutes a general obligation or other indebtedness of the City or a mandatory payment obligation of the City in any fiscal year subsequent to a fiscal year in which the Lease Agreement is in effect.

The obligation of the City to pay Rental Payments and Additional Payments is limited to those City funds which are specifically budgeted and appropriated annually by the City Council of the City for such purpose. The failure to renew the Lease Agreement would mean the loss of occupancy of the Facilities by the City for the remainder of the term of the Base Lease, which terminates no later than June 30, 2073.

Upon the occurrence of an Event of Default or an Event of Nonappropriation, the Trustee would exercise its available remedies under the Base Lease, the Lease Agreement and the Indenture against the City including the sale or lease of its interest in the Facilities on behalf of the owners of the Series 2022 Certificates. The Trustee's interest in the Facilities is the leasehold estate in the Site and the improvements thereon granted by the Base Lease. The moneys derived from any sale or lease of its interest in the Facilities, along with other moneys then held by the Trustee under the provisions of the Indenture (with certain exceptions as provided in the Lease Agreement and the Indenture), are required to be used to pay the Rental Payments to the extent moneys are available. Owners of the Series 2022 Certificates are cautioned, however, that due to the nature of the Facilities and the limited uses that can be made of Facilities, the ability of the Trustee to relet or sell its leasehold interest in the Facilities will be extremely limited. Such limitations may impair the Trustee's ability to sell any portions of the Facilities or assign or sublease the Site upon the occurrence of an Event of Default or Event of Nonappropriation or to obtain an amount that would be sufficient to pay the Rental Payments related to the Certificates then Outstanding.

Delays in Exercising Remedies

A termination of the City's right of possession of the Facilities under the Lease Agreement as a result of an Event of Default or an Event of Nonappropriation or expiration of the term of the Lease Agreement at the end of the Original Term or any Renewal Term without an extension for the next succeeding Renewal Term will give the Trustee the right to possession of, and the right to sell, relet or assign its interest in the Facilities in accordance with the provisions of the Base Lease, the Lease Agreement and the Indenture. However, the enforceability of the Base Lease, the Lease Agreement and the Indenture is subject to applicable bankruptcy laws and trust instruction procedures available under the laws of certain states, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the exercise of judicial authority by State of Missouri, jurisdictions other than the State of Missouri potentially having jurisdiction under trust instruction procedure laws, or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Further, the Facilities are used by the City for the performance of its governmental functions. Due to the governmental use of the Facilities and the delays inherent in obtaining possession of the Facilities and other judicial remedies, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any money realized by the Trustee upon an exercise of any remedies

would be sufficient to pay in full the Principal Components and Interest Components of Rental Payments with respect to the Series 2022 Certificates. The legal opinions to be delivered with the delivery of the Series 2022 Certificates will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases. If such money is insufficient to pay all outstanding Series 2022 Certificates in full, the Series 2022 Certificates would be paid in part on a *pro rata* basis. Any delays in the ability of the Trustee to obtain possession of the Facilities will, of necessity, result in delays in any payment of Principal Components and Interest Components of Rental Payments with respect to the Series 2022 Certificates.

Changes in Economic, Demographic and Market Conditions

Changes in real estate market conditions in the Carthage area, as well as changes in general or local demographic or economic conditions, could adversely affect the value of the property located within the City and the level of economic activity in the City and, consequently, the amounts of real estate taxes and other revenues generated by the City. Such changes could also have an adverse impact on the financial condition of the City and, thus, the City resources available for appropriation for the payment of the Rental Payments with respect to the Series 2022 Certificates.

Destruction of the Facilities

The Lease Agreement requires certain portions of the Facilities to be insured as described in "LEASE – Property and Casualty Insurance" in ***Appendix D*** hereto. If the Facilities are damaged or destroyed, the City is nevertheless required to continue to make payments under the Lease Agreement, subject to the exercise of its option to extend the term of the Lease Agreement for each next succeeding Renewal Term and to the application of Net Proceeds from insurance, if any, and certain other sources to repair, restore, modify, improve or replace the affected portions of the Facilities. If the Net Proceeds from insurance and such other sources are sufficient to repair, restore, modify, improve or replace the affected portion of the Facilities, such proceeds are to be so applied. If the Net Proceeds are insufficient for such purpose, (1) the City is obligated to commence and thereafter complete the work and pay any cost in excess of such net proceeds, but only from Additional Payments appropriated by the City, in order for the affected portion of the Facilities to be repaired, restored and replaced, (2) if the failure to repair or restore does not materially detract from the value of the Facilities, such net proceeds may be deposited into the Certificate Fund, or (3) the City may apply net proceeds to the payment of the Option Purchase Price applicable on the next available Optional Payment Date and, if such net proceeds are insufficient to pay such Option Purchase Price, the City is required under the Lease Agreement to pay such amounts as are necessary to equal the full Option Purchase Price.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the City will elect to extend the term of the Lease Agreement for the next Renewal Term succeeding such damage or destruction. See "LEASE — Damage, Destruction and Condemnation" in ***Appendix D*** hereto.

Construction Risks

Weather, labor disputes, availability of materials and supplies, casualty damages, unanticipated subsoil conditions, unanticipated construction difficulties and other **"force majeure"** occurrences or events or financial failure or failure to perform by a contractor, subcontractor or supplier may affect the timely construction of the Project. No assurance can be given that the acquisition, construction and installation of the Project will be completed on schedule, within budget or without material errors and defects. Any such failure could affect the City's decision to continue appropriations under the Lease Agreement.

Potential Impacts Resulting from Coronavirus (COVID-19)

In December 2019, a novel strain of coronavirus (which leads to the disease known as "COVID-19"), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and was characterized as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy has been broad based and negatively impacted national, state and local economies.

The State is not currently under a statewide public health order. Despite the expiration of statewide orders, cities and counties have the ability to impose local public health orders restricting economic activities within the State and providing additional health and safety restrictions.

As a result of the COVID-19 pandemic, the City incurred certain expenditures relating to the increase of supply costs, technology upgrades and equipment to enable employees to work remotely and allow for social distancing, upgrades to Council equipment and chambers to allow for online meetings and remote voting, and to cover additional personal protective equipment and overtime for emergency services when essential front-line workers were unavailable due to COVID-19. The City applied for and received federal CARES Act grants in the amount of $195,817 for reimbursement of the COVID-19 related expenditures the City had previously incurred. Carthage Water and Electric Plant received federal CARES Act grants in the amount of $54,432 for reimbursement of the COVID-19 related expenditures previously incurred. The City has received funds from the American Rescue Plan Act (ARPA) in two equal payments totaling $3,003,203. Any State or local measures implemented in the future which restrict economic and social activity within the City may have an adverse effect on general City operations and may also negatively impact the City's ability to pay the Certificates.

Carthage Water and Electric Plant has continued to serve its customers curing the COVID-19 pandemic without interruption. The lobby of Carthage Water and Electric Plant was closed for a period of time due to the COVID-19 pandemic, however the drive-through remained open to meet customer demands. None of Carthage Water and Electric Plant's generation facilities has had material impacts to its operations as a result of the pandemic.

Carthage Water and Electric Plant did not disconnect any customers during the COVID-19 pandemic for pandemic-related non-payment. Additionally, there were no write-offs specific to the pandemic. As of the end of September 2022, the percentage of customers currently in arrears was 19%. Accounts in arrears from September 2019 through September 2021 averaged between 13% and 15%. Carthage Water and Electric Plant has not observed an impact to the 2023 fiscal year-to-date financial results through September 30, 2022, as a result of the COVID-19 pandemic.

The COVID-19 outbreak and its variants is continuing to evolve and is ongoing, and its dynamic nature leads to uncertainties, including: (1) the geographic spread of the virus; (2) the development of new variants and the severity of the disease; (3) the duration of the outbreak; (4) the vaccination rate and the development of therapeutics for treatment; (5) actions that may be taken by governmental authorities to contain or mitigate the outbreak or recurrences thereof; and (6) the authorization of additional federal relief funds. Any State or local measures implemented in the future which restrict economic and social activity within the City may have an adverse effect on general City operations and financial condition.

Results of a Termination of the Lease Term

In the event that the City Council of the City does not budget and appropriate, specifically with respect to the Lease Agreement, on or before July 1 of each year, moneys sufficient to pay all Rental Payments and the reasonably estimated Additional Payments coming due for the next Lease Term, an "Event of Nonappropriation" shall be deemed to have occurred.

Special 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 Term by reason of an Event of Nonappropriation or an Event of Default. If the Lease Term is terminated by reason of either such event, there is no assurance that the Series 2022 Certificates may be transferred by a holder thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

Special Counsel has rendered no opinion with respect to the income tax consequences applicable to the Interest Component of Rental Payments represented by the Series 2022 Certificates subsequent to a termination of the Lease Term by reason of an Event of Nonappropriation or an Event of Default. If the Lease Term is terminated by reason of either such event there is no assurance that the Interest Component of such Rental Payments will remain excludable from gross income for federal or Missouri income tax purposes.

See "LEASE – Event of Nonappropriation" and "LEASE – Default and Remedies" in ***Appendix D*** hereto for a discussion of the results of an Event of Nonappropriation, and the ability of the Trustee to waive, under certain circumstances, the effects of the occurrence of an Event of Nonappropriation without notice to or the consent of the registered owners of the Series 2022 Certificates.

Cybersecurity Risks

The City relies on its information systems to provide security for processing, transmission and storage of confidential personal, health-related, credit and other information. It is possible that the City's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the City'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. The City maintains cybersecurity insurance in the amount of $2,000,000 and has not experienced any cyber security events.

Parity Obligations

The Indenture provides for the future delivery of Additional Certificates that, if delivered, would rank on a parity with the Series 2022 Certificates and any other Additional Certificates then Outstanding under the Indenture. Additional Certificates may be delivered for any purpose without the consent of or notice to the Registered Owners of the Series 2022 Certificates (i) if the Additional Certificates are being issued to refund Certificates to provide present value debt service savings for the City, or (ii) if Additional Certificates to be issued are in an amount, together with all other Certificates then Outstanding, not to exceed $30,000,000. There is no requirement to provide additional property in connection with the delivery of Additional Certificates that would be subject to the terms of the Base Lease or the Lease Agreement. The delivery of Additional Certificates without a corresponding addition to the Facilities could reduce the likelihood that, in the Event of Default or Event of Nonappropriation by the City, the Trustee would be able to relet or assign its interest in the Facilities for the amount necessary (after taking into account money legally available from other sources) to pay in full the Principal Components and Interest Components of Rental Payments then due with respect to the Certificates.

Bankruptcy

In addition to the limitations on remedies contained in the Indenture, the Base Lease and the Lease Agreement, the rights and remedies provided in the Indenture and the Lease Agreement may be limited by and

are subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies.

Pension and Other Postemployment Benefits

The City contributes to an agent multiple-employer defined-benefit pension plan on behalf of its employees. See "FINANCIAL INFORMATION CONCERNING THE CITY – Pension and Employee Retirement Plans" in Appendix A of this Official Statement. Future required contribution increases beyond the current fiscal year may require the City to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the City's operations or limit the City's ability to generate additional revenues in the future.

For more information specific to the City's participation, including the City's past contributions, net pension liability, and pension expense, see the City's financial statements included in ***Appendix B*** to this Official Statement.

Amendment of the Indenture, the Lease Agreement and the Base Lease

Certain amendments to the Indenture, the Base Lease and the Lease Agreement may be made without notice to or the consent of the owners of the Certificates (including amendments relating to the delivery of Additional Certificates). Certain other amendments to the Indenture and the Lease Agreement may be made with the consent of the owners of not less than a majority in principal amount of the Certificates (including any Additional Certificates which may be hereafter issued) then outstanding affected by such supplemental indentures or supplemental leases. Such amendments may adversely affect the security of the owners of the Certificates. In addition to the foregoing, in some jurisdictions outside the State of Missouri, there are a variety of trust instruction procedure ("TIP") statutes, which generally allow judicially supervised remedies for trust estates of trustees that have a nexus, such as the Trustee's office, with such jurisdiction. Under such TIP statutes, such jurisdictions may allow or order the Trustee to amend the documents relating to the Certificates, including the Base Lease, the Lease Agreement and the Indenture, in contravention of the manner provided for in these documents, including without limitation allowing the Trustee to disregard provisions requiring the consent of the holders of the Certificates prior to certain amendments of these documents.

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the City to impose new or increased taxes to provide funding for the payment of the Series 2022 Certificates, or other governmental purposes of the City, without voter approval. The amendment (commonly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes which may be imposed in any Fiscal Year, and the limit may not be exceeded without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any "*tax, license or fee*." The precise meaning and application of the phrase "*tax, license or fee*" is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally set user fees. The limitations imposed by the Hancock Amendment restrict the City's ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

In 2008, through the enactment of Senate Bill 711 ("SB 711"), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a political subdivision such as the City. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of the City's property tax levy if its current tax levy was less than its current tax levy ceiling, due to the City's voluntary rollback from the maximum authorized tax levy. The property tax levy is the levy actually imposed by a political subdivision while the tax rate ceiling is the maximum levy the political subdivision may impose under the provisions of the Hancock Amendment. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a political subdivision's actual property tax levy, regardless of whether that levy is at the political subdivision's tax levy ceiling. This further reduction is sometimes referred to as an "SB 711 rollback." In non-reassessment years (even-numbered years), the property tax levy may be increased to the political subdivision's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

On March 2, 2021, the Missouri Court of Appeals, Eastern Division, held in Blankenship v. Franklin County Collector (619 S.W. 3d 491) that an increase in the operating levy by political subdivisions pursuant to the provisions of Section 137.073.5(2), which allows political subdivisions to increase the operating levy to account for inflation in certain situations, cannot result in a levy that exceeds the highest voter-approved levy in violation of the Hancock Amendment. Approximately 600 taxing authorities were notified by the Missouri State Auditor's Office that their 2020 tax rates did not comply with the Blankenship decision and would need to be recalculated to determine their 2021 tax rates. To the extent a taxing authority levied taxes in violation of the Blankenship decision, refunds of such taxes are permitted if (1) a taxpayer files for injunctive relief before such taxes become payable, which is December 31 of the tax year, or (2) a taxpayer pays such taxes under protest and files suit against the tax collector within ninety days. The City did not receive a letter from the Missouri State Auditor's Office and will not need to adjust revenues because of the Blankenship decision.

Other Factors

One or more of the following factors or events could adversely affect the City's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Administration*. Changes in key administrative personnel could affect the capability of the management of the City.

2. *Future Economic Conditions*. Adverse economic conditions or changes in demographics in the City, increased unemployment and inability to control expenses in periods of inflation, could adversely impact the City's financial condition.

3. *Operating Expense Risk*. Actual operation, maintenance and repair expenses of the utility system may be greater or less than currently projected. Factors such as damages to facilities and infrastructure, changes in technology, regulatory standards, and increased costs of material, energy, labor and administration can substantially affect expenses. Furthermore, increases in rates and charges could result in a decrease in demand for usage and result in a decrease in revenues.

4. *Organized Labor Efforts*. Efforts to organize employees of the City into collective bargaining units could result in adverse labor actions or increased labor costs.

5. *Insurance Claims*. Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial performance.

6. *Environmental Hazards*. The City has covenanted in the Lease Agreement to comply with all applicable environmental laws. No environmental studies have been performed with respect to the Facilities. The City is not aware of any environmental condition at the Facilities or any of the City's

other property that requires any present remedial action. The discovery of such a condition with respect to the Facilities may adversely affect the City's willingness to renew the Lease Agreement after the expiration of any Renewal Term and the discovery of such a condition with respect to any of the other property of the City could adversely impact the City's financial performance.

7. *Natural Disasters*. The occurrence of natural disasters, such as tornadoes, earthquakes, pandemics, floods or droughts, could damage the facilities of the City, interrupt services or otherwise impair operations and the ability of the City to produce revenues.

No Reserve Fund or Credit Enhancement

No debt service reserve fund, financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to insure payment of the Principal Component or Interest Component due with respect to the Series 2022 Certificates. Accordingly, any potential purchaser of the Series 2022 Certificates should consider the financial ability of the City to pay Rental Payments under the Lease Agreement.

Taxability

The Series 2022 Certificates are not subject to prepayment nor is the interest rate subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the Interest Component paid or to be paid on any Series 2022 Certificate is or was includible in the gross income of the Owners of the Series 2022 Certificates for federal income tax purposes. **It may be that Owners of the Series 2022 Certificates would continue to hold their certificates, receiving Principal Components and Interest Components as and when due, but would be required to include such payments of Interest Component in gross income for federal income tax purposes. Special Counsel expresses no opinion as to the federal tax exemption of Interest Component on the Series 2022 Certificates in the event of payment thereof (a) if the City fails to budget and appropriate sufficient moneys to pay the Rental Payments under the Lease Agreement or (b) the Lease Agreement terminates for any reason.**

Risk of Audit

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given that the Internal Revenue Service will not commence an audit of the Series 2022 Certificates. Owners of the Series 2022 Certificates are advised that, if an audit of the Series 2022 Certificates were commenced, in accordance with its current published procedures, the Internal Revenue Service is likely to treat the City as the taxpayer, and the Owners of the Series 2022 Certificates may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2022 Certificates during the pendency of the audit, regardless of the ultimate outcome of the audit.

Loss of Premium from Prepayment

Any person who purchases a Series 2022 Certificate at a price in excess of its principal amount or who holds such Certificate trading at a price in excess of par should consider the fact that the Series 2022 Certificates are subject to prepayment prior to maturity at the prepayment prices described herein in the event such Series 2022 Certificates are prepaid prior to maturity. See the section herein captioned "THE SERIES 2022 CERTIFICATES – Prepayment Provisions" herein.

Secondary Market

The Underwriter will not be obligated to repurchase any of the Series 2022 Certificates, and no representation is made concerning the existence of any secondary market for the Series 2022 Certificates. No assurance is given that any secondary market will develop following the completion of the offering of the Series

2022 Certificates and no assurance is given that the initial offering price for the Series 2022 Certificates will continue for any period of time.

The lowering or withdrawal of the investment rating initially assigned to the Series 2022 Certificates could adversely affect the market price for and the marketability of the Series 2022 Certificates. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating its facilities subject to the municipal securities. From time to time the secondary market trading in selected issues of municipal securities will fluctuate as a result of the financial condition or market position of the underwriter, prevailing market conditions, or a material adverse change in the operations of the City, whether or not the subject securities are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

Power of Eminent Domain

Cities are granted, under the laws of the State, the power to condemn property for any purpose for which such cities are authorized to acquire property. There is no assurance that if the City were to condemn the Trustee's interest under the Base Lease that the condemnation award would be sufficient to pay the outstanding Principal Components and Interest Components with respect to the Series 2022 Certificates. The City has agreed in the Lease that, in the event that the whole or any part of the Facilities is taken by eminent domain proceedings, the interest of the Trustee will be recognized. The City and the Trustee have reached an agreement on the terms of the acquisition of the Facilities at the City's option, and to the use of the Facilities. The City has agreed that any acquisition of the Facilities or rights to their use by the City (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable purchase price. If the City allows the Lease to expire without exercising its option to purchase, whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Lease Term or failure to cure an Event of Default (as such terms are defined in the Lease), the City's failure to exercise the option to purchase shall constitute an irrevocable determination by the City that the Facilities is not required by it for any public purpose for the remaining term of the Lease. The enforceability of the foregoing agreements of the City has not been the subject of judicial interpretation.

Defeasance Risks

When all Certificates are deemed paid as provided in the Indenture (See "TRUST INDENTURE – Satisfaction and Discharge of the Indenture" and "– Certificates Deemed to be Paid" in ***Appendix D*** hereto), the Indenture will be released and terminated and the Facilities encumbered by the Base Lease and the Lease Agreement as security for the Certificates will be released. Any Certificate shall be deemed to be paid when (a) payment of the Principal Component of Rental Payments evidenced by such Certificate and premium, if any, thereon and the Interest Component of Rental Payments payable with respect thereto, whether such payment is by reason of the stated payment date or upon prepayment as provided in the Indenture, either (i) has been made in accordance with the terms thereof, or (ii) has been provided by irrevocably depositing, in trust and irrevocably set aside exclusively for such payment, (1) cash sufficient to make such payment and/or (2) Defeasance Obligations, maturing as to principal and interest in such amounts and at such time as will insure the availability of sufficient moneys to make such payment. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and 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. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Indenture, the Base Lease or the Lease Agreement that Defeasance Obligations consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal

securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Certificates defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

CERTAIN REGULATORY FACTORS AFFECTING THE UTILITY INDUSTRIES

General Background

Carthage Water and Electric Plant maintains firm power contracts with Sikeston Board of Municipal Utilities, Plum Point Energy Station and Southwest Power Administration. Carthage Water and Electric Plant also maintains a power plant (the "Power Plant") that contains a combination of 9 Nordberg and Cooper dual fuel engines and can generate 35 megawatts of electricity an hour. Since 1989, the Carthage Water and Electric Plant supplies power to customers primarily through the purchase of power through its firm power contracts, as explained above and in *Appendix A*. The Power Plant, however, is maintained and ready to provide power as needed to supplement the supply from other entities.

While Carthage Water and Electric Plant does not own or maintain a coal-fired electric generating power plant, Carthage Water and Electric Plant purchases power from entities that utilize coal to produce power. As such, certain regulatory and climate-related changes have the potential to impact pricing or availability of power to Carthage Water and Electric Plant and are discussed herein.

Electrical Utility Industry Regulation, Generally

The electric utility industry has been, and in the future will be, affected by a number of factors which will have an impact on the business, affairs and financial condition of both public and private electric utilities, including the City and the Carthage Water and Electric Plant.

Such factors include, among others, (a) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements, (b) changes resulting from conservation and demand-side management programs on the timing and use of electric energy, (c) increased competition from independent power producers, marketers and brokers, (d) competition from other electric utilities (including increased competition resulting from mergers, acquisitions and "strategic alliances" of competing electric (and gas) utilities and from competitors offering less expensive electricity from much greater distances transmitted over an interconnected system, (e) new methods of producing low cost electricity (f) "self-generation" by certain residential, industrial and commercial customers, (g) issues relating to the ability to issue taxable and tax-exempt obligations, including severe restrictions on the ability to sell to nongovernmental entities electricity from generation projects financed with outstanding tax-exempt obligations, (h) changes from projected future load requirements, (i) increases in costs and effect of inflation on the operation and maintenance of an electric utility and its facilities, (j) shifts in the availability and relative costs of different fuels, (k) changes that may result from a national energy policy, climate change legislation and regulations that target contributions made by coal-fired and other fossil fueled generating units or other federal and state legislative changes, (l) inadequate risk management procedures and practices with respect to, among other things, the purchase and sale of energy, fuel and transmission capacity, (m) effects of financial instability of various participants in the power market, (n) issues related to reliability and both physical and cyber security at City facilities, (o) transmission availability and cost allocation, or (p) changes in revenue due to unseasonable changes in the weather. Any of these factors (as well as other factors) could have an effect on the financial condition of any given electric utility, including the City and Carthage Water and Electric Plant, and likely will affect individual utilities in different ways.

The City cannot predict what effects these factors will have on the business, operations and financial condition of the City or the Carthage Water and Electric Plant, but the effects could be significant. The following sections of this caption provide brief discussions of these factors. However, these discussions do not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date of this Official

Statement. Extensive information on the electric utility industry is available from legislative and regulatory bodies and other sources in the public domain.

Federal Energy Legislation

The Energy Policy Act of 1992. The Energy Policy Act of 1992 (the "1992 Energy Act") made fundamental changes in the federal regulation of the electric utility industry, particularly in the area of transmission access. With the passage of the 1992 Energy Act, the United States Federal Energy Regulatory Commission ("FERC") was given authority to direct utilities to make their transmission systems available for use by others at rates and terms comparable to the owners' uses of their own systems. In particular, the 1992 Energy Act provides the FERC with the authority, upon application by an electric utility, federal power marketing agency or other power generator, to require a transmitting utility to provide transmission services to the applicant essentially on the cost of service basis. Municipally-owned electric utilities are "transmitting utilities" for purposes of these provisions of the 1992 Energy Act. This "open access" environment provides an expanded and more competitive market for both generators and wholesale purchasers of electricity, and such increased competition is expected to continue in the future.

The Carthage Water and Electric Plant operates under the Southwest Power Pool ("SPP") Open Access Transmission Tariff, as modified by service agreements between Carthage Water and Electric Plant, SPP and Southwestern Power Administration ("SPA"). The Power Plant remains under Carthage Water and Electric Plant's control and is not part of SPP's bulk electric system, nor is it considered a transmission system.

Under certain FERC regulations, FERC has required open-access, mandatory transmission tariffs to be placed into effect for all jurisdictional utilities. Utilities are authorized to file for changes in their tariffs under the Federal Power Act. The goal of these regulations, according to FERC, is to deny to an owner of transmission facilities any unfair advantage over its competitors that exists by virtue of such owner's control of its transmission system.

Energy Policy Act of 2005. The Energy Policy Act of 2005 (the "2005 Energy Act") addressed a wide array of energy matters that affect the entire electric utility industry, including Carthage Water and Electric Plant. Among other things, the 2005 Energy Act: (a) authorizes FERC to require non-FERC jurisdictional utilities to provide open access to their transmission systems and to comply with certain rate change provisions of the Federal Power Act (the "FPA"); (b) authorizes FERC to order refunds for certain short-term, wholesale sales by state and municipal power entities if such sales violate FERC-approved tariffs or FERC rules; (c) allows load-serving entities that hold certain firm transmission rights to continue to use those rights to serve their customers; (d) provides for the establishment of a national electric reliability organization to develop and enforce, subject to FERC's oversight, mandatory reliability standards for operation of the transmission grid; (e) prohibits market manipulation and submission of false information; (f) gives FERC certain authority to issue construction permits for transmission projects that are to be located in "national interest electric transmission corridors" (to be designated by the Department of Energy); (g) eliminates certain ownership restrictions on qualifying cogeneration and small power production facilities under the Public Utility Regulatory Policies Act and authorizes FERC to eliminate prospective utilities' obligation to purchase from these qualifying facilities under certain circumstances; (h) requires state utility regulatory commissions and "non regulated electric utilities" to consider adopting certain standards on net metering, fuel diversity, fossil fuel plant diversity, certain metering and time-based rate schedules and demand response, and interconnection with distributed generation facilities; (i) replaces regulation of utility holding companies under the Public Utility Holding Company Act of 1935 with more limited oversight of such companies; (j) increases FERC's authority to review mergers of public utility companies; and (k) directs FERC to establish, for transmission companies whose rates are regulated by FERC, rate incentives to invest in transmission.

In accordance with the 2005 Energy Act, on July 20, 2006, FERC issued an order certifying the North American Energy Corporation (NERC) as the Electric Reliability Organization (ERO) for the United States. Order No. 1000, issued by FERC in 2011, requires public utility transmission providers to improve transmission

planning processes and allocate cost for new transmission facilities to beneficiaries of those facilities, and requires public utility transmission providers to align transmission planning and cost allocation in order to remove barriers to development of transmission facilities, and competitive bidding for construction of certain transmission projects. Municipally-owned electric utilities are not subject to FERC jurisdiction under these orders but may be denied transmission service by a FERC-jurisdictional utility if they do not offer comparable transmission services. Although Carthage Water and Electric Plant regards the reliability standards of NERC as important, it no longer is required to comply with the standards as the Power Plant was deregistered from the NERC compliance registry in August of 2020.

The Carthage Water and Electric Plant was last audited by NERC related to the reliability standards in 2016. The audit was considered a "spot check," and identified no areas of concerns. The spot check did result in two recommendations.

FERC stated that its overall objective was to ensure that all participants in wholesale electricity markets have non-discriminatory open-access to transmission service, including network transmission service and ancillary services. FERC also indicated that it intends to apply the principles set forth in the regulations to the maximum possible extent to municipal and other non-jurisdictional utilities, both in deciding requests for transmission services orders, as described above, and by requiring such utilities to agree to provide open access transmission service as a condition to securing transmission service from jurisdictional investor-owned utilities under open access tariffs.

Other Federal Actions. In recent years, Congress has introduced various legislative proposals to set carbon fees, establish cap-and-trade programs, and increase climate-related research and development. The Inflation Reduction Act (the "IRA"), passed by Congress in 2022, included climate-related provisions such as tax credits and other incentives to promote renewable energy investment and energy efficiency. The effect of the IRA on the City and Carthage Water and Electric Plant is not certain at this time. It is impossible to predict when Congress will further act on climate change legislation, what form any such legislation will take, and whether the impact on the City or Carthage Water and Electric Plant of any such legislation will be material.

RTO-Operated Markets

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

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

Integrated Marketplace

On March 1, 2014, the SPP launched the Integrated Marketplace ("IM"). This market expansion is the latest and most complex incremental step in SPPs evolutionary approach to adding market functionality that will coordinate next-day generation across the region to maximize cost-effectiveness, provide participants with greater access to reserve energy, improve regional balancing of electricity supply and demand, and facilitate the integration of renewable resources. Specifically, the Integrated Marketplace includes:

- A Day-Ahead Market with Transmission Congestion Rights (TCRs).
- A Reliability Unit Commitment process.

- A Real-Time Balancing Market replacing SPPs Energy Imbalance Service (EIS) Market.
- Incorporation of a price-based Operating Reserve Market.
- Combining current Balancing Authorities into a single SPP Balancing Authority.

Carthage Water and Electric Plant successfully transitioned to IM requirements. Carthage Water and Electric Plant has experienced enhanced opportunities to market power from its generation fleet and to secure low cost generation from the grid. Carthage Water and Electric Plant works with Tyr Energy (its assigned Market Participant) to optimize the utilization of Carthage Water and Electric Plant's generating units and costs of load to its customers.

Climate Change and Regulation of Greenhouse Gasses

Limitations on emissions of greenhouse gasses (GHG), including CO_2, create significant exposure for electric fossil-fuel-fired generation facilities. The EPA issued final rules regulating CO_2 emissions from various classes of electric generating units in October 2015. The rules for existing generation, known as the Clean Power Plan ("CPP") call for a 32% reduction of carbon emissions from power plants from 2005 emission levels, by 2030. The rule became effective December 22, 2015. The CPP would not directly regulate greenhouse gas emissions by specific electric generating units, but instead would impose state-by-state caps on aggregate greenhouse gas emissions, allowing respective states to develop their own method to comply with their emissions cap.

In October 2017, the EPA proposed to repeal the CPP, and the repeal was finalized in July 2019. Also in July 2019, the EPA promulgated the Affordable Clean Energy Rule ("ACE"). ACE replaced CPP and applied only to large coal-fired power generating plants. On January 19, 2021, the D.C. Circuit Court vacated the ACE rule. The EPA has indicated that it will revisit options for regulating electric fossil-fuel-fired generation sources.

The Biden Administration has signaled a renewed focus on mitigating the effects of climate change. The Biden Administration issued executive orders, reentered the Paris Climate Accord, announced plans to pursue a 50-52% reduction from 2005 levels in economy-wide net greenhouse gas pollution in 2030 and stated a goal to reach net zero emissions economy-wide by no later than 2050.

Although Carthage Water and Electric Plant is unable to predict the outcome of these matters, the potential impacts of mandatory greenhouse gas emissions limitations on Carthage Water and Electric Plant could be material. Carthage Water and Electric Plant has not created a financial analysis or methodology regarding unenforced carbon legislation. As noted above, Carthage Water and Electric Plant purchases power from power generating entities and those entities may be subject to monitoring and reporting requirements for GHG under EPA's mandatory greenhouse gas reporting program.

Other Environmental Regulation

Clean Air Act. The Clean Air Act Amendments of 1990 (the "1990 CAA") mandated reduced Sulfur Dioxide ("SO_2") and Nitrogen Oxide ("NO_X") emissions from electric utility power plants. The 1990 CAA established a market-based compliance program which allows the selling and trading of SO_2 allowances. An "allowance" is the authorization to emit one ton of SO_2 in a given year.

Cross-State Air Pollution Rule. In 2011, the EPA promulgated the Cross-State Air Pollution Rule ("CSAPR") to reduce power plant emissions of SO_2 and NO_X emissions in certain states, including Missouri. Phase 1 of CSAPR began January 1, 2015 then followed by Phase 2 in 2017 for both Annual SO_2 and NO_x and the Ozone Season NO_x Programs. Entities from which Carthage Water and Electric Plant purchases power may be subject to CSAPR. Carthage Water and Electric Plant cannot predict the impact of any future rulemaking on its operations or the operations of the entities from which it purchases power.

National Ambient Air Quality Standards. The Clean Air Act requires EPA to establish NAAQS for certain air pollutants, including particulate matter and ozone. When a NAAQS has been established, each state

must implement programs to achieve and maintain the NAAQS in that state. Each state must identify areas in its state that do not meet a NAAQS (known as "non-attainment areas") and develop regulatory measures to reduce or control the emissions of that air pollutant in order to meet the NAAQS and become an "attainment area."

In 2015, the EPA issued a final rule related to NAAQS for ground-level ozone. The rule established the 8-hour ground-level ozone standard of 70 ppb. In December 2020, the EPA acted to retain the 2015 standard. The December 2020 rule is being challenged by multiple parties in the D.C. Circuit.

Mercury and Air Toxics Standards Rule. On February 16, 2012, the EPA issued the Mercury and Air Toxics Standards ("MATS") to control emissions of hazardous air pollutants (HAPs) from power plants. These pollutants include mercury, arsenic, chromium, nickel, dioxins, furans, acid gases, hydrogen chloride and hydrogen fluoride. For existing and new coal-fired electric generating units, MATS established numerical emission limits which were to be met by April 16, 2015, unless an extension was granted. MATS has been the subject of multiple legal challenges by both industry and environmental groups, but currently the rule as supplemented on May 22, 2020, remains in effect.

Entities from which Carthage Water and Electric Plant purchases power may be subject to MATS regulations, and those entities may or may not be fully compliant with the MATS monitoring, reporting and notification requirements.

Regional Haze. In June 2005, the EPA issued the Clean Air Visibility Rule, amending regulations that control air emissions to protect visibility in national parks and wilderness areas throughout the United States. Under the rule, some electric generating facilities were required to install best available retrofit technology (BART) to control particulate matter, sulfur dioxide and nitrogen oxide emissions. States were required to develop regional haze plans and identify facilities that would have to reduce emissions and then set BART emissions limits for those facilities. In 2012, EPA approved the Missouri Regional Haze State Implementation Plan. States were required to submit their regional haze implementation plan revisions to EPA by July 31, 2021, and every 10 years thereafter, and submit progress reports to EPA every five years. Entities from which Carthage Water and Electric Plant purchases power may be subject to the Missouri Regional Haze State Implementation Plan and the Clean Air Visibility Rule.

Internal Combustion Maximum Achievable Control Technology Rule. In 2010, the EPA issued a final rule regulating hazardous air pollutant emissions from Compression Ignition Reciprocating Internal Combustion Engines ("CI-RICE") larger than 100 braking horsepower, including formaldehyde. The rule provided differing mandatory requirements for engines based on total horsepower, with the most stringent controls, including the installation of catalytic converters, reserved for units over 500 horsepower. The rule allows cities to designate these units for "emergency only" operation and generate with the units without any emission controls when power is interrupted from their regular supplier. Carthage Water and Electric Plant has installed catalytic converters on all nine (9) engines. Entities from which Carthage Water and Electric Plant purchases power may be subject to the rule.

Air Emissions New Source Review. Both the Federal Clean Air Act and Missouri Air Pollution Control Program contain new source review ("NSR") requirements that require pre-construction permits authorizing the discharge of air emissions from new or modified facilities. Beginning in the late 1990's, the EPA issued notices of violation against multiple utilities across the country for alleged violations of the NSR provisions. In many cases, the U.S. Department of Justices has filed lawsuits alleging NSR violations. Many of the lawsuits have been settled. Generally, the government alleged that projects performed at various coal-fired units were major modifications requiring permits and stringent air pollution controls under the Prevention of Significant Deterioration ("PSD") and/or Title V programs. The lawsuits seek CAA statutory penalties and the installation of Best Available Control Technology ("BACT"). Affected facilities are required as part of the permitting process to undergo a BACT review to determine what additional emission controls or mitigation strategies, if any, could be implemented to further reduce emissions. The U.S. Supreme Court issued a ruling on June 23, 2014, invalidating that portion of the rule

which requires new sources which would not be required to undergo Title V permitting or PSD review except for their emissions of CO_2, to do so. Entities from which Carthage Water and Electric Plant purchases power may be subject to investigation as part of this enforcement initiative.

Solid Waste Disposal. In 2015, the EPA issued a final rule for the Effluent Limitation Guidelines (ELG) for Steam Electric Generation Point Sources. The rule required the dry handling of both bottom and fly ash from existing coal-fired boilers with generation capacity greater than 50 MW. On August 31, 2020, the EPA issued a final rule revising the bottom ash transport water waste stream limits for existing facilities. Entities from which Carthage Water and Electric Plant purchases power may be subject to the rule and may incur additional costs to comply.

On April 17, 2015, the EPA published final rules for regulating the disposal and management of Coal Combustion Residuals (CCR). The final rule does not apply to landfills that ceased receiving residuals prior to the effective date of the rule. The final rule preserves the Bevill determination that coal combustion residuals are non-hazardous and maintains regulation CCR under Subtitle D of the Resource Conservation and Recovery Act (RCRA). Further, the rule supports recycling of CCR by encouraging safe, beneficial use practices currently used by many utility providers. The final rule requires utility providers to demonstrate compliance for its CCR surface impoundments and landfills through verification and demonstration process, including establishing groundwater monitoring, development of fugitive dust plans, and enhanced inspection programs. Elements of this demonstration and verification process may require capital investment, which could be significant depending on the results of the testing, and increase operating costs to entities from which Carthage Water and Electric Plant purchases power.

Permitting

Wastewater Discharge Permits. The Clean Water Act contains requirements relating to the discharge of process wastewater and storm water to navigable waters of the United States. The Missouri Department of Natural Resources ("MoDNR") establishes the requirements for producers through issuance of National Pollutant Discharge Elimination system ("NPDES") permits.

U.S. EPA proposed national changes to the steam-electric generating effluent limitations guidelines (ELGs) on June 7, 2013. The EPA Administrator signed the final rule for the Effluent Limitation Guidelines (ELG) for Steam Electric Generation Point Sources on September 30, 2015 and became effective later that year. The rule required the dry handling of both bottom and fly ash from exiting coal-fired boilers with generation capacity greater than 50 MW. In April 2017, EPA paused future compliance dates under the rule for two (2) years, as EPA reconsidered the best available technology economically achievable (BAT) limits. On August 31, 2020, the EPA finalized the revised technology-based effluent limitations guidelines and standards for bottom ash transport water (BA). Entities from which Carthage Water and Electric Plant purchases power may be subject to these guidelines and standards.

Waters of the United States. In 2015, the EPA issued a rule revising the definition of "Waters of the United States" ("WOTUS"). In the 2019, EPA repealed the 2015 rule and re-codified the prior definition of "Waters of the United States." In April 2020, the EPA again revised the definition of "Waters of the United States" under its Navigable Waters Protection Rule. The rule includes four categories of federally regulated waters, as well as 12 exclusions that are explicitly not waters of the United States. In June 2021, the EPA announced its intent to initiate a new rulemaking process that restores the protections in place prior to the WOTUS implementation and develops a new rule to establish a definition of "Waters of the United States." Entities providing utilities occasionally have projects that require a determination as to whether a water is a water of the United States. It is unknown whether this rulemaking will have a significant impact on potential utility projects.

In addition to the WOTUS rule, in April 2019, the EPA issued an Interpretative Statement regarding the scope of Clean Water Act permitting. The Interpretative Statement formalizes the EPA's position that releases of pollutants to groundwater are excluded from the Clean Water Act's permitting requirements, regardless of

whether that groundwater is hydrologically connected to surface water. Since issuance of the Interpretative Statement, the U.S. Supreme Court issued an Opinion finding that pollutants that leave a point source and reach navigable waters require a permit when there is a direct discharge from a point source into navigable waters or when there is the functional equivalent of a direct discharge." It is not possible to evaluate the impact of any future determination regarding how hydrologic connections will impact future projects or operations of entities providing utilities.

Air Emissions Operating Permits. The Federal Clean Air Act ("CAA") and Missouri Air Pollution Control Program (APCP) impose a suite of requirements on electric generating facilities. Many generating facilities are required to hold operating permits that list emissions limits, require that pollution control equipment is operated and maintained pursuant to applicable environmental regulations and rules, require compliance with applicable new or amended air quality rules, and set forth monitoring, recordkeeping and reporting requirements. The several EPA air quality regulations are generally implemented by MoDNR through its State Implementation Plan (SIP). The regulatory programs are summarized at a high-level below.

Acid Rain Permits. The Federal Clean Air Act, Title IV, establishes the Acid Rain Program to address the effects of acid rain and impose restrictions on sulfur dioxide (SO_2) emissions and nitrogen oxide (NOx) emissions from electric generating facilities, particularly those fueled by coal. SO_2 emissions were limited by means of a market-based cap and trade program. Carthage Water and Electric Plant does not know if all necessary upgrades to generating units of entities from which they purchase power have been completed in order to comply with emissions limitations, nor does Carthage Water and Electric Plant know if such entities are allocated sufficient Acid Rain allowances for generating units to continue normal operations.

Solid Waste Disposal Permits. MoDNR has adopted a permitting system for the management and disposal of solid waste generated by power stations.

PLAN OF FINANCE

Sources and Uses of Funds

In connection with the sale and delivery of the Series 2022 Certificates, it is contemplated that funds will be obtained and applied as follows:

Sources of Funds	
Principal Amount of Series 2022 Certificates	$15,000,000.00
Net Original Issue Premium	845,047.30
Total Sources	$15,845,047.30
Uses of Funds	
Project Costs	$15,615,172.30
Costs of Delivery including Underwriter's Discount	229,875.00
Total Uses	$15,845,047.30

The Project

The Project consists of replacing, upgrading and renovating various pieces of equipment of the electric utility system, including the relocation and upgrade of several transmission lines and switches. The Project includes four main components:

(1) The transmission lines between the Southwest Power Administration Substation and Substation No. 1 will be replaced. Electricity that is purchased, as described in ***Appendix A – Carthage Water and Electric***

Plant – Management and Organization of CWEP and its Electric System, arrives at the utility via the Southwest Power Administration Substation and is then transmitted to the utility's other substations.

(2) The infrastructure utilized in the transmission and transformation of electricity between the Power Plant Substation and Substation No. 1 will be upgraded and improved. Infrastructure upgrades in and near the Power Plant Substation include replacement of physical lines and relocation of five distribution feeder circuit breakers to Substation No. 1, which will improve reliability and be easier to maintain.

(3) Infrastructure in and near Substation No. 2 will be replaced and upgraded. A transformer and switch gear will be replaced, and the improvements will be moved to an outdoor structure to provide for easier maintenance and operation.

(4) Feeder lines from Substation No. 2 will be upgraded and extended. The feeder line connects the substation to the distribution system. The extension will connect with neighborhoods and improve flexibility in electric distribution.

LITIGATION

There is no action, suit, proceeding or litigation pending against the City, or to the knowledge of the City or of its officials threatened, that in any way questions or affects the validity of the Lease Agreement, the Base Lease, the Indenture, the Series 2022 Certificates or any proceedings or transactions relating to their authorization, sale or delivery, or that would affect the validity of the agreements related to the construction, operation or management of the Project, or that would adversely affect the financial condition of the City.

From time to time, claims and litigation against the City arises in the ordinary course of business. The City, after consultation with counsel, does not believe that the outcome of these matters will have a material impact on the financial condition of the City, and the City does not believe that such exposure would materially affect the City's ability to meet its obligations to pay the Series 2022 Certificates.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2022 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 owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2022 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 Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2022 Certificates in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2022 Certificates.

Opinion of Special Counsel

In the opinion of Gilmore & Bell, P.C., Special Counsel, under the law existing as of the issue date of the Series 2022 Certificates:

Federal and Missouri Tax Exemption. The Interest Component of the Rental Payments paid by the City under the Lease Agreement and distributed to the owners of the Series 2022 Certificates (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal and Missouri income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. The Interest Component of the Rental Payments under the Lease Agreement is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2022 Certificates are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Special Counsel's opinions are provided as of the date of the original delivery of the Series 2022 Certificates, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the delivery of the Series 2022 Certificates in order that the Interest Component be, or continue to be, excludable from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of the Interest Component in gross income for federal and State of Missouri income tax purposes retroactive to the date of delivery of the Series 2022 Certificates. Special Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2022 Certificates but has reviewed the discussion under the section herein captioned "TAX MATTERS."

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Series 2022 Certificate over its issue price. The issue price of a Series 2022 Certificate is the first price at which a substantial amount of the Series 2022 Certificates of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt obligations accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2022 Certificate during any accrual period generally equals (1) the issue price of that Series 2022 Certificate, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2022 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 Component payable on that Series 2022 Certificate during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2022 Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a Series 2022 Certificate is issued at a price that exceeds the stated redemption price at maturity of the Series 2022 Certificate, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Series 2022 Certificate. Under Section 171 of the Code, the purchaser of that Series 2022 Certificate must amortize the premium over the term of the Series 2022 Certificate using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2022 Certificate and the amount of tax-exempt Interest Component received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2022 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 Series 2022 Certificates. Upon the sale, exchange or retirement (including redemption) of a Series 2022 Certificate, an owner of the Series 2022 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 Series 2022 Certificate (other than in respect of accrued and unpaid Interest Component) and such owner's adjusted tax basis in the Series 2022 Certificate. To the extent a Series 2022 Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2022 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 Component, Interest Component and prepayment premium paid on the Series 2022 Certificates, and to the proceeds paid on the sale of the Series 2022 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 Series 2022 Certificates should be aware that ownership of the Series 2022 Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2022 Certificates. Special Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2022 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 Series 2022 Certificates, including the possible application of state, local, foreign and other tax laws.

Special Counsel notes that for tax years beginning after December 31, 2022, the interest on the Series 2022 Certificates may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

UNDERWRITING

The Series 2022 Certificates were sold to Piper Sandler & Co. (the "Underwriter") for reoffering by the Underwriter. The Underwriter has agreed to purchase the Series 2022 Certificates at an aggregate purchase price equal to $15,792,547.30 (the principal amount of the Series 2022 Certificates plus a net original issue premium of $845,047.30, less an underwriter's discount of $52,500.00), plus accrued interest, if any. The Underwriter is purchasing the Series 2022 Certificates for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Series 2022 Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Series 2022 Certificates to the public. The Underwriter may offer and sell Series 2022 Certificates to certain dealers (including dealers depositing Series 2022 Certificates into investment trusts) at prices lower than the public offering prices.

The Underwriter has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings, including the Series 2022 Certificates, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase

Series 2022 Certificates from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Series 2022 Certificates that CS&Co sells.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of the Series 2022 Certificates (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the City to provide certain financial advisory services including, among other things, review of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

Municipal Advisor Registration. BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Series 2022 Certificates.

The offer and sale of the Series 2022 Certificates shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Series 2022 Certificates, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations. BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority. BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

RATING

S&P Global Ratings is expected to give the Series 2022 Certificates a rating of "A+". Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by said rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of the rating may have an adverse effect on the market price and marketability of the Series 2022 Certificates.

The City has furnished the rating agency with certain information and materials relating to the Series 2022 Certificates and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Series 2022 Certificates any proposed revision or withdrawal of the rating of the Series 2022 Certificates or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the City is required to bring to the attention of the holders of the Series 2022 Certificates any revision or withdrawal of the rating of the Series 2022 Certificates but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned "CONTINUING DISCLOSURE." Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Series 2022 Certificates.

FINANCIAL STATEMENTS

The City maintains its financial records on the basis of a fiscal year ending June 30. Set forth in ***Appendix B*** are the audited financial statements of the City for the fiscal year ended June 30, 2021. Set forth in ***Appendix C*** are the component unit financial statements of the Carthage Water and Electric Plant for the fiscal year ended June 30, 2022. Such financial statements have been examined by KPM CPAs & Advisors, independent certified public accountants located in Springfield, Missouri. The City's audited financial statements for the fiscal year ended June 30, 2022 are being prepared by KPM CPAs & Advisors and are expected to be available in January, 2023.

LEGAL MATTERS

Certain legal matters incident to the authorization and execution by the City of the Indenture, the Base Lease and the Lease Agreement and the delivery and sale of the Series 2022 Certificates and with regard to the tax-exempt status of the Interest Component of Rental Payments to be made on the Series 2022 Certificates are subject to the approving opinion of Gilmore & Bell, P.C., Special Counsel. Special Counsel has participated in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the City.

CONTINUING DISCLOSURE

The City is executing a Continuing Disclosure Certificate for the benefit of the owners and Beneficial Owners of the Series 2022 Certificates in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") in substantially the form attached hereto as **Appendix E**. The City is the only "obligated person" with responsibility for continuing disclosure.

The City has engaged in undertakings similar to the Continuing Disclosure Certificate with respect to several series of obligations previously issued by the City to provide to the national information repositories (presently, only the MSRB) the audited financial statements of the City and updates of certain operating data of the City. Over the last five years, the City has been in material compliance with filing its audited financial statements and operating data in a timely manner. In order to promote compliance with the City's obligations

under the Continuing Disclosure Certificate and the City's prior undertakings, the City has engaged the law firm of Gilmore & Bell, P.C. to assist the City in determining the required content of the Annual Reports and in submitting such Annual Reports to the MSRB via EMMA.

All Annual Reports and notices of Material Events required to be filed by the City pursuant to the Continuing Disclosure Certificate must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the City or the Series 2022 Certificates is incorporated by reference in this Official Statement.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Special Counsel to the City, has represented the Underwriter and the Trustee in transactions unrelated to the delivery of the Series 2022 Certificates, but is not representing the Underwriter or the Trustee in connection with the delivery of the Series 2022 Certificates.

MISCELLANEOUS

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or registered owners of any of the Series 2022 Certificates.

References herein to the Indenture, the Lease Agreement, the Base Lease and certain other matters are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

The form of this Official Statement and its distribution and use by the Underwriter has been approved by the City. However, neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the City's financial condition or its ability to make payments required under the Lease Agreement and the Indenture other than those expressly imposed on the City by the Indenture, the Base Lease or the Lease Agreement.

CITY OF CARTHAGE, MISSOURI

By: /s/ Dan Rife .
Mayor

APPENDIX A

INFORMATION REGARDING THE CARTHAGE WATER AND ELECTRIC PLANT AND THE CITY OF CARTHAGE, MISSOURI

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CARTHAGE WATER AND ELECTRIC PLANT

Management and Organization of CWEP and its Electric System

General

Carthage Water & Electric Plant (CWEP) is a municipally-owned and controlled, utility company responsible for operating and maintaining the municipal electric, water, wastewater and communication systems of the City of Carthage, Missouri (the "City"). The City began providing electricity in 1898, and following the acquisition of a private water plant in 1907, the electric plant and water plant were placed under the jurisdiction of the Board of Public Works, now referred to as CWEP. CWEP is authorized under the City's charter and is a component unit of the City.

Construction of the current location of the CWEP power plant began in 1927. The plant fully supplied the electrical needs of the City until 1981 when it became more feasible to purchase the majority of power from large generating facilities. The plant currently has been maintained since that time and stands ready to provide power as needed. In 1990, CWEP began an expansion of the supply lines that formed a "loop" around the City. This system, which includes enhanced switching capabilities, allows power to be redirected around any major break in service. The power plant has frequently been brought on line to help keep the cost of power in the City low. The power plant has also had occasion to sell quantities of electrical power on the open market during shortages in other parts of the state and country.

The CWEP power plant serves residential, commercial and industrial accounts with electric service. The power plant is located at the intersection of 3rd and River Street in the City and is rated a 35 megawatt (MW) plant. This means the plant, which is a combination of 9 Nordberg and Cooper dual fuel reciprocating internal combustion generating engines, can generate 35 megawatts of electricity an hour. CWEP owns and maintains three substations, approximately 163 miles of 7.62/13.2kV distribution line, and approximately 4.3 miles of 69kV transmission line throughout the City and surrounding area.

CWEP maintains life of the plant contracts with two coal fired power plants: Sikeston Power Station and Plum Point Energy Station. The Sikeston Power Station in Sikeston, Missouri, provides 23 MW of electricity and the Plum Point Energy Station in Osceola, Arkansas provides 12 MW of electricity. Together, they account for more than half of CWEP's peak load. The delivery of coal to the facilities is subject to transportation and supply pricing fluctuations that are passed onto CWEP pursuant to the wholesale energy contracts. Pursuant to written agreement, the Southwest Power Administration guarantees 1,200 hours of up to 7 MW of hydropower that can be flexibly scheduled as needed. CWEP is entitled to additional supplemental hydropower up to the maximum of 7 MW during high water conditions. CWEP utilizes its powerplant to hedge against Southwest Power Pool market volatility and emergencies.

Annually, CWEP makes transfer payments to the City equal to 3.5% of the CWEP revenues, as reflected in the most recent annual audited financial statements. CWEP segregates and attributes revenues and expenditures based on department (i.e., water, wastewater, electric or communications). CWEP intends for the Series 2022 Certificates to be paid solely from revenues generated by the electric department.

Key Employees

In accordance with Missouri law, CWEP is operated by a Board of Public Works, called the Carthage Water and Electric Board, the members of which are appointed by the Mayor and approved by the City Council. Day-to-day operations are maintained by a staff of approximately 87 employees.

Chuck Bryant has served as General Manager of CWEP since 2015. Mr. Bryant joined CWEP in 1996 as a customer service representative, and assumed various positions before becoming General Manager. In 2000, he was put in charge of launching eCarthage.com, the ISP operated by CWEP. In 2001, he was promoted to direct the Technical Department, which operates the Dial-up and Wireless Internet, Gig-E Fiber Optic Network

Services, Electric and Water SCADA Systems, Drafting, and Electric Metering. He served as CWEP Electric Superintendent from 2006-2015, where he led the electric department in substantial upgrades and additions in the form of RICE NESHAP catalyst conversions to its peaking facility, and a complete overhaul to its SCADA and outage management systems to better serve the customers of CWEP. Under Bryant's leadership as General Manager, CWEP was first named a Diamond Level Reliable Public Power Provider (RP3) recipient. Mr. Bryant is involved in several national, state and regional industry activities, including being elected to serve on the American Public Power Association Board of Directors, and other boards of directors such as Southwestern Power Resources Association, Missouri Joint Municipal Electric Utility Commission, Missouri Association of Municipal Utilities, MPUA Joint Operating Committee, and the Tri-State Regional Water Commission.

Kelli Nugent, CPA, has served as the Chief Financial Officer (CFO) of CWEP since 2015. Prior to coming to CWEP, she worked in public accounting for over 31 years with both individuals and businesses primarily in the fields of accounting and tax. The extensive consulting work with small and medium sized businesses during her public accounting career is what prepared her for the role as CFO at CWEP. Ms. Nugent is a long-standing member of both the American Institute of CPAs and the Missouri Society of CPAs and has been involved in the Carthage community with the schools and as a member of various boards. Ms. Nugent graduated from Missouri State University in Springfield, Missouri (formerly Southwest Missouri State University) with a Bachelor of Science degree in accounting and went on to obtain a license as a certified public accountant.

Net Revenues Available for Debt Service

The following table shows the net revenues of CWEP available for debt service for the last three fiscal years and the extent to which such revenues covered debt service requirements on the actual long-term indebtedness of CWEP. This summary should be read in conjunction with the financial statements of the City, included in ***Appendix B***, and CWEP, included in ***Appendix C***, to this Official Statement. Reference is hereby made to such financial statements, including the notes thereto. There can be no assurance that CWEP will generate the revenues set forth below in subsequent fiscal years.

Revenues for all CWEP departments:

	Fiscal Year Ended June 30		
	2020	**2021**	**2022**
Revenues (operating revenues plus interest, Rental and other income)	$34,299,480	$36,030,237	$37,146,349
Less operating expenses (including franchise fee)	29,939,325	27,512,096	33,886,715
Net Income (Loss)	$ 4,360,155	$ 8,518,141	$ 3,259,634
Plus depreciation and amortization	3,632,425	3,952,460	4,218,076
Net Revenues Available for Debt Service	$ 7,992,580	$12,470,601	$ 7,477,710
Debt Service for Long Term Obligations*	$ 743,821	$ 958,072	$ 1,331,192
Coverage Ratio for Long Term Obligations	10.75x	13.02x	5.62x

Source: CWEP's Audited Financial Statements for the fiscal years ended June 30, 2020-2022.

* Includes CWEP Revenue Bonds as well as the annual appropriation certificates of participation financings and MAMU lease financings attributed to improvements of CWEP.

Revenues for only Electric department:

	Fiscal Year Ended June 30		
	2020	**2021**	**2022**
Revenues (operating revenues plus interest, Rental and other income)	$25,852,162	$27,328,139	$28,721,069
Less operating expenses (including franchise fee)	23,795,721	21,057,379	27,165,389
Net Income (Loss)	$ 2,056,441	$ 6,270,760	$ 1,555,680
Plus depreciation and amortization	1,540,349	1,708,855	1,737,550
Net Revenues Available for Debt Service	$ 3,596,790	$ 7,979,615	$ 3,293,230
Debt Service for Long Term Obligations*	$ 252,705	$ 253,219	$ 253,493
Coverage Ratio for Long Term Obligations	14.23x	31.51x	12.99x

Source: CWEP's Audited Financial Statements for the fiscal years ended June 30, 2020-2022.
* Includes only obligations attributable to the electric department, including the MAMU lease dated November 18, 2018, and 52.64% of the annual payments on the Refunding Certificates of Participation (CWEP), Series 2012. CWEP and the City are in the process of prepaying the outstanding principal amount of the Refunding Certificates of Participation (CWEP), Series 2012 from funds currently held in the debt service reserve fund and expect such prepayment to occur prior to the delivery of the Series 2022 Certificates.

Sources of Revenue

CWEP finances its general operations through the following service charges and miscellaneous sources as indicated below for Fiscal Year 2022 (the most recent fiscal year for which audited financial statements are available). Revenues for CWEP as a whole are below:

Source	**Amount**	**Percent**
Residential	$13,398,314	36.29%
Commercial	7,785,172	21.09
Industrial	13,801,485	37.39
Interdepartmental Sales	871,376	2.36
Communication Services	622,681	1.69
Late Fees	270,713	0.73
Other Revenue	164,543	0.45
	$36,914,284	100.00%

Source: CWEP's Audited Financial Statements for the fiscal year ended June 30, 2022.

[Remainder of page left intentionally blank.]

Revenues for only the Electric department, the department intended for repayment of the Series 2022 Certificates, are below:

Source	Amount	Percent
Residential	$ 9,814,343	34.34%
Commercial	6,119,281	21.41
Industrial	11,631,174	40.70
Interdepartmental Sales	706,964	2.47
Communication Services	-	0.00
Late Fees	224,692	0.79
Other Revenue	83,662	0.29
	$28,580,116	100.00%

Source: CWEP's Audited Financial Statements for the fiscal year ended June 30, 2022

Long-Term Debt Obligations

Detailed information about CWEP's long-term debt obligations are reported with the City's long-term debt obligations, below. As noted previously, CWEP attributes revenues and expenditures by department. While all obligations listed below are obligations of CWEP, payment is allocated by department listed.

Name of Issue	Department	Date of Issue	Original Principal Amount	Outstanding Principal Amount
Refunding Certificates of Participation (CWEP), Series 2012[1]	Water, Wastewater and Electric[2]	9/27/2012	$2,135,000	$ 420,000
Refunding Certificates of Participation (CWEP), Series 2015	Water and Wastewater	6/9/2015	2,920,000	1,570,000
Combined Waterworks and Sewerage System Revenue Bonds (CWEP) (State of Missouri – Direct Loan Program), Series 2019	Water and Wastewater	9/27/2019	4,501,000	4,223,805

(1) CWEP and the City are in the process of prepaying the outstanding principal amount of the Refunding Certificates of Participation (CWEP), Series 2012 from funds in the debt service reserve fund and expect such prepayment to occur prior to the delivery of the Series 2022 Certificates.

(2) 52.64% of the annual payments are paid from the Electric fund.

Additionally, CWEP has entered into two lease agreements with the Missouri Association of Municipal Utilities (MAMU) that are currently outstanding. Principal and interest on these lease agreements are due monthly. As of the fiscal year ended June 30, 2022, the MAMU leases had the following amounts outstanding:

Date of Lease	Department	Outstanding Principal Amount
November 18, 2018	Electric	$ 972,723
December 15, 2020	Communications	6,321,326

More information on CWEP's outstanding debt obligations can be found in the City's Audited Financial Statements, attached as **Appendix B**, and CWEP's Audited Financial Statements, attached as **Appendix C**.

User Charge Rates for Electric Service

Electric customers are billed based on customer-type and usage on a monthly basis. Rates are effective as of July 1, 2022. In addition to the monthly usage charge, users are charged a franchise fee (payment in lieu of tax) and sales tax. The franchise fee is applied to customers located within the City and is charged at 3.5% of the bill, not to exceed $100 per month. A purchase power adjustment may be added to a customer's bill when the actual cost of wholesale electric energy purchased and generated is above the forecasted amount. Bills are due and payable upon receipt. A 10% late payment penalty charge is assessed on bills not paid by the past due date specified on the bill.

Charges for the following services are also charged:

Connect Fee	$30.00
Disconnect – at the pole	$125.00
Reinstate – at the pole	$125.00
Disconnect – at the pole – after hours	$210.00
Reinstate – at the pole – after hours	$210.00
Non-payment reinstate – during office hours	$40.00
Service call due to meter tampering	$100.00
Service charge for return check	$25.00
Set portable watt hour meter	$30.00

Residential Service

Energy Charge	For all kWh used per month, per kWh:	$0.09782
Monthly Customer Charge	Single Family Dwelling:	$19.60
	Additional Structures:	$26.60

General Service

Energy Charge (Demand Meters)	For the first 5,000 kWh used per month, per kWh:	$0.08125
	For all additional kWh used per month, per kWh:	$0.07876
Energy Charge (Non-Demand Meters)	For the first 5,000 kWh used per month, per kWh:	$0.09675
	For all additional kWh used per month, per kWh:	$0.09215
Monthly Customer Charge	Single-Phase Service:	$32.00
	Three-Phase Service:	$99.00
Monthly Demand Charge	Per kW of billing demand:	$8.30

Primary (Industrial) Service

Energy Charge	For the first 200,000 kWh used per month, per kWh:	$0.06656
	For all additional kWh used per month, per kWh:	$0.05616
Monthly Customer Charge	Single-Phase Service:	$32.00
	Three-Phase Service:	$99.00
Monthly Demand Charge	Per kW of billing demand:	$9.00

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Customers

As of June 30 of each of the last five fiscal years, CWEP has had approximately the following number of customer accounts:

Year	Residential	Commercial	Industrial	Total
2022	6,882	1,114	28	8,024
2021	6,871	1,117	29	8,017
2020	6,769	1,078	30	7,877
2019	6,723	1,086	30	7,839
2018	6,629	1,091	30	7,750

Note: Numbers are based on actual number of customer accounts.
Source: CWEP.

Top Ten Electric Customers

	Name	Revenue[(1)]	Percent of Total Revenue
1.	Leggett & Platt	$4,434,420	14.76%
2.	Schreiber Food Inc.[(2)]	3,634,578	12.10
3.	Carthage R-9 Schools	1,215,573	4.05
4.	Butterball LLC	1,005,125	3.35
5.	ADM Milling	788,820	2.63
6.	H.E. Williams	621,766	2.07
7.	Brooks Hospital, Mercy McCune	503,272	1.67
8.	Wal-Mart Store	304,842	1.01
9.	Price Cutter	216,102	0.72
10.	CRM	160,885	0.54

Source: CWEP.

(1) Revenue totals for November 1, 2021 - October 31, 2022.

(2) Schreiber Food Inc. completed an expansion that became operational in August 2022 and is therefore partially reflected in this chart. Annual electric usage and revenue from the expanded operations is expected to increase.

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THE CITY OF CARTHAGE, MISSOURI

General

The City of Carthage, Missouri (the "City") is a constitutional charter city and political subdivision, duly created and existing under the laws of the State of Missouri (the "State"). Additional information regarding the City may be obtained from Mr. Greg Dagnan, City Administrator, City of Carthage, Missouri, 326 Grant Street, Carthage, Missouri 64836, (417) 237-7000. Additional information regarding Carthage Water and Electric Plant may be obtained from Mr. Chuck Bryant, General Manager, Carthage Water and Electric Plant, 627 W. Centennial Ave., Carthage, Missouri 64836, (417) 237-7300. The City is located approximately 60 miles west of the City of Springfield, Missouri and approximately 20 miles east of the Missouri-Kansas state line. The City is the county seat of Jasper County, Missouri ("Jasper County"). The estimated population of the City according to the 2020 U.S. Census Bureau is 15,522.

The City is governed by a Mayor-City Council form of government with a City Administrator appointed by the Mayor with the approval of the City Council. The City is divided into five wards and each ward is represented by two Councilmembers; the Mayor is elected by the City at large. Each Councilmember is elected to serve a two-year term. The Mayor is elected to serve a term of four years and is the president of the Council. The Mayor is not entitled to a vote unless there is a tie of the Council. Other officials of the City are: the City Administrator who is the chief administrative officer of the City and is responsible for managing the operations of the City government, and the City Clerk who is responsible for keeping records of the proceedings of the City Council. The City's fiscal year ends on June 30.

Municipal Services and Utilities

The City provides electric, water, wastewater and communications systems to residents through the Carthage Water and Electric Plant, a municipally-owned, locally controlled, not-for-profit utility company. Carthage Water and Electric Plant is discussed in ***Carthage Water and Electric Plant***, below. The City facilitates garbage collection services for its residents by contracting with Republic Services. Spire provides gas service throughout the City. The City funds a police department and a fire department.

Medical and Health Facilities

There are many general practitioners and specialists who provide medical care in the City and in the surrounding area. Mercy Hospital Carthage has 25 beds and provides a range of specialties including cardiology, orthopedics, pulmonology, radiology, emergency, and surgery, among other services.

Transportation and Communication Facilities

The City is located 17 miles northeast of Joplin Regional Airport, and 60 miles west of the Springfield/Branson National Airport. The Joplin Regional Airport provides daily non-stop flights to Chicago and Denver on United Airlines. The Springfield/Branson National Airport provides service with four airlines offering 12 non-stop destinations and approximately 26 daily flights depending on the season. The City is located along I-49, a north-south interstate. The City is approximately five miles north of I-44, an east-west interstate. The City is served by television, radio stations and telecable systems.

Educational Institutions and Facilities

The Carthage R-9 School District (the "District") is located in the City. The District currently holds an accredited rating from the State Department of Elementary and Secondary Education. The District currently has eleven educational buildings which house an early childhood education school, five elementary schools, one intermediate school, one sixth grade center, one junior high school, one high school, and a technical center with two locations. The total enrollment of the District is approximately 4,871 students.

There are many area colleges and universities in and around the City, including Missouri Southern State University and Kansas City University - Joplin Campus.

Recreational Facilities

The City operates seven parks that feature amenities such as trails, pavilions, baseball and softball fields, skate parks, pickleball courts, lakes, and a municipal pool. The City owns and operates a municipal golf course.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce and Industry

Major employers in the City include:

	Employer	Product/Service	Number of Employees
1.	Leggett & Platt, Inc.	Manufacturing	1,900
2.	Butterball LLC	Manufacturing	800
3.	Schreiber Foods Inc.	Manufacturing	600
4.	Americold Logistics	Storage and Distribution	400
5.	H.E. Williams Inc.	Manufacturing	350
6.	Walmart Supercenter	Retail	300
7.	Mercy Hospital Carthage	Hospital	291
8.	General Dynamics Ordnance	Manufacturing	250
9.	Precious Moments Chapel	Retail	250
10.	D&D Sexton Inc.	Trucking Company	210

Source: Data Axle Genie (10/14/2022)

General and Demographic Information

The following table sets forth certain population information.

	1990	2000	2010	2020
City of Carthage	10,747	12,668	14,378	15,522
Jasper County	90,465	104,686	117,404	122,761
State of Missouri	5,117,073	5,595,211	5,988,927	6,154,913

Source: U.S. Census Bureau.

Population Distribution by Age (2020 Estimate)

Age	City of Carthage	Jasper County	State of Missouri
Under 5	1,228	8,170	353,946
5-14 years	2,466	16,965	787,542
15-19 years	1,157	7,893	411,180
20-44 years	5,342	40,284	1,985,827
45-54 years	1,743	13,943	717,744
55-64 years	1,051	14,508	827,180
65 years and older	1,712	18,765	1,084,768
Total	14,699	120,528	6,168,187
Median Age	31.9	36.2	39.2

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (2016-2020).
Note: Population distribution by age is not yet available for the 2020 Census; estimates listed above are the average for the five-year period and therefore vary from the totals available in the 2020 Census.

Employment

The following table sets forth unemployment figures for the years shown for Jasper County and the State.

	2018	2019	2020	2021	2022*
Jasper County					
Total Labor Force	56,404	56,934	55,788	56,953	57,680
Unemployed	1,535	1,612	3,156	2,133	1,561
Unemployment Rate	2.7%	2.8%	5.7%	3.7%	2.7%
State of Missouri					
Total Labor Force	3,051,194	3,078,931	3,052,700	3,062,449	3,071,769
Unemployed	98,179	100,885	185,538	134,081	95,582
Unemployment Rate	3.2%	3.3%	6.1%	4.4%	3.1%

Source: Missouri Department of Economic Development, Local Area Unemployment Statistics.
* Average of January through August.

Income Statistics

The following table sets forth income figures for the year 2020:

	Per Capita	Median Family
City of Carthage	$20,241	$42,784
Jasper County	24,508	59,926
State of Missouri	31,839	72,834

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (2016-2020).

Housing

The median value of owner occupied housing units in the area of the City and surrounding areas were as follows:

	Median Value
City of Carthage	$89,800
Jasper County	115,900
State of Missouri	151,600

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (2016-2020).

DEBT STRUCTURE OF THE CITY

Current General Obligation Indebtedness of the City

The City has no general obligation indebtedness currently outstanding.

Other Obligations

As of November 1, 2022, the City currently has the following obligations outstanding:

Name of Issue	Date of Issue	Original Principal Amount	Outstanding Principal Amount
Refunding Certificates of Participation (CWEP), Series 2012[(1)]	9/27/2012	$2,135,000	$ 420,000
Refunding Certificates of Participation, Series 2013	9/26/2013	1,450,000	255,000
Refunding Certificates of Participation (CWEP), Series 2015	6/9/2015	2,920,000	1,570,000
Combined Waterworks and Sewerage System Revenue Bonds (CWEP) (State of Missouri – Direct Loan Program)	9/27/2019	4,501,000	4,223,805

(1) CWEP and the City are in the process of prepaying the outstanding principal amount from funds in the debt service reserve fund for the Refunding Certificates of Participation (CWEP), Series 2012 and expect such prepayment to occur prior to the delivery of the Series 2022 Certificates.

Additionally, the City has entered into various capital lease obligations, as described in **Note 7** of the City's Basic Financial Statements for fiscal year ended June 30, 2021. Carthage Water and Electric Plant has entered into two capital lease obligations with Missouri Association of Municipal Utilities (MAMU) that are currently outstanding. Principal and interest on these lease agreements are due monthly. As of the fiscal year ended June 30, 2022, the MAMU leases had the following amounts outstanding:

Date of Lease	Department	Outstanding Principal Amount
November 18, 2018	Electric	$ 972,723
December 15, 2020	Communications	6,321,326

History of General Obligation Indebtedness

The City has not had any general obligation debt outstanding in the last five fiscal years.

Debt Summary as of 11/1/2022

2022 Assessed Valuation:	$205,428,714
2022 Estimated Actual Valuation:	$829,004,228
Estimated Population (2020):	15,522
Total Outstanding General Obligation Debt:	$ 0
Overlapping Debt[(1)]:	$15,611,600
Direct and Overlapping General Obligation Debt:	$15,611,600
Ratio of General Obligation Debt to Assessed Valuation:	0.00%
Ratio of General Obligation Debt to Estimated Actual Valuation:	0.00%
Per Capita General Obligation Debt:	$0.00
Ratio of Direct and Overlapping Debt to Assessed Valuation:	7.60%
Ratio of Direct and Overlapping Debt to Estimated Actual Valuation:	1.88%
Per Capita Direct and Overlapping Debt:	$ 1,005.77

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(1) Includes general obligation debt of political subdivisions with boundaries overlapping the City. See "Debt Structure of the City-Overlapping Indebtedness."

Overlapping Indebtedness

The following table sets forth the approximate overlapping indebtedness (general obligation bonds) of political subdivisions with boundaries overlapping the City as of November 1, 2022, and the percentage attributable (on the basis of 2022 current assessed valuation) to the City.

Taxing Jurisdiction	Outstanding General Obligation Indebtedness	Percent Applicable to City	Amount Applicable to City
Carthage R-9 School District	$39,029,000	40.0%	$15,611,600
Total			$15,611,600

Legal Debt Capacity

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a city to 10% of the assessed valuation of the city by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. Article VI, Section 26(d) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not to exceed an additional 10% for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and sanitary or storm sewer systems, provided the total general obligation indebtedness of a city does not exceed 20% of the assessed valuation. Article VI, Section 26(e) of the Constitution of the State of Missouri provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not exceeding an additional 10% for the purpose of purchasing or constructing waterworks, electric or other light plans to be owned exclusively by the city, provided that the total general obligation indebtedness of a city does not exceed 20% of the assessed valuation. The 2022 assessed valuation of the City is $205,428,714, as shown in "FINANCIAL INFORMATION CONCERING THE CITY – Property Valuation" hereto. The legal debt margin of the City is:

Constitutional Debt Limit (20% of assessed valuation)	$41,085,742
Indebtedness Outstanding	0
LEGAL DEBT MARGIN	$41,085,742

Defaults on City Indebtedness

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

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City currently produces financial statements that are in conformity with accounting principles generally accepted in the United States of America. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate.

An annual budget is prepared under the direction of the City Administrator and submitted to the City Council for consideration prior to the fiscal year commencing on July 1. The operating budget includes proposed expenditures and revenue sources. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through the adoption of an ordinance. The primary basis of budgetary control is at the departmental level. The City Administrator is authorized to transfer budgeted amounts between programs within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. Formal budgetary integration is employed as a management control device during the year for all funds. Budgets for all funds are adopted on a cash basis.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The annual audit for the fiscal year ended June 30, 2021, was performed by KPM CPAs and Advisors, Springfield, Missouri. Copies of the audit reports for the past 5 years are on file in the City Administrator's office and are available for review. The Comprehensive Annual Financial Report of the City for the fiscal year ended June 30, 2021, is included in ***Appendix B*** attached hereto. As of the date of this Official Statement, the Comprehensive Annual Financial Report of the City for the fiscal year ended June 30, 2022 has not yet been finalized but will be considered for approval by City Council in January, 2023.

Sources of Revenue

The City finances its general operations through the following taxes and other miscellaneous sources as indicated below for the City's governmental funds for Fiscal Year 2021 (the most recent fiscal year for which audited financial statements are available):

Source	Amount	Percent
Taxes	$ 10,051,561	72.91%
Licenses, Permits & Fees	210,359	1.53
Intergovernmental Revenue	2,106,659	15.28
Charge for Services	923,719	6.70
Fines & Forfeitures	297,768	2.16
Other Revenue	196,171	1.42
	$13,786,237	100.00%

Source: City's Audited Financial Statements for fiscal year ended June 30, 2021.

Retail Sales Taxes

The following table shows the retail sales tax collections for the City for the fiscal years shown:

Fiscal Year	1-cent General	1/2-cent Transportation	1/2-cent Capital Improvement	1/2-cent Parks & Storm Water	1/4-cent Fire
2022	$2,895,631	$1,393,931	$1,393,931	$1,393,730	$696,915
2021	2,729,685	1,310,512	1,310,781	1,309,051	655,473
2020	2,490,281	1,182,395	1,182,395	1,180,458	591,079
2019	2,430,807	1,155,770	1,155,770	1,150,120	576,459
2018	2,233,337	1,102,310	1,102,310	1,104,491	551,117

Source: City's Audited Financial Statements for fiscal year ended June 30, 2018 through 2021; the City for the fiscal year ended June 30, 2022.

Property Valuations

Assessment Procedure:

All taxable real and personal property within the City is assessed annually by the County Assessor. Missouri law requires that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the Missouri General Assembly adopted a maintenance law in 1986. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation:

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City according to the assessment as of January 1, as finalized July 14, 2022:

	Assessed Valuation	**Assessment Rate**	**Estimated Actual Valuation**
Real Estate:			
Residential	$89,786,370	19%	$472,559,842
Commercial	50,914,797	32	159,108,741
Agricultural	587,580	12	4,896,500
Sub-Total	141,288,747		636,565,083
Personal Property[(1)]	64,139,967	33 1/3%*	192,439,145
Total	$205,428,714		$829,004,228

* Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" discussed above.

Source: Jasper County Clerk.

History of Property Valuation:

The total assessed valuation of all taxable tangible property situated in the City, including State assessed railroad and utility property, according to the assessments of January 1 in each of the following years, has been as follows:

Year	**Assessed Valuation**	**Percent Change**
2022	$205,428,714	4.7%
2021	196,217,970	5.0
2020	186,814,072	0.4
2019	186,078,544	5.4
2018	176,538,980	1.5

Source: Jasper County Clerk.

Property Tax Levies and Collections

Tax Collection Procedure:

Property taxes are levied and collected by the City. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the

ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of eighteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The County Collector is required to make disbursements of collected taxes to the City each month. Because of the tax collection procedure described above, the City receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Rates

Debt Service Levy. The current debt service levy of the City is $0.0000 per $100 of assessed valuation. Once indebtedness has been approved by the constitutionally required percentage of the voters voting therefor and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The current general fund levy of the City is $0.0335 per $100 of assessed valuation. The general fund levy cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate. The tax levy for debt service on the City's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City's general fund levy above $1.00 must be approved by two-thirds of the voters voting on the proposition.

The following table shows the City's tax levies (per $100 of assessed valuation) for each of the last five fiscal years:

Fiscal Year	General Fund	Public Health Fund	Carthage Public Library	Parks and Recreation Fund	Total Levy
2022	$0.3335	$0.0758	$0.1665	$0.1439	$0.7197
2021	0.3528	0.0802	0.1762	0.1522	0.7614
2020	0.3528	0.0802	0.1762	0.1522	0.7614
2019	0.3541	0.0805	0.1768	0.1528	0.7642
2018	0.3541	0.0805	0.1768	0.1528	0.7642

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Source: The City.

Tax Collection Record

The following table sets forth tax collection information for the City for the last five fiscal years.

Year Ended June 30	Total Levy	Taxes Levied[(1)]	Current and Delinquent Taxes Collected	
			Amount	%
2022	$0.7197	$1,005,490	$1,009,448	100.4%
2021	0.7614	985,538	1,002,160	101.7
2020	0.7614	951,982	996,852	104.7
2019	0.7642	940,588	976,363	103.8
2018	0.7642	925,773	903,130	97.6

[(1)] The City does not collect taxes on personal property.

Source: The City.

Major Property Taxpayers

The following table sets forth the ten largest real property taxpayers in the City based upon an assessed valuation of $205,428,714, as of January 1, 2022, as finalized by the Board of Equalization.

Real Property

	Name of Taxpayer	Assessed Valuation	% of Total Assessed Valuation
1.	Art Mortgage Borrower Propco	$5,173,000	2.52%
2.	Spire Missouri Inc.	2,396,850	1.17
3.	Wal Mart Real Estate Business Trust	2,020,340	0.98
4.	L&P Manufacturing Inc.	1,362,720	0.55
5.	Schreiber Foods Inc.	1,136,660	0.55
6.	Lowe's Home Centers	1,125,130	0.56
7.	Leggett & Platt	1,072,010	0.52
8.	GCG Carthage	858,570	0.42
9.	Southwest Missouri Bank	805,150	0.39
10.	HE Williams Products Co.	801,660	0.39

Source: Jasper County Assessor.

Personal Property

	Name of Taxpayer	Assessed Valuation	% of Total Assessed Valuation
1.	Schreiber Foods Inc.	$6,713,910	3.27%
2.	Leggett & Platt Manf.	5,941,000	2.89
3.	Butterball LLC	3,198,150	1.56
4.	Leggett & Platt 4601	2,868,680	1.40
5.	Leggett & Platt Inc.	2,184,730	1.06
6.	ADM Milling Company	1,437,600	0.70
7.	Schreiber Foods	1,362,940	0.66
8.	HE Williams	1,184,620	0.58
9.	Paradigm Tax Group	600,850	0.29
10.	Carthage Crushed Limestone	450,550	0.22

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Source: Jasper County Assessor.

Pension and Employee Retirement Plans

The City participates in the Missouri Local Government Employees' Retirement System (**"**LAGERS**"**), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created and is governed by State statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees (**"**LAGERS' Board") consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021 (the "2021 LAGERS CAFR") is available at https://www.molagers.org/wp-content/uploads/2021/11/ACFR-2021-WEB.pdf. The link to the 2021 LAGERS CAFR is provided for general background information only, and the information in the 2021 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2021 LAGERS CAFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

Appendix B

City of Carthage, Missouri

Basic Financial Statements
Year Ended June 30, 2021

KPM
CPAS & ADVISORS

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KPM

CPAS & ADVISORS

Independent Auditors' Report

Honorable Mayor and City Council
City of Carthage
Carthage, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2021, and the discretely presented component unit as of and for the year ended April 30, 2021, of the City of Carthage, Missouri, and the related notes to the financial statements, which collectively comprise the City'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.

Auditors' 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 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 auditors' 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 City'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 City'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 governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carthage, Missouri, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Further, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the discretely presented component unit of the City of Carthage, Missouri, as of April 30, 2021, and the respective changes in financial position 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, budgetary comparison information and pension information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carthage, Missouri's basic financial statements. The Combining Non-Major Governmental Funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Non-Major Governmental Funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Combining Non-Major Governmental Funds financial statements 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 8, 2021, on our consideration of the City of Carthage, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City of Carthage, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 8, 2021

Management's Discussion and Analysis

The Management's Discussion and Analysis of the City of Carthage, Missouri's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the City's financial statements.

Financial Highlights

The net position of the City's governmental activities increased by $2,981,988 as a result of current year activities.

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of June 30, 2021, by $43.6 million (net position). Of this amount $12,525,244 was unrestricted and may be used to meet future obligations of the City.

Total long-term liabilities of the City decreased by $1,000,258.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the governmental activities of the City and present a longer-term view of the City's finances. Fund financial statements show how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in it. The City's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. However, City Council establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

Governmental Funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of June 30, 2021 and 2020:

	Total June 30, 2021	Total June 30, 2020
Assets		
Current and other assets	$ 21,001,684	$ 19,828,062
Net pension asset	1,800,702	-
Capital assets	27,978,126	25,961,418
Total Assets	50,780,512	45,789,480
Deferred Outflow of Resources		
Deferred pension outflows	503,702	679,063
Liabilities		
Other liabilities	1,945,380	1,245,663
Long-term liabilities	2,453,579	3,453,837
Total Liabilities	4,398,959	4,699,500
Deferred Inflow of Resources		
Deferred pension inflows	3,254,790	1,120,566
Net Position		
Net investment in capital assets	26,571,459	25,085,739
Restricted	4,533,762	4,021,230
Unrestricted	12,525,244	11,541,508
Total Net Position	$ 43,630,465	$ 40,648,477

Total net position of the City increased by $2,981,988 for the year due to current year activity. Total liabilities for the City have decreased by $300,541. Restricted net position of the City totaled $4,533,762 as of June 30, 2021. This amount represents monies that are restricted for various projects within the City.

Changes in Net Position

	Total Year Ended June 30, 2021	Total Year Ended June 30, 2020
Revenues		
Program Revenues		
Charges for services	$ 1,356,208	$ 1,106,380
Operating grants and contributions	920,789	681,089
Capital grants and contributions	86,339	74,292
General Revenues		
Sales taxes	7,317,532	6,833,670
Ad valorem taxes	1,002,160	996,852
Motor vehicle and gas taxes	602,942	567,066
Payment in lieu of tax	584,622	559,700
Other taxes	155,275	150,538
Franchise taxes	389,029	407,510
Utility franchise fees and other charges	1,160,229	1,185,260
Interest	25,507	768,566
Other revenue	83,365	26,648
Total Revenues	13,683,997	13,357,571
Expenses		
Administrative	457,020	491,024
Public works	467,902	545,211
Street	1,391,667	1,608,532
Police	2,872,078	2,798,765
Municipal court	106,265	118,632
City attorney	92,949	87,784
Taxi	78,771	67,181
Fire	1,916,517	1,921,517
Emergency management	6,601	5,423
Parks and recreation	741,120	709,139
Memorial hall	157,334	188,598
Civil war museum	40,470	38,335
Central municipal	345,662	413,360
Public health	195,264	157,601
Golf course	612,611	566,537
Library	612,961	577,714
Tourism	92,439	105,365
Information technology	163,054	222,589
Economic development	345,571	130,385
Debt service	23,577	25,188
Total Expenses	10,719,833	10,778,880
Special Items		
Insurance proceeds	19,663	77,127
(Loss) on disposal of assets	(1,839)	(49,682)
Total Special Items	17,824	27,445
Increase in Net Position	$ 2,981,988	$ 2,606,136

Governmental Activities

Governmental activities increased the net position of the City by $2,981,988. Tax and franchise fee revenues for the City were $11,211,789, which represents 82% of the funding of these activities. Program revenues for the functions totaled just $2,363,336 or 17% of the funding. The following table shows the cost of the City's eleven largest programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

Net Cost of the City of Carthage, Missouri's Largest Governmental Activities

	Total Cost of Services	Net Cost of Services
Administrative	$ 457,020	$ 115,098
Public works	467,902	387,934
Street	1,391,667	1,119,994
Police	2,872,078	2,482,969
Fire	1,916,517	1,470,703
Parks and recreation	741,120	740,547
Economic development	345,571	252,663
Central municipal	345,662	345,662
Golf course	612,611	92,528
Library	612,961	612,961
Other governmental activities	956,724	735,438
	$ 10,719,833	$ 8,356,497

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of June 30, 2021, was $19,046,995. The General Fund increased by $117,054. The Public Health Fund increased $40,070. The Golf Course Fund increased $127,100. The Park/Stormwater Fund increased by $213,426. The Capital Improvement Sales Tax Fund increased by $108,461. The Fire Sales Tax Fund increased by $163,198.

General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

- The original revenue budget of $9,337,882 remained unchanged. Budgeted revenues were $187,783 below actual.
- The original expenditures budget of $12,910,055 was increased to $13,233,283. Budgeted expenditures were $3,800,215 above actual.
- The General Fund maintains a minimum fund balance equal to or greater than 35% excluding capital improvements. The General Fund Budget provides service levels at approximately the same level as the previous year with operating expenses not to exceed anticipated revenues. Capital improvements are generally funded through the accumulated and unallocated fund balance. There was some growth, but a conservative approach was taken since there were no major revenue increases anticipated.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were $28 million (net of accumulated depreciation) as of June 30, 2021 which is an increase of $2,016,708 from the prior year. This represents additions in the amount of $3,184,839, asset disposals in the amount of $127,757 and net accumulated depreciation additions of $1,040,374. Significant additions include a fire truck and related equipment in the amount of $579,790, various golf equipment in the amount of $351,592, various paving projects in the amount of $1,731,126, stormwater projects in the amount of $251,982 and various equipment purchases in the amount of $270,349.

Debt

Total debt of the governmental activities as of June 30, 2021, was $1,406,667, which is up $530,988 from the prior year. The City made principal payments of $307,326 on debt and issued two new capital leases for equipment in the amount of $838,314.

Economic Factors and Next Year's Budget

The adopted City Goals and Priorities for the fiscal year state the City is "to provide and maintain essential, quality public services that meet the collective basic needs of residents in a cost effective, responsive, and professional manner given the changing needs and resources available and to identify and seize opportunities for a higher quality of life, while protecting the legacy and maintaining an historical sense of community values."

As part of the planning process for the fiscal 2022 budget, in February 2021 the Budget Committee discussed the goals and priorities for the fiscal year beginning July 1, 2021 and ending June 30, 2022. The major items of discussion by the Committee were the overall national economy and its impact on the City, the City's growth and possible future retail development in the City. Previous surveys and expert opinions attempted to forecast the uncertainty and depth of economic downturns for cities and counties due to the impacts of COVID-19. As they had during previous financial crises, leaders attempted to weather the storm without making drastic cuts to staffing or canceling projects. Hiring freezes were undertaken and some entities implemented layoffs or furloughs. Carthage's revenue projections were adjusted downward accordingly and the City approved an overall decrease of approximately 9% for 2021's General Fund revenues. Estimates for actual General Fund revenues however, were anticipated to (only) be down about 3.25% less than FY 2020 actuals. Sales tax receipts were also expected to take an appropriate drop. Nevertheless, sales tax receipts were estimated to come in almost 7% higher than in FY 2020. Even though COVID-19 hasn't been eradicated, hopefully the positive revenue trend will continue.

It is in this light that the Budget for the City for Fiscal 2022 was developed.

Developing and adopting budgets that support strategic goals without exceeding available resources is a challenge at all times, but particularly when the economy is unstable. Unlike private entities, there are no "bottom line" profit figures that assess the financial performance of the City, nor are there any authoritative standards by which City officials can judge themselves. Instead, City Council and management work together to set goals and objectives that measure the performance and effectiveness of municipal programs and services. The City cannot be or do everything for everybody. Therefore, the City allocates limited resources to programs and services through the budget process. The budget sets forth the financial plan the City will follow in providing services to its citizens in any given year. The budget focus should be on overall "SUSTAINABILITY" of the core services the City provides. This would help ensure the long-term viability of the City. In part, the overall goals and priorities for the fiscal 2022 budget year (as adopted) were:

- To continue to deliver quality and efficient services residents expect from the City of Carthage conditioned upon adequate resources available to the City.
- To the greatest extent possible, efforts shall be made to maximize the effective use of the limited resources available to the City.
- Passage of a ballot issue for the implementation of a Use Tax.
- Priority will be given to those items necessary to maintain core service levels. Funding for expanded services and new programs will be considered after existing services are adequately funded.
- The Budget shall provide for adequate maintenance of capital plant and equipment and for their orderly replacement.
- To the greatest extent possible, the budget shall be structured to provide City employees with a safe and pleasant work environment, adequate compensation including analysis of the impact of changes to Missouri's minimum wage, and the proper tools to accomplish the tasks assigned to them. Staff will continue to monitor the implementation items adopted from the Compensation Study approved in Fiscal 2021.
- Continued monitoring of Municipal Court operational costs in light of State changes.
- Avoid "Feast and Famine" budgetary actions which allow some City operations to thrive while others fail in their public mission.
- Incorporate more fully a critical evaluation and analysis of the status quo. Develop sound processes and methodology to move toward cost recovery and/or where appropriate divestiture or contracting for City services. Department Heads will provide an analysis of their operation's core services to the City Administrator.
- In fiscal 2022, continued preference will be given to enhancements in the City's Park system including enhancing, expanding and connecting Parks & Recreation facilities and programs.
- Continued focus on technology enhancements through the Information Technology (IT) Department to consolidate the City's IT functions and services to enhance the City's uses of technology.
- In fiscal 2022, preference will be given to enhancements in communications and Human Resources functions.
- Continued preference will be given to identification and elimination of drainage problems within the City of Carthage.
- In fiscal 2022, the City will continue to evaluate Ambulance Services within the City; to ensure service levels are maintained at appropriate levels regarding response time concerns for citizens of the City of Carthage.
- To create, foster and promote an environment conducive to attracting, expanding and retaining business and industry; promoting economic vitality and diversifying the city's tax base; increasing CWEP load and improving the overall quality of life for the citizens of Carthage. Preference and focus to be placed on development and infrastructure needs for a Carthage Industrial Park.

Revenues

- Current revenues will be sufficient to support current operating expenditures to as great an extent as possible.
- The City will seek to avoid dependence on temporary or unstable revenues to fund conventional City services.
- The City will seek to avoid dependence on federal revenues to fund ongoing conventional City services.
- General Fund services should be supported by taxes and user fees to the extent appropriate for the character of the service and its user.

Revenue estimates will be based on:

- Legislative actions.
- Consultation with departments directly involved in raising certain revenues.

- Review of revenue histories.
- Economic trends (both locally and nationally).
- Current indexes (both locally and nationally).
- The City will evaluate establishing user charges and fees at levels related to the full cost of providing the service where appropriate.
- To evaluate other additional revenue sources to provide for continuing City services. Specifically, monitor and evaluate the feasibility of the implementation of a Use Tax in the City of Carthage through a public vote.
- Grant funds or similar contractual revenue of a temporary nature will be budgeted only if they are committed at the time of the preliminary budget. Otherwise, separate appropriations will be made during the year as grants are awarded or contracts made.

Fund Balance

Governments need to maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures), to provide sufficient cash flow to meet operating needs and to ensure stable tax rates. The City must meet these financial obligations year-round, which would be difficult, if not impossible, without maintaining a certain minimum fund balance due to the cyclical nature of revenues, expenditures, and capital projects. Fund Balances are the foundation of financial flexibility. Fund Balances provide a government with options to provide a financial base sufficient to sustain municipal services which maintain the social well-being and physical conditions of the City, the ability to withstand local and regional economic trauma, to adjust to changes in service requirements of the City, and to respond to other changes as they affect the community. Additionally, suitable fund balance levels permit a city to maintain an appropriate credit rating in the financial community and assure taxpayers that city government is maintained in sound fiscal condition.

City staff therefore conducted an analysis of determining the appropriate level of the Unassigned Fund Balance in the General Fund as outlined in the GFOA's Recommended Practice. The analysis indicated the City had a moderate to high level of risk to retain through reserves. The analysis indicated consideration of adopting a target amount of Unassigned Fund Balance higher than the GFOA recommended minimum. The analysis indicated the appropriate Fund Balance level to be 35%. As a result of the analysis using the GFOA methodology, staff recommended, and the City Council adopted a policy of an Unassigned Fund Balance in the General Fund of 35% of budgeted General Fund operating expenditures.

The City's Fund Balance Policy is as follows:

The City will maintain cumulative fund balances to provide counter-cyclical balance, to protect the City from unforeseen contingencies and to allow an accumulation of resources to finance foreseeable general governmental capital projects. The objective of the fund balance policy is not to hold resources solely as a source of interest revenue, but rather to provide adequate resources for cash flow and contingency purposes, while maintaining reasonable tax rates and charges for services. Fund balances shall be adequate to handle unexpected decreases in revenues plus extraordinary unbudgeted expenditures and unforeseen circumstances. These funds may be used at the City's discretion to address situations such as, temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities.

- Annual budgets for the General Fund have used portions of the unassigned fund balance for capital projects and acquisitions. City staff went through an exercise of determining the appropriate level of the Unassigned Fund Balance in the General Fund as outlined in the GFOA's Recommended Practice. The analysis indicated the City had a moderate to high level of risk to retain through reserves. The Budget Ways & Means Committee therefore recommends an Unassigned Fund Balance in the General Fund of 35% of expenditures, as a minimum.

- The General Fund's Unassigned Fund Balance will be calculated based on the adopted annual operating budget. These funds will be used to avoid cash flow interruptions, generate interest income, reduce need for short term borrowing, cover unforeseen catastrophes and assist in maintaining what is considered an investment grade bond rating capacity, in addition to possibly supplement on-going revenues and expenditures where warranted.
- For fiscal 2022 the Committee recommends spendable fund balances be set at a level commensurate with maintaining core services and personnel levels as specified above for other than General Fund purposes.
- Any set aside projects will be in addition to these amounts.
- The Committee recommends the un-appropriated balance in the Public Facilities Bond Fund be classified as Assigned for the intent of possible capital improvements involving Economic Development.

Contacting the City's Financial Management

For additional information or questions, please contact any of the following officers at:

Tom Short, City Administrator
Traci Cox, City Clerk/Finance Officer

City of Carthage
326 Grant
Carthage, Missouri 64836
(417) 237-7000

City of Carthage

Statement of Net Position

June 30, 2021

	Primary Government	Component Units	
	Governmental Activities	Carthage Water and Electric Plant	Carthage Public Library
Assets			
Current			
Cash and cash equivalents - unrestricted	$ 12,364,680	$ 11,632,867	$ 498,165
Investments - unrestricted	6,060,365	12,478,601	669,702
Taxes receivable, net	1,347,986	-	14,875
Utilities receivable, net	-	2,160,630	-
Other accounts receivable	104,526	118,450	185,332
Court fines receivable, net	558,045	-	-
Intergovernmental receivable	295,440	-	99,474
Inventory	-	4,595,179	-
Prepaid expenses	130,422	909,300	22,921
Noncurrent			
Restricted cash and cash equivalents	140,220	1,683,345	110,304
Net pension asset	1,800,702	3,054,901	7,803
Capital Assets			
Non-depreciable	1,324,516	6,210,370	-
Depreciable, net	26,653,610	69,156,223	623,817
Total Assets	50,780,512	111,999,866	2,232,393
Deferred Outflow of Resources			
Deferred pension outflows	503,702	211,058	16,190
Liabilities			
Current			
Accounts payable	1,214,157	3,239,725	11,349
Accrued expenses	168,854	205,071	23,210
Court bonds payable	48,770	-	-
Deposits payable	12,358	902,805	-
Police evidence payable	79,069	-	-
Unearned revenue	-	-	34,542
Accrued interest payable	4,960	29,216	-
Short-term note payable	-	-	187,200
Current maturities of long-term debt	417,212	1,168,289	-
	1,945,380	5,545,106	256,301
Noncurrent			
Compensated absences payable	255,135	533,242	18,667
Net pension liability	1,208,989	-	-
Capital leases payable	734,455	1,818,382	-
Certificates of participation payable	255,000	1,990,000	-
Revenue bonds payable	-	3,984,318	-
	2,453,579	8,325,942	18,667
Total Liabilities	4,398,959	13,871,048	274,968
Deferred Inflow of Resources			
Deferred pension inflows	3,254,790	3,181,367	73,774
Net Position			
Net investment in capital assets	26,571,459	66,738,571	436,617
Restricted	4,533,762	436,911	75,762
Unrestricted	12,525,244	27,983,027	1,387,462
Total Net Position	$ 43,630,465	$ 95,158,509	$ 1,899,841

See accompanying notes to the financial statements.

City of Carthage

McCune-Brooks Hospital – D/B/A McCune-Brooks Regional Hospital – Component Unit

Statement of Net Position

April 30, 2021

Assets	
Current	
Cash and cash equivalents - unrestricted	$ 5,572,382
Investments	14,718,803
Interest receivable	69,862
Noncurrent	
Restricted investments	322,626
Total Assets	20,683,673
Liabilities	
Current	
Current portion of long-term liabilities	175,000
Noncurrent	
Grant awards payable	400,000
Total Liabilities	575,000
Net Position	
Restricted	
Non-expendable	322,626
Unrestricted	19,786,047
Total Net Position	$ 20,108,673

See accompanying notes to the financial statements.

City of Carthage

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Primary Government: Net (Expenses), Revenues and Changes in Net Position: Governmental Activities	Component Units: Net (Expenses), Revenues and Changes in Net Position: Carthage Water and Electric Plant	Component Units: Net (Expenses), Revenues and Changes in Net Position: Carthage Public Library
Primary Government							
Governmental Activities							
Administrative	$ (457,020)	$ 133,999	$ 207,923	$ -	$ (115,098)	$ -	$ -
Public works	(467,902)	79,968	-	-	(387,934)	-	-
Street	(1,391,667)	259,863	-	11,810	(1,119,994)	-	-
Police	(2,872,078)	225,542	139,637	23,930	(2,482,969)	-	-
Municipal court	(106,265)	-	-	-	(106,265)	-	-
City attorney	(92,949)	-	-	-	(92,949)	-	-
Taxi	(78,771)	-	69,456	-	(9,315)	-	-
Fire	(1,916,517)	-	395,788	50,026	(1,470,703)	-	-
Emergency management	(6,601)	-	-	-	(6,601)	-	-
Parks and recreation	(741,120)	-	-	573	(740,547)	-	-
Memorial hall	(157,334)	47,110	-	-	(110,224)	-	-
Civil war museum	(40,470)	12,042	-	-	(28,428)	-	-
Central municipal	(345,662)	-	-	-	(345,662)	-	-
Public health	(195,264)	76,101	16,577	-	(102,586)	-	-
Golf course	(612,611)	520,083	-	-	(92,528)	-	-
Library	(612,961)	-	-	-	(612,961)	-	-
Tourism	(92,439)	-	-	-	(92,439)	-	-
Information technology	(163,054)	-	-	-	(163,054)	-	-
Economic development	(345,571)	1,500	91,408	-	(252,663)	-	-
Debt service	(23,577)	-	-	-	(23,577)	-	-
Total Primary Government	$ (10,719,833)	$ 1,356,208	$ 920,789	$ 86,339	(8,356,497)	-	-

See accompanying notes to the financial statements.

City of Carthage

Statement of Activities

Year Ended June 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Primary Government: Net (Expenses), Revenues and Changes in Net Position: Governmental Activities	Component Units: Net (Expenses), Revenues and Changes in Net Position: Carthage Water and Electric Plant	Component Units: Net (Expenses), Revenues and Changes in Net Position: Carthage Public Library
Component Units							
Carthage Water and Electric Plant	$ (27,732,334)	$ 35,841,578	$ -	$ -	-	8,109,244	-
Carthage Public Library	(954,395)	9,629	113,579	185,332	-	-	(645,855)
Total Component Units	$ (28,686,729)	$ 35,851,207	$ 113,579	$ 185,332		8,109,244	(645,855)
General Revenues							
Sales taxes					7,317,532	-	-
Ad valorem taxes					1,002,160	-	219,035
Motor vehicle and gas taxes					602,942	-	-
Payment in lieu of tax					584,622	-	-
Other taxes					155,275	-	86,609
Franchise taxes					389,029	-	-
Utility franchise fees and other charges					1,160,229	-	-
Intergovernmental revenue					-	-	523,620
Interest					25,507	95,802	2,938
Other revenue					83,365	92,857	679
Total General Revenues					11,320,661	188,659	832,881
Special Items							
(Loss) on disposal of capital assets					(1,839)	(40,413)	-
Insurance proceeds					19,663	-	-
Total Special Items					17,824	(40,413)	-
Changes in Net Position					2,981,988	148,246	832,881
Net Position, Beginning of year					40,648,477	86,901,019	1,712,815
Net Position, End of year					$ 43,630,465	$ 87,049,265	$ 2,545,696

See accompanying notes to the financial statements.

City of Carthage

McCune-Brooks Hospital – D/B/A McCune-Brooks Regional Hospital – Component Unit

Statement of Activities

Year Ended April 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Health and welfare	$ (474,921)	$ -	$ -	$ -	$ (474,921)
Total Governmental Activities	$ (474,921)	$ -	$ -	$ -	(474,921)
General Revenues					
Interest					40,870
Miscellaneous					12,381
Total General Revenues					53,251
Extraordinary Item					
Estimated amounts due to third-party payers forgiven					1,560,334
Change in Net Position					1,138,664
Net Position, Beginning of year					18,970,009
Net Position, End of year					$ 20,108,673

See accompanying notes to the financial statements.

City of Carthage

Balance Sheet – Governmental Funds

June 30, 2021

	General Fund	Special Revenue Funds: Public Health Fund	Golf Course Fund	Park/ Stormwater Fund	Capital Improvement Sales Tax Fund	Fire Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	$ 6,489,940	$ 395,851	$ 259,633	$ 650,653	$ 2,898,173	$ 811,945	$ 858,485	$ 12,364,680
Investments	5,072,172	103,622	-	259,055	-	518,109	107,407	6,060,365
Taxes receivable, net	734,814	43,699	-	226,159	226,381	113,192	3,741	1,347,986
Other accounts receivable	103,183	-	-	-	-	-	1,343	104,526
Court fines receivable, net	558,045	-	-	-	-	-	-	558,045
Intergovernmental receivable	117,991	144,692	-	-	19,662	-	13,095	295,440
Prepaid expenses	126,627	1,047	2,748	-	-	-	-	130,422
Due from other funds	-	-	-	-	-	-	692,406	692,406
Restricted cash and cash equivalents	140,217	-	-	3	-	-	-	140,220
Total Assets	$ 13,342,989	$ 688,911	$ 262,381	$ 1,135,870	$ 3,144,216	$ 1,443,246	$ 1,676,477	$ 21,694,090
Liabilities								
Accounts payable	$ 341,781	$ 144,733	$ 12,984	$ 154,920	$ 519,014	$ 2,413	$ 38,312	$ 1,214,157
Accrued expenses	148,428	2,313	18,113	-	-	-	-	168,854
Court bonds payable	48,770	-	-	-	-	-	-	48,770
Deposits payable	12,358	-	-	-	-	-	-	12,358
Police evidence payable	79,069	-	-	-	-	-	-	79,069
Due to other funds	-	-	-	-	692,406	-	-	692,406
Total Liabilities	630,406	147,046	31,097	154,920	1,211,420	2,413	38,312	2,215,614
Deferred Inflow of Resources								
Deferred court fines	431,481	-	-	-	-	-	-	431,481
Total Deferred Inflow of Resources	431,481	-	-	-	-	-	-	431,481

See accompanying notes to the financial statements.

City of Carthage

Balance Sheet – Governmental Funds

June 30, 2021

	General Fund	Special Revenue Funds: Public Health Fund	Golf Course Fund	Park/ Stormwater Fund	Capital Improvement Sales Tax Fund	Fire Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendable								
Prepaid items	126,627	1,047	2,748	-	-	-	-	130,422
Restricted for								
Debt service	-	-	-	3	-	-	-	3
Capital improvements	-	-	-	-	1,932,796	-	-	1,932,796
Park/stormwater	-	-	-	980,947	-	-	-	980,947
Fire	-	-	-	-	-	1,440,833	-	1,440,833
Public safety	-	-	-	-	-	-	49,405	49,405
Parks and recreation	-	-	-	-	-	-	107,552	107,552
Inmate security	-	-	-	-	-	-	17,976	17,976
Judicial education	-	-	-	-	-	-	4,250	4,250
Committed to								
Capital improvements	-	-	-	-	-	-	8,659	8,659
TIF/CID	-	-	-	-	-	-	43,236	43,236
Assigned to								
Capital outlay	3,692,948	-	-	-	-	-	-	3,692,948
Public health	-	540,818	-	-	-	-	-	540,818
Golf course	-	-	228,536	-	-	-	-	228,536
Civic enhancement	-	-	-	-	-	-	35,747	35,747
Tourism	-	-	-	-	-	-	39,671	39,671
Parks and recreation	-	-	-	-	-	-	370,457	370,457
Landfill	-	-	-	-	-	-	951,857	951,857
Economic development	3,000,000	-	-	-	-	-	9,355	3,009,355
Unassigned	5,461,527	-	-	-	-	-	-	5,461,527
Total Fund Balances	12,281,102	541,865	231,284	980,950	1,932,796	1,440,833	1,638,165	19,046,995
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 13,342,989	$ 688,911	$ 262,381	$ 1,135,870	$ 3,144,216	$ 1,443,246	$ 1,676,477	$ 21,694,090

See accompanying notes to the financial statements.

City of Carthage

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2021

Fund balance - total governmental funds	$ 19,046,995
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	42,299,447
Less accumulated depreciation	(14,321,321)
	27,978,126
The net pension liability, net pension asset, and related deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension asset	1,800,702
Net pension liability	(1,208,989)
Deferred outflows due to pensions	503,702
Deferred inflows due to pensions	(3,254,790)
	(2,159,375)
Adjustment of deferred court fines	431,481
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(4,960)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(1,661,802)
Net Position of Governmental Activities	$ 43,630,465

See accompanying notes to the financial statements.

City of Carthage

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2021

	General Fund	Special Revenue Funds: Public Health Fund	Special Revenue Funds: Golf Course Fund	Special Revenue Funds: Park/ Stormwater Fund	Special Revenue Funds: Capital Improvement Sales Tax Fund	Special Revenue Funds: Fire Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues								
Taxes	$ 6,270,887	$ 147,641	$ -	$ 1,309,051	$ 1,310,781	$ 655,473	$ 357,728	$ 10,051,561
Licenses and permits	210,359	-	-	-	-	-	-	210,359
Intergovernmental revenues	1,984,844	16,577	-	-	-	-	105,238	2,106,659
Charges for services	322,521	76,101	520,083	-	-	-	5,014	923,719
Fines and forfeitures	297,768	-	-	-	-	-	-	297,768
Miscellaneous	63,720	10,493	1,777	992	53,826	1,596	63,767	196,171
Total Revenues	9,150,099	250,812	521,860	1,310,043	1,364,607	657,069	531,747	13,786,237
Expenditures								
Current								
Administrative	505,578	-	-	-	-	-	-	505,578
Public works	536,594	-	-	-	-	-	-	536,594
Street	1,631,393	-	-	-	-	-	51,691	1,683,084
Police	2,990,931	-	-	-	-	-	18,259	3,009,190
Municipal court	125,303	-	-	-	-	-	-	125,303
City attorney	92,949	-	-	-	-	-	-	92,949
Taxi	65,309	-	-	-	-	-	-	65,309
Fire	1,903,510	-	-	-	-	783,704	45,026	2,732,240
Emergency management	6,601	-	-	-	-	-	-	6,601
Parks and recreation	611,221	-	-	-	-	-	26,712	637,933
Memorial hall	148,551	-	-	-	-	-	-	148,551
Civil war museum	38,012	-	-	-	-	-	-	38,012
Central municipal	345,880	-	-	-	-	-	-	345,880
Public health	-	210,742	-	-	-	-	-	210,742
Golf course	-	-	533,620	-	-	-	-	533,620
Capital outlay	-	-	-	665,634	1,275,809	-	9,151	1,950,594
Library	-	-	-	523,621	-	-	-	523,621
Tourism	-	-	-	-	-	-	92,439	92,439
Information technology	177,072	-	-	-	-	-	-	177,072
Economic development	254,164	-	-	-	-	-	91,407	345,571
Debt Service								
Principal, interest and fees	-	-	-	165,886	-	-	-	165,886
Total Expenditures	9,433,068	210,742	533,620	1,355,141	1,275,809	783,704	334,685	13,926,769

See accompanying notes to the financial statements.

City of Carthage

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2021

	General Fund	Special Revenue Funds: Public Health Fund	Special Revenue Funds: Golf Course Fund	Special Revenue Funds: Park/ Stormwater Fund	Special Revenue Funds: Capital Improvement Sales Tax Fund	Special Revenue Funds: Fire Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
Excess (Deficit) of Revenues over Expenditures	(282,969)	40,070	(11,760)	(45,098)	88,798	(126,635)	197,062	(140,532)
Other Financing Sources (Uses)								
Lease proceeds	-	-	-	258,524	-	579,790	-	838,314
Insurance proceeds	-	-	-	-	19,663	-	-	19,663
Operating transfers in	538,883	-	138,860	-	-	-	-	677,743
Operating transfers (out)	(138,860)	-	-	-	-	(289,957)	(248,926)	(677,743)
Total Other Financing Sources (Uses)	400,023	-	138,860	258,524	19,663	289,833	(248,926)	857,977
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other (Uses)	117,054	40,070	127,100	213,426	108,461	163,198	(51,864)	717,445
Fund Balance, July 1	12,164,048	501,795	104,184	767,524	1,824,335	1,277,635	1,690,029	18,329,550
Fund Balance, June 30	$ 12,281,102	$ 541,865	$ 231,284	$ 980,950	$ 1,932,796	$ 1,440,833	$ 1,638,165	$ 19,046,995

See accompanying notes to the financial statements.

City of Carthage

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2021

Net change in fund balances - total governmental funds	$	717,445
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense.		
Capital outlay		3,184,839
Depreciation		(1,139,792)
Disposal of capital assets, net		(28,339)
		2,016,708
Some revenues reported in the governmental funds represent current financial resources and were recognized in the Statement of Activities when earned.		(75,740)
The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal on long-term debt is a use of current financial resources of governmental funds. In the Statement of Activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences.		
Repayment of principal on leases		307,326
Issuance of lease obligations		(838,314)
Change in accrued interest payable		(2,691)
		(533,679)
Some expenses reported in the Statement of Activities do not financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in pension related costs		974,807
Change in compensated absences		(117,553)
		857,254
Change in Net Position of Governmental Activities	$	2,981,988

See accompanying notes to the financial statements.

1. Summary of Significant Accounting Policies

Primary Government

The City operates under a Council/City Administrator form of government. The City provides the following services as authorized by its charter: public safety (police and fire), streets, parks and recreation, public improvements, planning, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be 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 City is a primary government, which is governed by an elected board. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that the entities described in the following paragraphs meet the above criteria and therefore, have been included as component units in the City's basic financial statements. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Discretely Presented Component Units

The City of Carthage includes the following discretely presented component units:

Carthage Public Library

The Carthage Public Library is governed by an appointed Board of Trustees. The mission of the Carthage Public Library is to be the foremost provider of information resources to the community and to meet the informational, educational, and recreational needs of the public. The Carthage Public Library is included in the financial statements of the City as a component unit due to its financial relationship with the City. Carthage Public Library's audited component unit financial statements for the year ended June 30, 2021, may be obtained by contacting the City library.

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital (Hospital), is a component unit of the City of Carthage, Missouri and has a fiscal year ending April 30 which is different than the City. Prior to January 1, 2012, the Hospital primarily earned revenue by providing inpatient, outpatient and emergency care services to patients in Carthage, Missouri, and the surrounding area. The Hospital also provided skilled nursing care and operated an outpatient psychiatric program, a home health agency, physician clinics, and provided ambulance services in the same geographic area.

Effective January 1, 2012, the Hospital entered into a sales type lease with Mercy Health (Mercy). As a result of the agreement, the Hospital leased and assigned certain assets used in the operation of the Hospital to Mercy to allow Mercy to assume operation control. Through June 30, 2016, the Hospital operated as a lessor of the property. Effective June 30, 2016, Mercy exercised the purchase option of the lease and the remaining funds from the transaction will be used for the health and welfare of the citizens of Carthage, Missouri.

The Hospital is included in the financial statements of the City as a component unit due to its relationship with the City.

Carthage Water & Electric Plant

The Carthage Water & Electric Plant was created in 1898 and operates under the Carthage Water & Electric Plant Board appointed by the City Council of Carthage, Missouri. The Utilities' major operations include electric, water, communication services, and wastewater treatment. The Carthage Water & Electric Plant is included in the financial statements of the City as a component unit due to its relationship with the City. The Carthage Water & Electric Plant audited component unit financial statements may be obtained by contacting Carthage Water & Electric Plant.

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The government-wide statements display information about the primary government and its component units. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, the governmental activities are presented on the full accrual, economic resources basis of accounting. The presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Separate fund financial statements report information on the City's governmental funds. The emphasis of fund financial statements is on major governmental funds.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

Public Health Fund: The Public Health Fund is used to account for resources that are restricted, committed, or assigned for yard waste and recycling operations.

Golf Course Fund: The Golf Course Fund is used to account for charges for services and expenditures that are restricted, committed, or assigned for the City's golf course.

Park/Stormwater Fund: The Park/Stormwater Fund is used to account for sales tax revenues that are restricted, committed, or assigned for the sole purpose of funding parks, library and stormwater improvements.

Capital Improvement Sales Tax Fund: The Capital Improvement Sales Tax Fund is used to account for tax revenues that are restricted, committed, or assigned from the capital improvement sales tax approved by voters in 1995. The tax has a sunset provision included which was to terminate in March 2012, but was extended for twenty years by approval of voters.

Fire Sales Tax Fund: The Fire Sales Tax Fund is used to account for tax revenues that are restricted, committed, or assigned for the fire department.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) and are included in the applicable governmental activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of $5,000 or greater. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Structures and improvements	25-50 years
Machinery and Equipment	5-20 years
Infrastructure	40 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

Pooled Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

Investments

Investments consist of cash management funds held by the Missouri Securities Investment Program and are carried at cost and certificates of deposit.

Revenue Recognition – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

Compensated Absences

Employees earn vacation time based on the number of years of service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

City Council has formally adopted a minimum fund balance policy of 35% of operating expenditures in the General Fund.

Net Position

In the government-wide financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does not meet the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has one item that qualifies for reporting in this category, deferred amounts relating to the retirement plan.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has two items that qualify for reporting in this category, deferred

amounts relating to the retirement plan on the Statement of Net Position and deferred amounts relating to court fines on the Balance Sheet. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and the Police and Fire Pension Plan and additions to/deductions from LAGERS and the Police and Fire Pension Plan fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for City court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Carthage Public Library

The accounting policies of the Library conform to accounting principles generally accepted in the United States of America as applicable to a special purpose government.

Compensated Absences

The Library allows employees to accumulate vacation leave which vests with the employee. Use of accumulated vacation and sick leave by employees in future years is not expected to have a material impact on Library expenditures in any one year. Compensated absences are recorded as a liability in the Statement of Net Position.

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of reserves and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Library considers all deposits in checking accounts, demand deposit accounts, money market accounts and time deposits (certificates of deposit) with maturities of three months or less to be cash equivalents.

Investments

Investments consist of cash management funds held by the Missouri Securities Investment Program, carried at cost and certificates of deposit.

Net Position

In the government-wide financial statements, equity is displayed in three components as follows:

> *Net Investment in Capital Assets:* This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> *Restricted:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
>
> *Unrestricted:* This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Library first applies restricted net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the Library has one item that qualifies for reporting in this category, deferred amounts relating to the retirement plan.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the Library has one item that qualifies for reporting in this category, deferred pension inflows related to the retirement plan.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. 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.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets and are included in the applicable governmental activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the Library as assets with a cost of $5,000 or greater and an estimated useful life of at least five years. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Structures and improvements	25-30 years
Machinery and Equipment	5-20 years
Infrastructure	40 years

Expenditures for maintenance and repairs are charged to expense; renewal and betterments are capitalized.

Program Revenues

Amounts reported as program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general revenues.

Unearned Revenue

This is future revenue for unspent insurance proceeds received in advance of damage repairs. This revenue will be recognized as income when earned.

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

The accounting policies of the Hospital conform to accounting principles generally accepted in the United States of America as applicable to a special purpose government.

Net Position

In the financial statements, equity is displayed in three components as follows:

Net investment in capital assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted: Consists of net position that does not meet the definition of net investment in capital assets, or the restricted component of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Hospital first applies restricted net position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments include negotiable certificates of deposit, direct obligations of the U.S. Government and other investments authorized by state statutes.

Cash and Cash Equivalents

The Hospital considers all accounts subject to withdrawal by check or on demand to be cash equivalents, which includes money market funds.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1: Inputs using quoted prices in active markets for identical assets or liabilities

Level 2: Inputs using significant other observable inputs including quoted prices for similar assets and liabilities

Level 3: Inputs are significant unobservable inputs

Program Revenues

Amounts reported as program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general revenues.

Carthage Water & Electric Plant

The accounting policies of the Utility conform to accounting principles generally accepted in the United States of America as applicable to governments.

Basis of Accounting

Carthage Water & Electric Plant's accounting policies are consistent with enterprise fund accounting. Enterprise funds are established to account for the financing of self-supporting activities, which render services on a user charge basis to the general public.

The accrual basis of accounting is used under which expenses are recorded when the liability is incurred and revenues are recorded when earned.

Net Position

Equity is displayed in three components as follows:

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does not meet the definition of restricted or net investment in capital assets.

It is the Utility's policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

Capital Assets

Capital assets are recorded at cost or estimated historical cost. Capital assets are defined by the Utility as assets with a cost of $5,000 or greater and an estimated useful life of at least one year. Expenditures for maintenance and repairs are charged to current operating expense. Renewals and betterments of existing assets that extend the useful life of the asset are capitalized and depreciated. Estimated useful lives used in the computation of depreciation of capital assets using the straight-line basis are as follows:

Buildings and Plant	10-50 years
Distribution, Collection, Generation, and Transmission System	15-67 years
Furniture, Fixtures, and Equipment	5-20 years

Cash and Cash Equivalents

The Utility considers all accounts subject to withdrawal by check or on demand to be cash equivalents, which includes money market funds.

Inventories

Inventories are stated at average cost.

Capitalization of Costs Related to Construction of Assets

In connection with the construction of assets, Carthage Water & Electric Plant capitalizes payroll and overhead directly related to the project.

Compensated Absences

Employees are entitled to certain compensated absences based on their length of employment. These compensated absences are accrued when vesting occurs. Liabilities for compensated absences are determined at the end of the year based on current salary rates.

Deposits and Investments

For purposes of the statement of cash flows, Carthage Water & Electric Plant considers all accounts subject to withdrawal by check or on demand to be cash equivalents. All other deposits and certificates of deposit are considered to be investments. Investments are stated at fair value. Fair value for investments is determined by closing market prices at year-end as reported by the custodian.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the Utility has one item that qualifies for reporting in this category, deferred amounts relating to the retirement plan.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Utility has one item that qualifies for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. 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.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenue and expenses are considered nonoperating.

2. Cash & Cash Equivalents

Primary Government

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all bank balances on deposit were entirely insured or collateralized with securities.

Carthage Public Library

State Statutes require that the Library's deposits be collateralized in the name of the Library by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all bank balances on deposit are entirely insured or collateralized with securities.

Carthage Water & Electric Plant

State Statutes require that the Utility's deposits be collateralized in the name of the Utility by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all bank balances on deposit are entirely insured or collateralized with securities.

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

State Statutes require that the Hospital's deposits be collateralized in the name of the Hospital by the trust department of a bank that does not hold the collateralized deposits. As of April 30, 2021, all bank balances on deposit are entirely insured or collateralized with securities.

3. Investments

Primary Government

Investments of the City as of June 30, 2021, are as follows:

Investment Type	Maturity	Amount
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	$ 2,060,365
Certificates of Deposit	12/3/2021 to 6/3/2022	4,000,000
		$ 6,060,365

Missouri Securities Investment Program

City funds in the Missouri Securities Investment Program are invested in cash management funds in which the City has a pro-rata share. The funds are invested in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes and the cash management fund has a current rating of AAAm by S&P.

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The City minimizes risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities maturing meet cash requirements for ongoing operations or contractual requirements, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter term securities.

Carthage Public Library

Investments of the Library at June 30, 2021, consist of the following:

Investment Type	Maturity	Amount
Missouri Securities Investment Program		
(MOSIP) - Cash Management Funds	N/A	$ 19,702
Certificates of Deposit	12/22/2021	650,000
		$ 669,702

Missouri Securities Investment Program

City funds in the Missouri Securities Investment Program are invested in cash management funds in which the Library has a pro-rata share. The funds are invested in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes and the cash management fund has a current rating of AAAm by S&P.

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Library's deposits be collateralized in the name of the Library by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The Library does not have a policy on interest rate risk.

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

The Hospital categorized its investments within the fair value hierarchy as discussed in Note 1. As of April 30, 2021, the Hospital had the following recurring fair value measurements:

Investment Type	Maturity Dates	Fair Value Level 1	Fair Value Level 2	Total
Negotiable Certificates of Deposit	6/17/2021 - 6/10/2024	$ 2,552,200	$ -	$ 2,552,200
State Bank of India Certificate of Deposit	5/15/2025	255,470	-	255,470
U.S. Treasury Notes	6/30/2021 - 11/15/2025	9,939,537	-	9,939,537
U.S. Government Agency Securities				
Federal Home Loan Mortgage Corporation	1/13/2022	-	787,532	787,532
Federal National Mortgage Association	5/6/2021 - 1/5/2022	-	1,506,690	1,506,690
		$ 12,747,207	$ 2,294,222	$ 15,041,429

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Hospital's deposits be collateralized in the name of the Hospital by the trust department of a bank that does not hold the collateralized deposits. As of April 30, 2021, all certificates of deposit are entirely insured or collateralized with securities. Negotiable certificates of deposit are carried at fair market value.

U.S. Treasury Notes

Funds invested in U.S. Treasury Notes are held by UMB Bank, N.A. and are rated Aaa by Moody's.

U.S. Government Agency Securities

Funds invested in Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association are held by UMB Bank, N.A. and are all rated Aaa by Moody's.

Interest Rate Risk

The Hospital's policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term securities.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Hospital's policy minimizes credit risk by pre-qualifying the financial institutions and broker/dealers with which the Hospital will do business for broker services.

Concentration of Credit Risk

The Hospital places no limit on the amount that may be invested in any one issuer. However, no individual bonds shall be greater than 10% of the account. At April 30, 2021, no investments other than those issued or guaranteed by the U.S. government exceeded 5% of the total fair value of all investments.

Carthage Water & Electric Plant

Investments of the Utility at June 30, 2021, consist of the following:

Investment Type	Maturity	Amount
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	$ 4,099,601
Missouri Securities Investment Program (MOSIP) - Certificates of Deposit	7/29/2021 to 8/26/2022	3,379,000
Missouri Securities Investment Program (MOSIP) - Term	10/15/2021	2,000,000
Certificates of Deposit	11/11/2021 to 5/11/2022	3,000,000
		$ 12,478,601

Missouri Securities Investment Program

Utility funds in the Missouri Securities Investment Program are invested in MOSIP Term investments and cash management funds in which the Utility has a pro-rata share. The funds are invested in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes. The cash management fund has a current rating of AAAm by S&P and term investments have a current rating of AAAf from Fitch Ratings.

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Utility's deposits be collateralized in the name of the Utility by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The Utility limits its exposure to interest rate risk by restricting its investments to those maturing in 5 years or less.

4. Internal Balances

	Capital Improvement Sales Tax Fund	Landfill Closure Fund
Internal balances	$ (692,406)	$ 692,406

The City passed a resolution authorizing an interfund loan from the Landfill Closure Fund to the Capital Improvement Sales Tax Fund for the purpose of improvement or reconstruction of Route 571, extending generally at its intersection with Elm and Garrison Streets in the amount of $830,576. The Capital Improvement Sales Tax Fund will use sales tax collections to make quarterly payments of $69,384 including interest at .15% beginning in February 2021 through November 2023. Principal and interest payments are due as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 276,651	$ 883	$ 277,534
2023	277,066	468	277,534
2024	138,689	78	138,767
	$ 692,406	$ 1,429	$ 693,835

5. Restricted Assets

Primary Government

Cash and cash equivalents, fund balance and net position have been restricted at June 30, 2021, in the following funds:

	Restricted Cash and Cash Equivalents	Restricted Fund Balance/ Net Position
General Fund		
Court bonds	$ 48,770	$ -
Municipal building deposits	12,358	-
Restitution	20	-
Police evidence	79,069	-
	$ 140,217	$ -
Fire Sales Tax Fund		
Sales tax	$ -	$ 1,440,833
Capital Improvement Sales Tax Fund		
Sales tax	$ -	$ 1,932,796
Park/Stormwater Sales Tax Fund		
Sales tax	$ -	$ 980,947
Debt service	3	3
	$ 3	$ 980,950
Non-Major Governmental Funds		
Public safety	$ -	$ 49,405
Parks and recreation tax	-	107,552
Inmate security	-	17,976
Judicial education	-	4,250
	$ -	$ 179,183

Carthage Public Library

Cash and cash equivalents and net position have been restricted at June 30, 2021, as follows:

	Restricted Cash and Cash Equivalents	Restricted Net Position
Donations, gifts, and grants	$ 75,762	$ 75,762
Unspent insurance proceeds	34,542	-
	$ 110,304	$ 75,762

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

Investments and net position have been restricted at April 30, 2021, as follows:

	Restricted Investments	Restricted Net Position
Gifts	$ 322,626	$ 322,626

Carthage Water & Electric Plant

Cash and cash equivalents and net position have been restricted at June 30, 2021, as follows:

	Restricted Cash and Cash Equivalents	Restricted Net Position
Customer deposits	$ 902,804	$ -
Unclaimed property	10,663	-
Cash deposit held by MISO	175,000	175,000
2012 Certificates of Participation		
Debt service reserve	213,500	213,500
2019 Revenue Bonds		
Debt service funds	17,987	17,987
Depreciation and replacement	30,424	30,424
2020 MAMU Project fund	332,967	-
	$ 1,683,345	$ 436,911

6. Assessed Valuation, Tax Levy, & Legal Debt Margin

The assessed valuation of the tangible property and the tax levy per $100 assessed valuation of that property were as follows:

	2020
Assessed Valuation	
Real estate	$ 129,247,680
Personal property	57,203,450
	$ 186,451,130
Tax Rate Per $100 of Assessed Valuation	
General Fund	$ .3528
Public Health Fund	.0802
Carthage Public Library	.1762
Parks and Recreation Fund	.1522
	$ .7614

The legal debt margin at June 30, 2021, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	$ 18,645,113	$ 18,645,113	$ 37,290,226
General Obligation Bonds Payable	-	-	-
Legal Debt Margin	$ 18,645,113	$ 18,645,113	$ 37,290,226

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights-of-way, construction, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

7. Long-Term Debt – Governmental Activities

Long-term debt for the governmental activities at June 30, 2021, consists of five capital lease obligations, Series 2013 Certificates of Participation, and compensated absences payable.

Capital Lease Obligations

On December 14, 2017, the City entered into a lease purchase agreement to finance the purchase of a street grader in the amount of $173,500. The agreement requires quarterly payments of $9,178 including interest at 2.17% through December 2022.

On December 12, 2019, the City entered into a lease purchase agreement to finance the purchase of a mower in the amount of $53,000. The agreement requires quarterly payments of $4,573 including interest at 2.15% through December 2022.

On November 22, 2019, the City entered into a lease purchase agreement to finance the purchase of a street sweeper in the amount of $193,503. The agreement requires quarterly payments of $10,230 including interest at 2.15% through November 2024.

On October 19, 2020, the City entered into a lease purchase agreement to finance the purchase of a fire truck in the amount of $579,790. The agreement requires quarterly payments of $30,653 including interest at 2.15% through October 2025.

On April 22, 2021, the City entered into a lease purchase agreement to finance the purchase of golf equipment in the amount of $258,524. The agreement requires quarterly payments of $16,721 including interest at 1.625% through April 2025.

The leases above are direct borrowing debt issuances. In the event of default, the Lessor may by written notice declare all lease payments to the end of the then-current budget year to be due, including delinquent lease payments from prior budget years. In addition, the Lessor may enter the premises where the property is located and retake possession of the property.

The City's lease/purchase agreements provide for the cancellation of the leases at the City's option on the renewal dates each year per State statute, however, the City does not foresee exercising its option to cancel. Therefore, these leases are accounted for as noncancelable capital leases in accordance with GASB Section L20, *"Leases."*

The total annual minimum lease payments required at June 30, 2021, are as follows:

	Direct Borrowing					
Year Ending June 30,	Street Grader	Mower	Street Sweeper	Fire Truck	Golf Equipment	Total
2022	$ 36,710	$ 18,290	$ 40,922	$ 122,614	$ 66,885	$ 285,421
2023	18,355	9,145	40,922	122,614	66,885	257,921
2024	-	-	40,922	122,614	66,885	230,421
2025	-	-	20,461	122,614	66,885	209,960
2026	-	-		61,307	-	61,307
Total Minimum Lease Payments	55,065	27,435	143,227	551,763	267,540	1,045,030
Less Amount Representing Interest	(1,030)	(509)	(5,613)	(27,195)	(9,016)	(43,363)
Principal Balance, June 30, 2021	$ 54,035	$ 26,926	$ 137,614	$ 524,568	$ 258,524	$ 1,001,667

Series 2013 Certificates of Participation

On September 26, 2013, the City issued $1,450,000 in Series 2013 Certificates of Participation to refund the 2005A Certificates of Participation. In the event of default, defined in the agreement to be failure by the City to pay any rent during the term of the lease for a period of 30 days after written notice specifying such failure and requesting that it be remedied is received by the Lessor, the Lessor shall give notice to the City to vacate the leased property immediately and may terminate the lease or the City's possessory rights (without terminating the lease), re-enter the leased property and eject all parties in possession, and rent the property or, at its option, sell the leased property or take any action at law or in equity deemed necessary to enforce its rights with respect to the leased property. The certificates bear interest at various rates ranging from .85% to 3.85% with principal payments due June 1 and interest payments due December 1 and June 1 each year through June 2024.

The annual debt service requirements to amortize principal on the 2013 Certificates of Participation outstanding at June 30, 2021, are listed in the following table:

Year Ending June 30,	Principal	Interest	Total
2022	$ 150,000	$ 14,747	$ 164,747
2023	160,000	9,497	169,497
2024	95,000	3,657	98,657
	$ 405,000	$ 27,901	$ 432,901

A summary of the changes in long-term debt – governmental activities for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Amounts Due Within One Year
Direct Borrowing					
Capital Lease Obligations					
Street grader	$ 89,096	$ -	$ 35,061	$ 54,035	$ 35,828
Golf equipment and leaf blower	17,108	-	17,108	-	-
Mower	44,402	-	17,476	26,926	17,854
Street sweeper	175,073	-	37,459	137,614	38,270
Fire truck	-	579,790	55,222	524,568	112,236
Golf equipment	-	258,524	-	258,524	63,024
	325,679	838,314	162,326	1,001,667	267,212
Certificates of Participation					
Series 2013	550,000	-	145,000	405,000	150,000
Compensated absences payable	137,582	117,553	-	255,135	-
	$ 1,013,261	$ 955,867	$ 307,326	$ 1,661,802	$ 417,212

8. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Non-depreciable capital assets				
Land	$ 895,541	$ -	$ -	$ 895,541
Construction in progress	1,596,689	865,154	2,032,868	428,975
Total Non-depreciable Capital Assets	2,492,230	$ 865,154	$ 2,032,868	1,324,516
Depreciable capital assets				
Building and improvements	17,348,688	$ -	$ -	17,348,688
Machinery and equipment	6,991,928	1,201,732	127,757	8,065,903
Infrastructure	12,409,519	3,150,821	-	15,560,340
Total Depreciable Capital Assets	36,750,135	$ 4,352,553	$ 127,757	40,974,931
Less accumulated depreciation	13,280,947	$ 1,139,792	$ 99,418	14,321,321
Total Depreciable Capital Assets, net	23,469,188			26,653,610
Total Governmental Activities Assets, net	$ 25,961,418			$ 27,978,126

Depreciation expense for governmental activities was charged to functions as follows:

Administrative	$ 39,792
Public works	18,834
Street	376,171
Police	105,726
Taxi	13,462
Fire	159,763
Library	89,340
Parks and recreation	160,686
Memorial hall	29,651
Civil war museum	2,458
Golf course	102,624
Public health	41,285
	$ 1,139,792

Carthage Public Library

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Non-depreciable capital assets				
Construction in progress	$ 462,618	$ 37,985	$ 500,603	$ -
Depreciable Capital Assets				
Office equipment	79,559	$ -	$ -	$ 79,559
Buildings	71,400	500,603	-	572,003
Infrastructure	40,803	18,500	-	59,303
Total Depreciable Capital Assets	191,762	$ 519,103	$ -	710,865
Less Accumulated Depreciation				
Office Equipment	52,002	$ 8,565	$ -	60,567
Buildings	3,967	16,286	-	20,253
Infrastructure	5,015	1,213	-	6,228
Total Accumulated Depreciation	60,984	$ 26,064	$ -	87,048
Total Depreciable Capital Assets, net	130,778			623,817
Total Governmental Activities Capital Assets, net	$ 593,396			$ 623,817

Carthage Water & Electric Plant

Capital assets and accumulated depreciation by department are as follows at June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Electric Department				
Non-Depreciable Capital Assets				
Land	$ 43,252	$ -	$ -	$ 43,252
Construction in Progress	118,355	2,473,319	2,183,133	408,541
Total Non-Depreciable Capital Assets	161,607	$ 2,473,319	$ 2,183,133	451,793
Depreciable Capital Assets				
Buildings and plant	1,626,900	$ 6,270	$ -	1,633,170
Distribution system	30,512,060	1,106,034	-	31,618,094
Transmission system	4,701,988	-	-	4,701,988
Production system	12,161,770	10,819	-	12,172,589
Machinery and equipment	4,075,294	581,102	81,940	4,574,456
Total Depreciable Capital Assets	53,078,012	$ 1,704,225	$ 81,940	54,700,297
Less Accumulated Depreciation	34,281,775	$ 1,500,262	$ 79,450	35,702,587
Depreciable Capital Assets, net	18,796,237			18,997,710
Water Department				
Non-Depreciable Capital Assets				
Land	52,382	$ -	$ -	52,382
Construction in Progress	287,658	1,347,487	1,412,461	222,684
Total Non-Depreciable Capital Assets	340,040	$ 1,347,487	$ 1,412,461	275,066
Depreciable Capital Assets				
Buildings and plant	4,173,791	$ 319,032	$ -	4,492,823
Distribution system	22,316,253	620,567	-	22,936,820
Treatment system	3,997,528	496,149	83,757	4,409,920
Production system	4,102,885	43,528	3,637	4,142,776
Machinery and equipment	863,841	69,955	17,323	916,473
Total Depreciable Capital Assets	35,454,298	$ 1,549,231	$ 104,717	36,898,812
Less Accumulated Depreciation	16,786,017	$ 921,326	$ 57,950	17,649,393
Depreciable Capital Assets, net	18,668,281			19,249,419

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Wastewater Department				
Non-Depreciable Capital Assets				
Land	188,523	$ -	$ -	188,523
Construction in Progress	2,446,703	3,231,547	854,567	4,823,683
Total Non-Depreciable Capital Assets	2,635,226	$ 3,231,547	$ 854,567	5,012,206
Depreciable Capital Assets				
Buildings and plant	10,331,133	$ 60,497	$ -	10,391,630
Collection system	18,251,945	616,369	-	18,868,314
Machinery and equipment	2,491,407	78,831	19,064	2,551,174
Total Depreciable Capital Assets	31,074,485	$ 755,697	$ 19,064	31,811,118
Less Accumulated Depreciation	11,167,222	$ 675,237	$ 19,064	11,823,395
Depreciable Capital Assets, net	19,907,263			19,987,723
Communications Department				
Non-Depreciable Capital Assets				
Construction in Progress	-	$ 1,827,782	$ 1,827,782	-
Depreciable Capital Assets				
Distribution system	5,273,544	$ 1,716,870	$ 61,730	6,928,684
Furniture and fixtures	14,624	45,253	8,094	51,783
Machinery and equipment	541,675	60,060	-	601,735
Total Depreciable Capital Assets	5,829,843	$ 1,822,183	$ 69,824	7,582,202
Less Accumulated Depreciation	2,955,372	$ 360,927	$ 69,824	3,246,475
Depreciable Capital Assets, net	2,874,471			4,335,727
Transportation, Office and Joint Department				
Non-Depreciable Capital Assets				
Land	183,650	$ -	$ -	183,650
Construction in Progress	61,726	1,042,616	816,687	287,655
Total Non-Depreciable Capital Assets	245,376	$ 1,042,616	$ 816,687	471,305
Depreciable Capital Assets				
Buildings and plant	8,960,754	$ 378,560	$ 3,890	9,335,424
Machinery and equipment	629,841	61,447	156,311	534,977
Furniture and fixtures	1,850,883	216,444	-	2,067,327
Total Depreciable Capital Assets	11,441,478	$ 656,451	$ 160,201	11,937,728
Less Accumulated Depreciation	5,017,577	$ 494,708	$ 160,201	5,352,084
Depreciable Capital Assets, net	6,423,901			6,585,644
Total Capital Assets, net	$ 70,052,402			$ 75,366,593

9. Employee Pension Plan – LAGERS

Primary Government

General Information about the Pension Plan

Plan Description. The City of Carthage, Missouri's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	2021 Valuation
Benefit Multiplier	2.00% for life
Final Average Salary	3 Years
Member Contributions	0.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	30
Active employees	49
	132

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 13.6% of annual covered payroll.

Net Pension Liability (Asset). The employer's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2021.

Actuarial Assumptions. The total pension liability in the February 28, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2021, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and

inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) - (b)**
Balances at June 30, 2020	$ 9,564,364	$ 9,191,477	$ 372,887
Changes for the Year:			
Service cost	197,834	-	197,834
Interest on total pension liability	685,010	-	685,010
Difference between expected and actual experience	(68,719)	-	(68,719)
Change of assumptions	(216,311)	-	(216,311)
Contributions - employer	-	253,989	(253,989)
Contributions - employee	-	-	-
Net investment income	-	2,460,488	(2,460,488)
Benefit payments, including refunds	(433,858)	(433,858)	-
Administrative expense	-	(12,530)	12,530
Other (net transfer)	-	69,456	(69,456)
Net changes	163,956	2,337,545	(2,173,589)
Balances at June 30, 2021	$ 9,728,320	$ 11,529,022	$ (1,800,702)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability (asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	**Current Single Discount Rate Assumption 7.00%**	**1% Increase 8.00%**
Total Pension Liability	$ 11,049,490	$ 9,728,320	$ 8,638,782
Plan Fiduciary Net Position	11,529,022	11,529,022	11,529,022
Net Pension Liability (Asset)	$ (479,532)	$ (1,800,702)	$ (2,890,240)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the employer recognized pension credit of $328,724. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 118,186	$ (143,699)	$ (25,513)
Assumption changes	-	(163,681)	(163,681)
Net difference between projected and actual earnings on pension plan investments	-	(1,183,245)	(1,183,245)
	$ 118,186	$ (1,490,625)	$ (1,372,439)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2022	$ (426,372)
2023	(275,069)
2024	(303,671)
2025	(367,327)
	$ (1,372,439)

Payable to the Pension Plan

At June 30, 2021, the City had no outstanding contributions reported as payable to the pension plan.

Carthage Public Library

General Information about the Pension Plan

Plan Description. The Carthage Public Library's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Library participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	2021 Valuation
Benefit Multiplier	1.00% for life
Final Average Salary	5 Years
Member Contributions	4.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	1
Active employees	6
	11

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 8.5% of annual covered payroll.

Net Pension Liability (Asset). The employer's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2021.

Actuarial Assumptions. The total pension liability in the February 28, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2021, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	$ 500,332	$ 395,901	$ 104,431
Changes for the Year			
Service cost	21,540	-	21,540
Interest on total pension liability	36,369	-	36,369
Difference between expected and actual experience	(13,316)	-	(13,316)
Change of assumptions	(16,192)	-	(16,192)
Contributions - employer	-	24,992	(24,992)
Contributions - employee	-	11,761	(11,761)
Net investment income	-	106,162	(106,162)
Benefit payments, including refunds	(18,866)	(18,866)	-
Administrative expense	-	(1,130)	1,130
Other (net transfer)	-	(1,150)	1,150
Net changes	9,535	121,769	(112,234)
Balances at June 30, 2021	$ 509,867	$ 517,670	$ (7,803)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability (asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	$ 583,386	$ 509,867	$ 449,720
Plan Fiduciary Net Position	517,670	517,670	517,670
Net Pension Liability (Asset)	$ 65,716	$ (7,803)	$ (67,950)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the employer recognized pension expense of $8,290. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 16,190	$ (11,075)	$ 5,115
Assumption changes	-	(13,467)	(13,467)
Net difference between projected and actual earnings on pension plan investments	-	(49,232)	(49,232)
	$ 16,190	$ (73,774)	$ (57,584)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) Resources
2022	$ (11,431)
2023	(10,590)
2024	(12,592)
2025	(18,293)
2026	(4,678)
	$ (57,584)

Payable to the Pension Plan

At June 30, 2021, the Library had no outstanding contributions reported as payable to the pension plan.

Carthage Water & Electric Plant

General Information about the Pension Plan

Plan Description. The Carthage Water & Electric Plant's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Utilities participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	2021 Valuation
Benefit Multiplier	2.00% for life
Final Average Salary	3 Years
Member Contributions	0.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	9
Active employees	75
	151

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 16.2% of annual covered payroll.

Net Pension Liability (Asset). The employer's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2021.

Actuarial Assumptions. The total pension liability in the February 28, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2021, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and

inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	$ 22,056,183	$ 20,673,541	$ 1,382,642
Changes for the Year			
Service cost	487,265	-	487,265
Interest on total pension liability	1,579,494	-	1,579,494
Difference between expected and actual experience	(127,893)	-	(127,893)
Change of assumptions	(487,085)	-	(487,085)
Contributions - employer	-	749,159	(749,159)
Net investment income	-	5,508,700	(5,508,700)
Benefit payments, including refunds	(1,036,988)	(1,036,988)	-
Administrative expense	-	(15,611)	15,611
Other (net transfer)	-	(352,924)	352,924
Net changes	414,793	4,852,336	(4,437,543)
Balances at June 30, 2021	$ 22,470,976	$ 25,525,877	$ (3,054,901)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability (asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	$ 25,695,618	$ 22,470,976	$ 19,811,403
Plan Fiduciary Net Position	25,525,877	25,525,877	25,525,877
Net Pension Liability (Asset)	$ 169,741	$ (3,054,901)	$ (5,714,474)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the employer recognized pension expense of $163,796. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 211,058	$ (180,537)	$ 30,521
Assumption changes	-	(401,420)	(401,420)
Net difference between projected and actual earnings on	-	(2,599,410)	(2,599,410)
	$ 211,058	$ (3,181,367)	$ (2,970,309)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2022	$ (767,673)
2023	(591,318)
2024	(614,463)
2025	(922,667)
2026	(74,188)
	$ (2,970,309)

Payable to the Pension Plan

At June 30, 2021, the Utility had no outstanding contributions reported as payable to the pension plan.

10. Policemen's & Firemen's Pension Plan

General Information about the Pension Plan

Plan Description. In 1973, the City of Carthage established a pension plan and trust in recognition of the contribution made to its successful operation by its policemen and firemen. The plan document established a pension committee which consists of seven members including a) the mayor as ex officio member, b) two citizens appointed by the mayor with the majority consent of the elected city council, c) two citizens to be elected by the employed covered members of the police department, and d) two citizens to be elected by the employed covered members of the fire department. Appointed and elected members of the Committee shall serve a two-year term. Members of the Pension Committee serve without compensation with respect to their duties.

The primary responsibility of the pension committee is to operate and administer the plan for the exclusive benefit of the participants and their beneficiaries, subject to the specific terms of the Plan. The Pension Committee has all powers necessary or appropriate to accomplish that duty under the Plan.

The Plan is a single-employer defined benefit plan covering all of the policemen and firemen of the City of Carthage, Missouri, who have not attained the age of 55 on their date of hire or on their first anniversary date of employment if participation is declined.

Benefits Provided. Each participant is eligible for a portion of his accrued benefit at normal retirement age of 55, which was lowered from age 58 as of June 28, 2016. Benefit vesting is 30% at five years, 40% at six years, 50% at seven years, 60% at eight years, 80% at nine years and 100% at ten years. The retirement benefit is equal to 2.5% of the participant's average monthly earnings multiplied by the years of service up to twenty years plus 1% of average monthly earnings multiplied by the number of years of service from twenty to thirty-five years. Average monthly earnings is defined as the highest average of any five consecutive plan years total earnings preceding retirement, disability, or termination. The Plan permits early retirement benefits after attaining the age of 50 with fifteen years of service. The early retirement benefit is the accrued benefit reduced by 5% for each year that the benefit commencement date precedes normal retirement

date. Participants in the Plan are fully vested after ten years of service. Benefits may be taken in a lump-sum distribution; taken over a life annuity; or over a ten-year certain annuity.

Administrative costs of the Plan are paid from plan contributions and investment earnings.

If an active participant dies, a benefit equal to the amount the beneficiary would have received had the participant retired immediately prior to death and chosen a joint and survivor benefit will be payable. Disability benefits are the vested benefits deferred to normal retirement date; the participant is treated as a terminated participant.

Employees Covered by Benefit Terms. At January 1, 2021, the date of the last actuarial valuation, the following employees were covered by the benefit terms:

Retired participants and beneficiaries receiving benefits	32
Vested terminated participants and deferred beneficiaries	32
Active employees	54
	118

Contributions. The Plan as amended does not allow for employee contributions after July 1, 1988. Prior to July 1, 1988, employee contributions were allowed and those employees who terminate are entitled to their contributions including interest at the rate of 5% compounded annually.

The Plan's funding policy is to make contributions monthly in amounts that will provide all employees' benefits fully by the time they retire. The contribution rate is based on actuarial valuations performed annually using the entry age normal cost method with frozen initial liability. Employer contribution rates are 21.82% of annual covered payroll for June 30, 2021.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, preceding the year end measurement date, projected to the end of the fiscal year using the following actuarial assumption:

Inflation	2.20% included in the investment rate of return
Salary Increase	3.50% per year
Investment Rate of Return	7.00%

The healthy retiree mortality tables, for post-retirement mortality were the PubS-2010 Mortality Tables, projected generationally with MP-2020 projection scale, adjusted to reflect the 2020 Social Security Intermediate Actuarial Assumptions.

For funding, the entry age normal method is used and the unfunded actuarial liability is amortized over 30 years.

The relatively small size of the Plan would not support a credible mortality study. Therefore, the most recent mortality tables and mortality improvement projections scales published by the Society of Actuaries (SOA) and Social Security

Administration were selected. Although there are widely varying opinions on mortality improvement, the actuary believes the SOA's stud, adjusted to reflect the ultimate improvement rates contained in the 2020 Social Security Intermediate Assumptions, represents a reasonable estimate.

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 expenses 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 included in the pension plan's target asset allocation, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	45.00%	4.60% to 7.20%
International Equity	15.00%	4.60% to 7.20%
Fixed Income	40.00%	1.70% to 2.70%
Cash	0.00%	0.00% to 0.60%

Discount Rate. The discount rate used to measure the total pension liability was 7.0%. The projections of cash flows used to determine the discount rate assumed that Employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was determined 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	$ 10,226,043	$ 7,906,251	$ 2,319,792
Changes for the Year			
Service cost	235,184	-	235,184
Interest	709,760	-	709,760
Difference between expected and actual experience	203,935	-	203,935
Change of assumptions	(7,020)	-	(7,020)
Contributions - employer	-	488,901	(488,901)
Net investment income	-	1,791,871	(1,791,871)
Benefit payments	(602,709)	(602,709)	-
Administrative expense	-	(28,110)	28,110
Net changes	539,150	1,649,953	(1,110,803)
Balances at June 30, 2021	$ 10,765,193	$ 9,556,204	$ 1,208,989

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Assumption 7.00%	1% Increase 8.00%
Net Pension Liability	$ 2,557,219	$ 1,208,989	$ 92,049

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the employer recognized pension expense of $96,807. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 188,247	$ (723,491)	$ (535,244)
Assumption changes	197,269	(122,445)	74,824
Net difference between projected and actual earnings on pension plan investments	-	(918,229)	(918,229)
	$ 385,516	$ (1,764,165)	$ (1,378,649)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2022	$ (299,251)
2023	(278,636)
2024	(279,536)
2025	(312,002)
2026	(62,799)
Thereafter	(146,425)
	$ (1,378,649)

Payable to the Pension Plan

At June 30, 2021, the City had no outstanding contributions reported as payable to the pension plan.

11. Accounts Receivable

Primary Government

Accounts receivable is presented net of an allowance for doubtful accounts at June 30, 2021, as follows:

	Gross Receivable	Allowance	Net Receivable
Taxes Receivable			
General Fund	$ 736,014	$ (1,200)	$ 734,814
Public Health Fund	78,399	(34,700)	43,699
Park/Stormwater Fund	226,159	-	226,159
Capital Improvement Sales Tax Fund	226,381	-	226,381
Fire Sales Tax Fund	113,192	-	113,192
Parks and Recreation Fund	5,341	(1,600)	3,741
	$ 1,385,486	$ (37,500)	$ 1,347,986
Court Fines Receivable			
General Fund	$ 586,764	$ (28,719)	$ 558,045

Carthage Public Library

	Gross Receivable	Allowance	Net Receivable
Taxes Receivable	$ 26,875	$ (12,000)	$ 14,875

Carthage Water & Electric Plant

	Gross Receivable	Allowance	Net Receivable
Utilities Receivable	$ 2,234,630	$ (74,000)	$ 2,160,630

12. Deferred Compensation Plan

Primary Government

City employees participate in a nation-wide 457 Deferred Compensation Plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. All deferred amounts are the property of the City and participant's interest in the plan is that of a general creditor of the City. It is the opinion of the City's management that the City and Council have no liability for losses under the plan, but do have the duty of due care that would be required of an ordinary prudent investor. Amounts on deposit with VOYA Financial for the City of Carthage participants at June 30, 2021, were $1,674,284.

Carthage Water & Electric Plant

Utility employees participate in a nation-wide 457 Deferred Compensation Plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. All deferred amounts are the property of the Utility and participant's interest in the plan is that of a general creditor of the Utility. It is the opinion of the Utility's management that the Utility and Board have no liability for losses under the plan, but do have the duty of due care that would be required of an ordinary prudent investor. Amounts on deposit with the ICMA-RC for Carthage Water & Electric Plant participants at June 30, 2021, were $3,816,161.

13. Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfers In (Out)
General Fund	$ 400,023
Golf Course Fund	138,860
Fire Sales Tax Fund	(289,957)
Parks and Recreation Fund	(248,926)
	$ -

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

14. Long-Term Debt – Component Units

Carthage Water & Electric Plant

Long-term debt of the Utility at June 30, 2021, consists of the Series 2019 Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 and Series 2015 Refunding Certificates of Participation, 2018 and 2020 MAMU leases and compensated absences payable.

Series 2019 Combined Waterworks and Sewerage System Revenue Bonds

On September 27, 2019, the Utility entered into an agreement authorizing the issuance of not to exceed $4,501,000 in Series 2019 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) for the purpose of extending and improving the City's combined waterworks and sewerage system. The bonds bear interest at 0.98% with principal and interest payments due semi-annually on July 1 and January 1 each year. The bonds also require a semi-annual administrative fee of 0.25% of the outstanding principal balance of the bonds as of the business day preceding each principal payment due. If the Utility defaults on the payment of principal or interest on any of the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the Utility, by the registered owner of any bond then outstanding, the Utility shall pay to DNR the penalties assessed by DNR in accordance with the regulations. During the year ended June 30, 2020, the Utility issued $1,875,478 of the bonds and during the year ended June 30, 2021, the Utility issued an additional $2,203,840.

The annual debt service requirements to amortize principal on the bonds outstanding at June 30, 2021, are listed in the following table:

Year Ending June 30,	Direct Placement		
	Principal	Interest	Total
2022	$ 95,000	$ 37,975	$ 132,975
2023	193,000	38,576	231,576
2024	197,000	36,675	233,675
2025	201,000	34,734	235,734
2026	205,000	32,755	237,755
2027	209,000	30,736	239,736
2028	213,000	28,678	241,678
2029	217,000	26,581	243,581
2030	221,000	24,444	245,444
2031	226,000	22,269	248,269
2032	231,000	20,039	251,039
2033	235,000	17,766	252,766
2034	240,000	15,453	255,453
2035	245,000	13,086	258,086
2036	249,000	10,675	259,675
2037	255,000	8,220	263,220
2038	260,000	5,712	265,712
2039	265,000	3,149	268,149
2040	122,318	599	122,917
	$ 4,079,318	$ 408,122	$ 4,487,440

Series 2012 Refunding Certificates of Participation

On November 27, 2012, the Utility issued $2,135,000 in Series 2012 Refunding Certificates of Participation to refund the Series 2003A Certificates of Participation. The certificates bear interest at various rates ranging from 0.80% to 2.80%, with principal payments due November 15 and interest payments due May 15 and November 15 each year.

The annual debt service requirements to amortize principal on the 2012 Refunding Certificates of Participation outstanding at June 30, 2021, are listed in the following table:

Year Ending June 30,	Principal	Interest	Total
2022	$ 205,000	$ 13,956	$ 218,956
2023	210,000	8,663	218,663
2024	210,000	2,940	212,940
	$ 625,000	$ 25,559	$ 650,559

Series 2015 Refunding Certificates of Participation

On June 9, 2015, the Utility issued $2,920,000 in Series 2015 Certificates of Participation to refund the Series 2007 Certificates of Participation. The certificates bear interest at various rates ranging from 0.80% to 3.35%, with principal payments due November 15 and interest payments due May 15 and November 15 each year.

The annual debt service requirements to amortize principal on the Series 2015 Refunding Certificates of Participation outstanding at June 30, 2021, are listed in the following table:

Year Ending June 30,	Principal	Interest	Total
2022	$ 240,000	$ 49,575	$ 289,575
2023	245,000	43,934	288,934
2024	250,000	37,557	287,557
2025	255,000	30,357	285,357
2026	265,000	22,425	287,425
2027	275,000	13,849	288,849
2028	280,000	4,690	284,690
	$ 1,810,000	$ 202,387	$ 2,012,387

Missouri Association of Municipal Utilities (MAMU) Leases

On November 18, 2018, the Utility entered into a lease agreement with the Missouri Association of Municipal Utilities (MAMU) in the amount of $1,348,260 to finance the acquisition and installation of diesel oxidation catalysts on diesel engines. The lease bears interest at 3.73% which includes a .15% administration fee, with principal and interest payments due monthly. In the event of default, the Lessor may terminate the lease and give notice to the Lessee to vacate or surrender the Project within 60 days, by written notice enter and take immediate possession of the Project or sell or lease the Lessor's interest in the Project or sublease it for the account of the Lessee, holding the Lessee liable for all lease payments and other payments due during the remainder of the fiscal year in which event of default occurs.

The annual debt service requirements to amortize principal on the 2018 MAMU Lease outstanding at June 30, 2021, is listed in the following table:

	Direct Borrowing		
Year Ending June 30,	Principal	Interest	Total
2022	$ 101,433	$ 36,802	$ 138,235
2023	105,282	33,108	138,390
2024	109,277	29,273	138,550
2025	113,424	25,294	138,718
2026	117,727	21,163	138,890
2027	122,194	16,876	139,070
2028	126,831	12,425	139,256
2029	131,643	7,806	139,449
2030	136,638	3,012	139,650
2031	9,707	29	9,736
	$ 1,074,156	$ 185,788	$ 1,259,944

On December 15, 2020, the Utility entered into a lease agreement with the Missouri Association of Municipal Utilities (MAMU) in an amount not to exceed $7,000,000 to finance expansion of the City's communications infrastructure. The lease bears interest at 2.48% which includes a .15% administration fee, with principal and interest payments due monthly. In the event of default, the Lessor may terminate the lease and give notice to the Lessee to vacate or surrender the Project within 60 days, by written notice enter and take immediate possession of the Project or sell or lease the Lessor's interest in the Project or sublease it for the account of the Lessee, holding the Lessee liable for all lease payments and other payments due during the remainder of the fiscal year in which event of default occurs. During the year ended June 30, 2021, the Utility issued $1,600,000. Subsequent to year end, on October 1, 2021, the Utility issued an additional $1,000,000 with an anticipated final draw of $4,400,000 on December 1, 2021.

The annual debt service requirements to amortize principal on the 2020 MAMU Lease outstanding at June 30, 2021, is listed in the following table:

	Direct Borrowing		
Year Ending June 30,	Principal	Interest	Total
2022	$ 526,856	$ 28,056	$ 554,912
2023	540,858	14,854	555,712
2024	304,801	2,418	307,219
	$ 1,372,515	$ 45,328	$ 1,417,843

The Utility's lease/purchase agreements provide for the cancellation of the leases at the Utility's option on the renewal dates each year per State statute, however the Utility does not foresee exercising its option to cancel. Therefore, these leases are accounted for as noncancelable capital leases in accordance with GASB Section L20, "*Leases*".

A summary of the changes in long-term debt for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Amounts Due Within One Year
Certificates of Participation					
Series 2012	$ 825,000	$ -	$ 200,000	$ 625,000	$ 205,000
Series 2015	2,045,000	-	235,000	1,810,000	240,000
	2,870,000	-	435,000	2,435,000	445,000
Direct Borrowing					
2018 MAMU	1,171,881	-	97,725	1,074,156	101,433
2020 MAMU	-	1,600,000	227,485	1,372,515	526,856
	1,171,881	1,600,000	325,210	2,446,671	628,289
Direct Placement					
Series 2019 Revenue Bonds	1,875,478	2,203,840	-	4,079,318	95,000
Compensated Absences Payable	381,140	152,102	-	533,242	-
	$ 6,298,499	$ 3,955,942	$ 760,210	$ 9,494,231	$ 1,168,289

15. Conduit Debt

On December 30, 2014, the City authorized the issuance of $46,300,000 of Taxable Industrial Development Revenue Bonds (Schreiber Foods, Inc. Project), Series 2014. The issuance is Chapter 100 debt in order to provide economic financial assistance to a third-party private entity and the City has no obligations beyond the rents, revenues, and receipts derived by the City from the Project; therefore, the issue does not constitute a debt of the City and, accordingly, is not included in the City's statement of net position. At June 30, 2021, the amount outstanding was $46,300,000.

16. Commitments

Primary Government

As of June 30, 2021, the City had the following commitments:

- Anderson Engineering, for a TAP project in the amount of $49,716.
- Sprouls Construction, Inc. for Phelps addition storm sewer phase 1 project in the amount of $189,110.

Carthage Water & Electric Plant

As of June 30, 2021, the Utility had the following commitments:

Effective June 1, 1998, the Utility entered into an Amendatory Agreement with the United States of America, represented by the Secretary of Energy, acting by and through the Southwestern Power Administration (hereinafter "SWPA"). The agreement provides for the use of the SWPA transmission system for the exchange by the Utility of non-federal power and energy with other utilities that are connected to the system of SWPA. The agreement is scheduled to expire at midnight, June 30, 2023. Rates are pursuant to statute on a firm and an interruptible service basis.

The Utility power contract with SWPA, provides for a maximum demand purchase of 7 MW of hydro peaking power. The Utility currently purchases 23 MW of life of plant power and associated energy from Sikeston Light & Water pursuant to the Power Sales Contract.

The contract with Sikeston Light & Water sets the price of energy at cost of plant plus 10%. At the beginning of its fiscal year, Sikeston prepares its budget with forecasted costs, and then charges the participating cities a demand charge per KW for capacity, and an energy charge per kwh purchased on a monthly basis. The per-unit charges are based on Sikeston's forecaster costs. Upon completion of the fiscal year and annual audit, actual costs are compiled and actual per unit charges are computed. Sikeston then refigures demand and energy charges for each city and nets against the amount paid throughout the fiscal year, via the monthly billings.

17. Compensated Absences

Carthage Public Library

The following table is a summary of the changes in compensated absences for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Amounts Due Within One Year
Compensated absences payable	$ 17,579	$ 1,088	$ -	$ 18,667	$ -

18. Risk Management

Primary Government

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

Carthage Public Library

The Library is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

Carthage Water & Electric Plant

The Utility is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Utility has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

19. Related Party Transactions

Primary Government

Carthage Water & Electric Plant made monthly dividend transfer payments to the City totaling $1,160,229 for the year ended June 30, 2021. Monthly payments to the City also consist of the PILOT (Payments in Lieu of Tax) collected on 3.5% of inside City Utility billings not to exceed $100 per month, per metered account, totaling $584,622. In addition, the City paid Carthage Water & Electric Plant $153,474 for utility services.

The City has an intergovernmental agreement with the Carthage Public Library and paid $523,620 in park and stormwater sales taxes to the Library during the year ended June 30, 2021.

The City purchases multiple insurance policies through Beimdiek Insurance Agency, which is owned by a member of the Board of Public Works of the Carthage Water & Electric Plant. The City paid $372 directly to Beimdiek Insurance agency during the year ended June 30, 2021.

Carthage Water & Electric Plant

The Utility purchases multiple insurance policies through Beimdiek Insurance Agency, which is owned by a member of the Board of Public Works. The Utility paid $344,240 directly to Beimdiek Insurance Agency during the year ended June 30, 2021.

20. Deferred Court Fines

Revenues from receivables not expected to be collected in time to pay current operating expenses are deferred until received in the governmental funds. These deferred court fines are to be collected over several years. All of the deferred court fines at June 30, 2021, are accounted for as follows:

General Fund	
Deferred court fines	$ 431,481

21. Bond Ordinance

Carthage Water & Electric Plant

On August 5, 2014, citizens approved the issuance of bonds up to $6,000,000 for purposes of renovating, constructing, improving, and enlarging its combined water and wastewater system, including the costs to renovate and improve the Utility's sewer treatment plant to be compliant with state and federal regulations and to add capacity and efficiency to the operation of the sewer treatment plant, and the cost of operating and maintaining the said combined water and wastewater system. As of June 30, 2021, $4,501,000 of the bond ordinance had been authorized and $4,079,318 had been issued. Subsequent to year end, the Utility has issued an additional $183,721 of the bonds.

22. Claims & Adjustments

Primary Government

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of June 30, 2021, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

Carthage Public Library

The Library participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the Library may be required to reimburse the grantor government. As of June 30, 2021, expenditures have not been audited by grantor governments, but the Library believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the Library.

23. Short-term Note Payable

Carthage Public Library

On November 8, 2019, the Library entered into a loan agreement with Community National Bank & Trust to finance construction of a new education annex building in the amount of $370,000 with interest at 3.15%. The Library draws funds as needed for the project. The Library made principal and interest payments of $182,150 and $4,684 respectively during the year and will make a final payment of the entire unpaid balance of principal and interest on July 15, 2021.

Subsequent to year end, the Library paid off the note.

The following is a summary of changes in the short-term note payable for the year ended June 30, 2021:

Balance, July 1, 2020	$	182,150
Additions		187,200
Deletions		(182,150)
Balance, June 30, 2021	$	187,200

24. Unearned Revenue

Carthage Public Library

Revenue received is not considered earned until the appropriate expenses have been incurred. These unearned revenues include unspent insurance proceeds. At June 30, 2021, the Library had $34,542 in unearned revenue.

25. Grant Awards Payable

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

During fiscal year 2019, the Hospital awarded the Carthage R-9 School District a grant award in the amount of $500,000. The Hospital will make annual payments of $100,000 through 2023. During fiscal year 2021, the Hospital awarded the Joplin Regional Medical School Alliance a grant award in the amount of $375,000. The Hospital will make annual payments of $75,000 through 2026.

Year Ending April 30,	Joplin Regional Medical School Alliance	Carthage R-9 School District	Total
2022	$ 75,000	$ 100,000	$ 175,000
2023	75,000	100,000	175,000
2024	75,000	-	75,000
2025	75,000	-	75,000
2026	75,000	-	75,000
	$ 375,000	$ 200,000	$ 575,000

A summary of changes in grant awards payable is as follows:

	Balance April 30, 2020	Additions	Retirements	Balance April 30, 2021	Amounts Due Within One Year
Joplin Regional Medical School Alliance	$ -	$ 375,000	$ -	$ 375,000	$ 75,000
Carthage R-9 School District	300,000	-	100,000	200,000	100,000
	$ 300,000	$ 375,000	$ 100,000	$ 575,000	$ 175,000

26. Extraordinary Item

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

In a previous year, the Hospital received additional reimbursement from the Medicaid program in relation to the percentage of Medicaid and indigent population they serve. The Hospital had recognized a liability in the amount of $1,560,334 for the portion of funding receive in excess of costs, however during the current year, the Hospital was notified these funds would not have to be returned.

27. Subsequent Event

Primary Government

On August 10, 2021, the City entered into a contract with Hunter Chase & Associates, Inc., in the amount of $385,528 for sidewalk improvements.

McCune-Brooks Hospital, d/b/a McCune-Brooks Regional Hospital

On September 29th, 2021, the Board approved a donation to the Joplin Regional Medical School Alliance in the amount of $375,000 to be paid in annual installments of $75,000 over five years for equipment for the local college of dental medicine.

Required Supplementary Information

City of Carthage

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Year Ended June 30, 2021

Primary Government
Missouri Local Government Employees Retirement System (LAGERS)

	Total Year Ended June 30, 2021	Total Year Ended June 30, 2020	Total Year Ended June 30, 2019	Total Year Ended June 30, 2018	Total Year Ended June 30, 2017	Total Year Ended June 30, 2016	Total Year Ended June 30, 2015
Total Pension Liability							
Service cost	$ 197,834	$ 181,187	$ 184,215	$ 193,067	$ 144,948	$ 148,111	$ 143,785
Interest on the total pension liability	685,010	640,705	616,002	613,542	503,758	466,454	444,749
Change of benefit terms	-	-	-	-	1,135,785	-	-
Difference between expected and actual experience	(68,719)	219,138	(37,290)	(392,870)	47,451	(32,075)	28,510
Assumption changes	(216,311)	-	-	-	-	266,021	-
Benefit payments, including refunds	(433,858)	(442,206)	(399,939)	(351,823)	(331,181)	(333,619)	(306,421)
Net Change in Total Pension Liability	163,956	598,824	362,988	61,916	1,500,761	514,892	310,623
Total Pension Liability, Beginning	9,564,364	8,965,540	8,602,552	8,540,636	7,039,875	6,524,983	6,214,360
Total Pension Liability, Ending	9,728,320	9,564,364	8,965,540	8,602,552	8,540,636	7,039,875	6,524,983
Plan Fiduciary Net Position							
Contributions - employer	253,989	235,348	255,289	274,974	268,547	140,117	155,698
Net investment income	2,460,488	119,104	625,696	939,352	888,359	(16,381)	148,408
Benefit payments, including refunds	(433,858)	(442,206)	(399,939)	(351,823)	(331,181)	(333,619)	(306,421)
Pension plan administrative expense	(12,530)	(16,131)	(13,883)	(9,134)	(9,355)	(9,001)	(9,600)
Other (net transfer)	69,456	24,354	106,764	(205,050)	57,126	(151,612)	138,831
Net Change in Plan Fiduciary Net Position	2,337,545	(79,531)	573,927	648,319	873,496	(370,496)	126,916
Plan Fiduciary Net Position, Beginning	9,191,477	9,271,008	8,697,081	8,048,762	7,175,266	7,545,762	7,418,846
Plan Fiduciary Net Position, Ending	11,529,022	9,191,477	9,271,008	8,697,081	8,048,762	7,175,266	7,545,762
Net Pension Liability (Asset)	$ (1,800,702)	$ 372,887	$ (305,468)	$ (94,529)	$ 491,874	$ (135,391)	$ (1,020,779)
Plan fiduciary net position as a percentage of the total pension liability (asset)	118.51%	96.10%	103.41%	101.10%	94.24%	101.92%	115.64%
Covered-employee payroll	$ 1,803,148	$ 1,742,808	$ 1,601,415	$ 1,729,163	$ 1,763,057	$ 1,750,117	$ 1,752,654
Net pension liability (asset) as a percentage of covered-employee payroll	-99.86%	21.40%	-19.07%	-5.47%	27.90%	-7.74%	-58.24%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Carthage

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Year Ended June 30, 2021

	Primary Government Policemen's and Firemen's Pension Plan						
	Total Year Ended June 30, 2021	Total Year Ended June 30, 2020	Total Year Ended June 30, 2019	Total Year Ended June 30, 2018	Total Year Ended June 30, 2017	Total Year Ended June 30, 2016	Total Year Ended June 30, 2015
Total Pension Liability							
Service cost	$ 235,184	$ 241,130	$ 237,894	$ 240,343	$ 226,274	$ 201,080	$ 208,914
Interest on the total pension liability	709,760	703,088	677,800	671,715	670,397	620,068	601,136
Changes of benefit terms	-	-	-	-	-	558,809	-
Difference between expected and actual experience	203,935	(228,730)	(104,161)	(170,465)	(257,146)	(97,950)	(185,214)
Changes of assumptions	(7,020)	(21,496)	125,708	(60,216)	(42,530)	(61,239)	207,958
Benefit payments	(602,709)	(579,785)	(586,632)	(603,885)	(550,404)	(554,274)	(492,310)
Net Change in Total Pension Liability	539,150	114,207	350,609	77,492	46,591	666,494	340,484
Total Pension Liability, Beginning	10,226,043	10,111,836	9,761,227	9,683,735	9,637,144	8,970,650	8,630,166
Total Pension Liability, Ending	10,765,193	10,226,043	10,111,836	9,761,227	9,683,735	9,637,144	8,970,650
Plan Fiduciary Net Position							
Contributions - employer	488,901	525,144	435,179	439,725	460,288	380,711	394,050
Pension plan net investment income	1,791,871	367,435	499,236	578,988	601,294	145,837	221,775
Benefit payments, including refunds	(602,709)	(579,785)	(586,632)	(603,885)	(550,404)	(554,274)	(492,310)
Pension plan administrative expense	(28,110)	(35,965)	(31,468)	(42,630)	(22,164)	(30,304)	(38,443)
Net Change in Plan Fiduciary Net Position	1,649,953	276,829	316,315	372,198	489,014	(58,030)	85,072
Plan Fiduciary Net Position, Beginning	7,906,251	7,629,422	7,313,107	6,940,909	6,451,895	6,509,925	6,424,853
Plan Fiduciary Net Position, Ending	9,556,204	7,906,251	7,629,422	7,313,107	6,940,909	6,451,895	6,509,925
Net Pension Liability	$ 1,208,989	$ 2,319,792	$ 2,482,414	$ 2,448,120	$ 2,742,826	$ 3,185,249	$ 2,460,725
Plan fiduciary net position as a percentage of the total pension liability	88.77%	77.31%	75.45%	74.92%	71.68%	66.90%	72.60%
Covered-employee payroll	$ 2,456,789	$ 2,234,926	$ 2,073,989	$ 2,020,795	$ 2,060,376	$ 2,035,888	$ 2,206,327
Net pension liability as a percentage of covered-employee payroll	49.21%	103.80%	119.69%	121.15%	133.12%	156.50%	111.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Carthage

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Year Ended June 30, 2021

Carthage Public Library
Missouri Local Government Employees Retirement System (LAGERS)

	Total Year Ended June 30, 2021	Total Year Ended June 30, 2020	Total Year Ended June 30, 2019	Total Year Ended June 30, 2018	Total Year Ended June 30, 2017	Total Year Ended June 30, 2016	Total Year Ended June 30, 2015
Total Pension Liability							
Service cost	$ 21,540	$ 20,081	$ 18,692	$ 18,898	$ 14,358	$ 11,273	$ 12,041
Interest on the total pension liability	36,369	32,917	30,208	27,583	24,572	22,828	21,052
Difference between expected and actual experience	(13,316)	12,682	6,296	7,848	16,914	2,712	17,454
Assumption changes	(16,192)	-	-	-	-	6,930	-
Benefit payments, including refunds	(18,866)	(18,699)	(18,342)	(17,705)	(15,427)	(26,759)	(24,645)
Net change in total pension liability	9,535	46,981	36,854	36,624	40,417	16,984	25,902
Total Pension Liability, Beginning	500,332	453,351	416,497	379,873	339,456	322,472	296,570
Total Pension Liability, Ending	509,867	500,332	453,351	416,497	379,873	339,456	322,472
Plan Fiduciary Net Position							
Contributions - employer	24,992	24,242	21,200	19,894	17,041	10,700	10,761
Contributions - employee	11,761	11,408	10,734	10,073	9,879	7,254	7,057
Net investment income	106,162	4,869	21,647	35,660	28,814	37	8,257
Benefit payments, including refunds	(18,866)	(18,699)	(18,342)	(17,705)	(15,427)	(26,759)	(24,645)
Pension plan administrative expense	(1,130)	(1,479)	(1,328)	(939)	(927)	(841)	(839)
Other (net transfer)	(1,150)	768	678	4,038	1,520	(16,876)	(7,683)
Net Change in Plan Fiduciary Net Position	121,769	21,109	34,589	51,021	40,900	(26,485)	(7,092)
Plan Fiduciary Net Position, Beginning	395,901	374,792	340,203	289,182	248,282	274,767	281,859
Plan Fiduciary Net Position, Ending	517,670	395,901	374,792	340,203	289,182	248,282	274,767
Net Pension Liability (Asset)	$ (7,803)	$ 104,431	$ 78,559	$ 76,294	$ 90,691	$ 91,174	$ 47,705
Plan fiduciary net position as a percentage of the total pension liability	101.53%	79.13%	82.67%	81.68%	76.13%	73.14%	85.21%
Covered-employee payroll	$ 287,897	$ 291,483	$ 262,181	$ 248,609	$ 263,247	$ 171,216	$ 150,650
Net pension liability (asset) as a percentage of covered-employee payroll	-2.71%	35.83%	29.96%	30.69%	34.45%	53.25%	31.67%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Carthage

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Year Ended June 30, 2021

Carthage Water & Electric Plant
Missouri Local Government Employees Retirement System (LAGERS)

	Total Year Ended June 30, 2021	Total Year Ended June 30, 2020	Total Year Ended June 30, 2019	Total Year Ended June 30, 2018	Total Year Ended June 30, 2017	Total Year Ended June 30, 2016	Total Year Ended June 30, 2015
Total Pension Liability							
Service cost	$ 487,265	$ 473,493	$ 458,641	$ 424,993	$ 396,884	$ 304,161	$ 302,155
Interest on the total pension liability	1,579,494	1,514,440	1,418,491	1,361,992	1,308,957	1,062,480	1,028,518
Benefit changes	-	-	-	-	-	2,083,446	-
Difference between expected and actual experience	(127,893)	(56,135)	427,751	(90,694)	(100,212)	163,853	(11,114)
Assumption changes	(487,085)	-	-	-	-	647,918	-
Benefit payments, including refunds	(1,036,988)	(1,045,381)	(934,066)	(932,987)	(844,414)	(968,846)	(739,376)
Net Change in Total Pension Liability	414,793	886,417	1,370,817	763,304	761,215	3,293,012	580,183
Total Pension Liability, Beginning	22,056,183	21,169,766	19,798,949	19,035,645	18,274,430	14,981,418	14,401,235
Total Pension Liability, Ending	22,470,976	22,056,183	21,169,766	19,798,949	19,035,645	18,274,430	14,981,418
Plan Fiduciary Net Position							
Contributions - employer	749,159	680,068	699,907	678,813	602,298	344,686	414,395
Pension plan net investment income	5,508,700	270,131	1,257,939	2,088,740	1,891,759	(4,387)	336,672
Benefit payments, including refunds	(1,036,988)	(1,045,381)	(934,066)	(932,987)	(844,414)	(968,846)	(739,376)
Pension plan administrative expense	(15,611)	(19,895)	(17,504)	(11,950)	(11,546)	(11,186)	(11,836)
Other	(352,924)	171,059	106,080	23,749	135,995	114,572	13
Net Change in Plan Fiduciary Net Position	4,852,336	55,982	1,112,356	1,846,365	1,774,092	(525,161)	(132)
Plan Fiduciary Net Position, Beginning	20,673,541	20,617,559	19,505,203	17,658,838	15,884,746	16,409,907	16,410,039
Plan Fiduciary Net Position, Ending	25,525,877	20,673,541	20,617,559	19,505,203	17,658,838	15,884,746	16,409,907
Net Pension Liability (Asset)	$ (3,054,901)	$ 1,382,642	$ 552,207	$ 293,746	$ 1,376,807	$ 2,389,684	$ (1,428,489)
Plan fiduciary net position as a percentage of the total pension liability	113.59%	93.73%	97.39%	98.52%	92.77%	86.92%	109.54%
Covered-employee payroll	$ 4,555,263	$ 4,195,417	$ 4,137,642	$ 3,957,751	$ 3,627,276	$ 3,361,113	$ 3,561,801
Net pension liability (asset) as a percentage of covered-employee payroll	-67.06%	32.96%	13.35%	7.42%	37.96%	71.10%	-40.11%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Carthage

Schedule of Contributions – LAGERS

Year Ended June 30, 2021

Primary Government
Missouri Local Government Employees Retirement Systems (LAGERS)

Year Ending June 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2012	$ 169,096	$ 120,543	$ (48,553)	$ 1,674,217	7.20%
2013	171,903	139,565	(32,338)	1,702,015	8.20%
2014	163,971	153,931	(10,040)	1,673,169	9.20%
2015	155,885	155,885	-	1,732,050	9.00%
2016	140,104	140,104	-	1,773,473	7.90%
2017	268,547	268,546	(1)	1,814,506	14.80%
2018	274,975	274,975	-	1,774,028	15.50%
2019	255,289	255,289	-	1,713,348	14.90%
2020	235,367	235,368	1	1,730,644	13.60%
2021	253,989	253,989	-	1,867,566	13.60%

See accompanying notes to the Schedules of Contributions.

City of Carthage

Schedule of Contributions – LAGERS

Year Ended June 30, 2021

Carthage Public Library
Missouri Local Government Employees Retirement Systems (LAGERS)

Year Ending June 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2012	$ 10,176	$ 10,176	$ -	$ 172,468	5.90%
2013	12,547	12,547	-	181,839	6.90%
2014	10,865	10,865	-	157,466	6.90%
2015	10,761	10,761	-	176,417	6.10%
2016	10,700	10,700	-	181,362	5.90%
2017	22,969	17,041	(5,928)	246,976	6.90%
2018	22,161	19,894	(2,267)	251,827	7.90%
2019	21,200	21,200	-	268,351	7.90%
2020	24,242	24,242	-	285,199	8.50%
2021	24,992	24,992	-	294,028	8.50%

See accompanying notes to the Schedules of Contributions.

City of Carthage

Schedule of Contributions – LAGERS

Year Ended June 30, 2021

Carthage Water & Electric Plant
Missouri Local Government Employees Retirement Systems (LAGERS)

Year Ending June 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2012	$ 414,423	$ 414,423	$ -	$ 3,263,176	12.70%
2013	429,982	429,983	1	3,359,235	12.80%
2014	411,588	411,588	-	3,429,900	12.00%
2015	414,395	414,395	-	3,572,371	11.60%
2016	344,686	344,686	-	3,628,275	9.50%
2017	602,298	602,298	-	3,695,078	16.30%
2018	678,812	678,812	-	3,923,772	17.30%
2019	699,906	699,906	-	4,216,305	16.60%
2020	680,068	680,068	-	4,331,644	15.70%
2021	749,159	749,159	-	4,624,437	16.20%

See accompanying notes to the Schedules of Contributions.

Valuation Date: February 28, 2021

Notes: The roll-forward of total pension liability from February 28, 2021, to June 30, 2021, reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period, or (ii) 15 years.

Remaining Amortization Period: Multiple bases from 15 years for the Primary Government, 14 to 15 years for Carthage Water & Electric Plant, and multiple bases from 9 to 15 years for Carthage Public Library.

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation

Investment Rate of Return: 7.00%, net of investment expenses

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

City of Carthage

Schedule of Contributions – Policemen's and Firemen's Pension Plan

Year Ended June 30, 2021

Primary Government
Policemen's and Firemen's Pension Plan

Year Ending June 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2015	$ 361,180	$ 394,050	$ 32,870	$ 2,206,327	17.86%
2016	370,191	380,711	10,520	2,035,888	18.70%
2017	449,784	460,288	10,504	2,060,376	22.34%
2018	460,437	439,725	(20,712)	2,020,795	21.76%
2019	451,861	472,662	20,801	2,073,989	22.79%
2020	452,385	487,661	35,276	2,234,926	21.82%
2021	446,190	488,901	42,711	2,240,610	21.82%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying notes to the Schedule of Contributions.

Valuation Date: The roll-forward of total pension liability from January 1, 2021, to June 30, 2021, reflects expected service cost and interest reduced by actual benefit payments.

Notes: The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated.

Methods and Assumptions Used to Determine Contribution Rates

Measurement Date: June 30, 2021

Actuarial Cost Method: Entry age normal

Amortization Method: Level percentage of projected payroll

Remaining Amortization Period: 30 years

Asset Valuation Method: Market value

Investment Rate of Return: 7.00%

Projected Salary Increase: 3.50%

Inflation: 2.2%, included in the investment rate of return

Mortality: PubS-2010 Mortality Tables, projected generationally with MP-2020 projection scale, adjusted to reflect the 2020 Social Security Intermediate Actuarial Assumptions.

Changes in Benefit Terms: In 2016, the retirement age was lowered to 55 from 58.

Changes of Assumptions: In 2012, investment rate of return and projected salary increase were adjusted to more closely reflect actual experienced. Mortality is adjusted as the new table becomes available.

City of Carthage

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes, penalties and interest	$ 573,757	$ 573,757	$ 604,216	$ 30,459
Motor vehicle sales tax	550,533	550,533	602,942	52,409
Sales tax	3,491,049	3,491,049	4,042,228	551,179
Payment in lieu of tax	529,150	529,150	584,622	55,472
Franchise tax	395,330	395,330	389,029	(6,301)
Cigarette tax	44,262	44,262	47,767	3,505
Intangible tax	100	100	83	(17)
	5,584,181	5,584,181	6,270,887	686,706
Licenses and Permits				
Building permits	950	950	700	(250)
Occupation licenses	113,603	113,603	130,491	16,888
Other	50,204	50,204	79,168	28,964
	164,757	164,757	210,359	45,602
Intergovernmental Revenues				
Grants	236,984	236,984	428,827	191,843
Carthage Water and Electric Plant	1,160,229	1,160,229	1,160,229	-
Fire district	368,407	368,407	395,788	27,381
	1,765,620	1,765,620	1,984,844	219,224
Charges for Services				
Civil war museum	9,709	9,709	12,042	2,333
Rental income	51,476	51,476	50,616	(860)
Street oil and repair	121,600	121,600	259,863	138,263
	182,785	182,785	322,521	139,736
Fines and Forfeitures				
City court fines	249,316	249,316	297,768	48,452
Miscellaneous				
Interest	40,000	40,000	14,186	(25,814)
Donations and other contributions	95	95	100	5
Other	1,351,128	1,351,128	49,434	(1,301,694)
	1,391,223	1,391,223	63,720	(1,327,503)
Total Revenues	9,337,882	9,337,882	9,150,099	(187,783)

See accompanying notes to the Budgetary Comparison Schedules.

City of Carthage

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
Administrative	514,143	613,569	505,578	107,991
Public works	546,028	546,028	536,594	9,434
Street	1,686,715	1,686,715	1,631,393	55,322
Police	2,844,906	2,940,208	2,990,931	(50,723)
Municipal court	126,239	126,239	125,303	936
City attorney	91,187	91,187	92,949	(1,762)
Taxi	62,148	62,148	65,309	(3,161)
Fire	1,994,311	2,024,311	1,903,510	120,801
Emergency management	10,850	10,850	6,601	4,249
Parks and recreation	583,325	602,325	611,221	(8,896)
Memorial hall	185,492	185,492	148,551	36,941
Civil war museum	29,748	29,748	38,012	(8,264)
Central municipal	868,611	948,111	345,880	602,231
Information technology	233,670	233,670	177,072	56,598
Economic development	3,132,682	3,132,682	254,164	2,878,518
Total Expenditures	12,910,055	13,233,283	9,433,068	3,800,215
(Deficit) of Revenues Over Expenditures	(3,572,173)	(3,895,401)	(282,969)	3,612,432
Other Financing Sources (Uses)				
Operating transfers in	506,628	506,628	538,883	32,255
Operating transfers (out)	(138,860)	(90,000)	(138,860)	(48,860)
Total Other Financing Sources (Uses)	367,768	416,628	400,023	(16,605)
Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)	(3,204,405)	(3,478,773)	117,054	3,595,827
Fund Balance, July 1	12,059,499	12,164,048	12,164,048	-
Fund Balance, June 30	$ 8,855,094	$ 8,685,275	$ 12,281,102	$ 3,595,827

See accompanying notes to the Budgetary Comparison Schedules.

City of Carthage

Budgetary Comparison Schedule – Public Health Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes	$ 135,592	$ 135,592	$ 137,327	$ 1,735
Other taxes	23	23	10,314	10,291
	135,615	135,615	147,641	12,026
Intergovernmental revenue	27,529	27,529	16,577	(10,952)
Charges for services	52,597	52,597	76,101	23,504
Miscellaneous	2,600	2,600	10,493	7,893
Total Revenues	218,341	218,341	250,812	32,471
Expenditures				
Current				
Public health	212,935	212,935	210,742	2,193
Total Expenditures	212,935	212,935	210,742	2,193
Excess of Revenues Over Expenditures	5,406	5,406	40,070	34,664
Fund Balance, July 1	501,795	501,795	501,795	-
Fund Balance, June 30	$ 507,201	$ 507,201	$ 541,865	$ 34,664

See accompanying notes to the Budgetary Comparison Schedules.

City of Carthage

Budgetary Comparison Schedule – Golf Course Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	$ 389,613	$ 389,613	$ 520,083	$ 130,470
Miscellaneous	1,120	1,120	1,777	657
Total Revenues	390,733	390,733	521,860	131,127
Expenditures				
Current				
Golf course	607,614	607,614	533,620	73,994
Total Expenditures	607,614	607,614	533,620	73,994
(Deficit) of Revenues Over Expenditures	(216,881)	(216,881)	(11,760)	205,121
Other Financing Sources				
Operating transfers in	138,860	138,860	138,860	-
Excess (Deficit) of Revenues and Other Sources Over Expenditures	(78,021)	(78,021)	127,100	205,121
Fund Balance, July 1	104,184	104,184	104,184	-
Fund Balance, June 30	$ 26,163	$ 26,163	$ 231,284	$ 205,121

See accompanying notes to the Budgetary Comparison Schedules.

City of Carthage

Budgetary Comparison Schedule – Park/Stormwater Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales taxes	$ 1,122,178	$ 1,122,178	$ 1,309,051	$ 186,873
Miscellaneous	900	900	992	92
Total Revenues	1,123,078	1,123,078	1,310,043	186,965
Expenditures				
Current				
Library	418,260	418,260	523,621	(105,361)
Capital outlay	1,051,520	1,353,824	665,634	688,190
Debt Service				
Principal, interest and fees	168,877	168,877	165,886	2,991
Total Expenditures	1,638,657	1,940,961	1,355,141	585,820
(Deficit) of Revenues Over Expenditures	(515,579)	(817,883)	(45,098)	772,785
Other Financing Sources				
Lease proceeds	-	258,524	258,524	-
Excess (Deficit) of Revenues and Other Sources Over Expenditures	(515,579)	(559,359)	213,426	772,785
Fund Balance, July 1	731,205	767,524	767,524	-
Fund Balance, June 30	$ 215,626	$ 208,165	$ 980,950	$ 772,785

See accompanying notes to the Budgetary Comparison Schedules.

City of Carthage

Budgetary Comparison Schedule – Capital Improvement Sales Tax Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales taxes	$ 1,123,924	$ 1,123,924	$ 1,310,781	$ 186,857
Miscellaneous	5,000	5,000	53,826	48,826
Total Revenues	1,128,924	1,128,924	1,364,607	235,683
Expenditures				
Current				
Capital outlay	2,409,965	2,409,965	1,275,809	1,134,156
Total Expenditures	2,409,965	2,409,965	1,275,809	1,134,156
Excess (Deficit) of Revenues Over Expenditures	(1,281,041)	(1,281,041)	88,798	1,369,839
Other Financing Sources (Uses)				
Insurance proceeds	-	-	19,663	19,663
Operating transfers (out)	(279,205)	(279,205)	-	279,205
Total Other Financing Sources (Uses)	(279,205)	(279,205)	19,663	298,868
Excess (Deficit) of Revenues Over Expenditures and Other (Uses)	(1,560,246)	(1,560,246)	108,461	1,668,707
Fund Balance, July 1	2,730,153	1,824,335	1,824,335	-
Fund Balance, June 30	$ 1,169,907	$ 264,089	$ 1,932,796	$ 1,668,707

See accompanying notes to the Budgetary Comparison Schedules.

City of Carthage

Budgetary Comparison Schedule – Fire Sales Tax Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales taxes	$ 561,849	$ 561,849	$ 655,473	$ 93,624
Miscellaneous	3,600	3,600	1,596	(2,004)
Total Revenues	565,449	565,449	657,069	91,620
Expenditures				
Current				
Fire	407,416	1,134,106	783,704	350,402
Total Expenditures	407,416	1,134,106	783,704	350,402
Excess (Deficit) of Revenues Over Expenditures	158,033	(568,657)	(126,635)	442,022
Other Financing Sources (Uses)				
Lease proceeds	-	579,790	579,790	-
Operating transfers (out)	(289,957)	(289,957)	(289,957)	-
Total Other Financing Sources and (Uses)	(289,957)	289,833	289,833	-
Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)	(131,924)	(278,824)	163,198	442,022
Fund Balance, July 1	1,277,635	1,277,635	1,277,635	-
Fund Balance, June 30	$ 1,145,711	$ 998,811	$ 1,440,833	$ 442,022

See accompanying notes to the Budgetary Comparison Schedules.

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.

2. One public hearing is conducted by the City Council in late May or early June to obtain taxpayers' comments on the proposed budget and tax levy.

3. Prior to July 1, ordinances are passed by Council which provide for legally adopted budgets for all funds of the City.

4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.

5. Formal budgetary integration is employed as a management control device for all funds of the City.

6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by City Council on approved budget adjustment forms.

Other Financial Information

City of Carthage

Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2021

	Special Revenue Funds											
	Civic Enhancement Fund	Lodging Tax Fund	Public Safety Grant Fund	Stormwater Detention Fund	Parks and Recreation Fund	TIF/ CID Fund	Inmate Security Fund	Myers Park Fund	Landfill Closure Fund	Judicial Education Fund	Economic Development Fund	Total Non-major Governmental Funds
Assets												
Cash and cash equivalents	$ 36,304	$ 51,070	$ 40,410	$ 8,659	$ 103,842	$ 43,236	$ 17,016	$ 314,757	$ 229,760	$ 4,076	$ 9,355	$ 858,485
Investments	-	-	-	-	-	-	-	77,716	29,691	-	-	107,407
Taxes receivable, net	-	-	-	-	3,741	-	-	-	-	-	-	3,741
Other accounts receivable	-	-	-	-	-	-	1,169	-	-	174	-	1,343
Intergovernmental receivable	-	-	13,095	-	-	-	-	-	-	-	-	13,095
Due from other funds	-	-	-	-	-	-	-	-	692,406	-	-	692,406
Total Assets	$ 36,304	$ 51,070	$ 53,505	$ 8,659	$ 107,583	$ 43,236	$ 18,185	$ 392,473	$ 951,857	$ 4,250	$ 9,355	$ 1,676,477
Liabilities												
Accounts payable	$ 557	$ 11,399	$ 4,100	$ -	$ 31	$ -	$ 209	$ 22,016	$ -	$ -	$ -	$ 38,312
Total Liabilities	557	11,399	4,100	-	31	-	209	22,016	-	-	-	38,312
Fund Balances												
Restricted for												
Public safety	-	-	49,405	-	-	-	-	-	-	-	-	49,405
Inmate security	-	-	-	-	-	-	17,976	-	-	-	-	17,976
Parks and recreation	-	-	-	-	107,552	-	-	-	-	-	-	107,552
Judicial education	-	-	-	-	-	-	-	-	-	4,250	-	4,250
Committed to:												
Capital improvements	-	-	-	8,659	-	-	-	-	-	-	-	8,659
TIF/CID	-	-	-	-	-	43,236	-	-	-	-	-	43,236
Assigned to												
Tourism	-	39,671	-	-	-	-	-	-	-	-	-	39,671
Civic enhancement	35,747	-	-	-	-	-	-	-	-	-	-	35,747
Parks and recreation	-	-	-	-	-	-	-	370,457	-	-	-	370,457
Landfill	-	-	-	-	-	-	-	-	951,857	-	-	951,857
Economic development	-	-	-	-	-	-	-	-	-	-	9,355	9,355
Total Fund Balances	35,747	39,671	49,405	8,659	107,552	43,236	17,976	370,457	951,857	4,250	9,355	1,638,165
Total Liabilities and Fund Balances	$ 36,304	$ 51,070	$ 53,505	$ 8,659	$ 107,583	$ 43,236	$ 18,185	$ 392,473	$ 951,857	$ 4,250	$ 9,355	$ 1,676,477

City of Carthage

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds

Year Ended June 30, 2021

	Special Revenue Funds											
	Civic Enhancement Fund	Lodging Tax Fund	Public Safety Grant Fund	Stormwater Detention Fund	Parks and Recreation Fund	TIF/ CID Fund	Inmate Security Fund	Myers Park Fund	Landfill Closure Fund	Judicial Education Fund	Economic Development Fund	Total Non-major Governmental Funds
Revenues												
Taxes	$ -	$ 97,075	$ -	$ -	$ 260,653	$ -	$ -	$ -	$ -	$ -	$ -	$ 357,728
Intergovernmental revenues	-	-	13,830	-	-	-	-	-	-	-	91,408	105,238
Charges for services	-	-	-	-	-	-	3,196	-	-	318	1,500	5,014
Miscellaneous	45,664	64	15,000	12	1,635	61	-	534	773	-	24	63,767
Total Revenues	45,664	97,139	28,830	12	262,288	61	3,196	534	773	318	92,932	531,747
Expenditures												
Current												
Street	-	-	-	-	-	-	-	51,691	-	-	-	51,691
Police	-	-	18,050	-	-	-	209	-	-	-	-	18,259
Fire	45,026	-	-	-	-	-	-	-	-	-	-	45,026
Parks and recreation	26,712	-	-	-	-	-	-	-	-	-	-	26,712
Tourism	-	92,439	-	-	-	-	-	-	-	-	-	92,439
Capital outlay	-	-	-	-	-	-	-	-	9,151	-	-	9,151
Economic development	-	-	-	-	-	-	-	-	-	-	91,407	91,407
Total Expenditures	71,738	92,439	18,050	-	-	-	209	51,691	9,151	-	91,407	334,685
Excess (Deficit) of Revenues over Expenditures	(26,074)	4,700	10,780	12	262,288	61	2,987	(51,157)	(8,378)	318	1,525	197,062
Other Financing (Uses)												
Operating transfers (out)	-	-	-	-	(248,926)	-	-	-	-	-	-	(248,926)
Excess (Deficit) of Revenues Over Expenditures and Other (Uses)	(26,074)	4,700	10,780	12	13,362	61	2,987	(51,157)	(8,378)	318	1,525	(51,864)
Fund Balances, July 1	61,821	34,971	38,625	8,647	94,190	43,175	14,989	421,614	960,235	3,932	7,830	1,690,029
Fund Balances, June 30	$ 35,747	$ 39,671	$ 49,405	$ 8,659	$ 107,552	$ 43,236	$ 17,976	$ 370,457	$ 951,857	$ 4,250	$ 9,355	$ 1,638,165

Other Reporting Requirements

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Carthage
Carthage, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Primary Government which includes the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carthage, Missouri as of and for the year ended June 30, 2021, and the discretely presented component unit as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Carthage, Missouri's basic financial statements and have issued our report thereon dated December 8, 2021.

We have also audited the discretely presented component units Carthage Public Library and Carthage Water & Electric, and issued our reports dated November 30, 2021 and November 9, 2021, respectively. This report does not include our testing of internal control over financial reporting or compliance and other matters that are reported for these discretely presented component units.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Carthage, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that that we consider to be significant deficiencies or material weaknesses. However, significant deficiencies or material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Carthage, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 8, 2021

APPENDIX C

Carthage Water & Electric Plant

Component Unit Financial Statements
Year Ended June 30, 2022

KPM
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Independent Auditors' Report

Board of Public Works
Carthage Water & Electric Plant
Carthage, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Carthage Water & Electric Plant ("Utility") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Utility's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carthage Water & Electric Plant as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carthage & Water Electric Plant and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1 to the financial statements, during the year ended June 30, 2022, the Utility adopted new accounting guidance, GASB Statement No. 87 – *Leases.* Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Departmental Statement of Net Position and Departmental Statement of Revenues, Expenses and Changes in Net Position but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of Carthage Water & Electric Plant's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Utility'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 Carthage Water & Electric Plant's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2022

Management's Discussion and Analysis

Carthage Water & Electric Plant is a municipally owned utility which is a component unit of the City of Carthage, Missouri. This discussion and analysis of financial performance of the Utility provides an overview of financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the financial statements.

Financial Highlights

- Net position increased by $2,836,141 to $98 million at June 30, 2022.
- The operating revenues were $36.9 million for the year ended June 30, 2022. The operating revenues increased from 2021 by $1,072,706.
- The operating expenses were $32.7 million for the year ended June 30, 2022. The operating expenses increased from 2021 by $6,353,914.

Basic Financial Statements

The Statement of Net Position focuses on resources available for future operations. This statement presents a snapshot view of the assets and deferred outflows of the Utility, the liabilities it owes and deferred inflows, and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on gross and net costs of the Utility's programs and the extent to which such programs rely upon nonoperating revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by nonoperating revenues.

The Statement of Cash Flows identifies the sources and uses of cash activity for the fiscal year. For fiscal year June 30, 2022, cash and cash equivalents increased by $1,059,715 from the June 30, 2021, balance.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

Net Position

The following tables present the condensed Statement of Net Position and Changes in Net Position for the Utility as of June 30, 2022 and 2021:

	Total June 30, 2022	Total June 30, 2021
Assets		
Current and other assets	$ 33,131,698	$ 33,589,968
Net pension asset	1,150,563	3,054,901
Net capital and lease assets	82,677,559	75,388,570
Total Assets	116,959,820	112,033,439
Deferred Outflow of Resources		
Deferred pension outflows	432,863	211,058
Liabilities		
Other liabilities	5,385,623	5,545,106
Long-term liabilities	12,874,093	8,347,919
Total Liabilities	18,259,716	13,893,025
Deferred Inflow of Resources		
Deferred pension inflows	945,352	3,181,367
Deferred lease inflows	192,965	11,596
Total Deferred Inflow of Resources	1,138,317	3,192,963
Net Position		
Net investment in capital assets	72,018,641	66,738,571
Restricted	552,732	436,911
Unrestricted	25,423,277	27,983,027
Total Net Position	$ 97,994,650	$ 95,158,509

Total net position of the Utility increased by $2,836,141 for the year due to current year activities. Total liabilities for the Utility have increased $4,366,691, primarily due to additional draws on the Series 2019 Combined Waterworks and Sewerage System Revenue bonds and issuance of the Series 2020 MAMU lease in the amount of $183,720 and $5,400,000, respectively, and current year payments of principal on debt.

Changes in Net Position

	Total Year Ended June 30, 2022	Total Year Ended June 30, 2021
Operating Revenues		
Residential	$ 13,398,314	$ 12,738,749
Commercial	7,785,172	7,142,320
Industrial	13,801,485	14,237,160
Interdepartmental sales	871,376	909,769
Communication services	622,681	374,922
Late fees	270,713	259,153
Other	164,543	179,505
Total Operating Revenues	36,914,284	35,841,578
Operating Expenses		
Salaries and wages	2,009,797	2,177,085
Employee benefits	1,390,254	1,418,490
Purchase of power	19,084,899	12,979,633
Supplies and materials	616,372	786,576
Utilities	964,617	1,034,045
Insurance	351,295	325,051
Repairs and maintenance	2,097,908	1,915,164
Travel, meetings, and dues	214,857	81,449
Customer services	689,534	685,701
Other expenses	1,068,172	996,213
Depreciation and amortization	4,218,076	3,952,460
Total Operating Expenses	32,705,781	26,351,867
Operating Income	4,208,503	9,489,711
Nonoperating Revenues (Expenses)		
Interest income	103,191	95,802
Other income	128,874	92,857
Transfers of funds to the City	(1,180,934)	(1,160,229)
Other expense	(9,967)	(6,389)
Interest and fees expense	(284,701)	(213,849)
(Loss) on disposal of capital assets	(128,825)	(40,413)
Total Nonoperating Revenues (Expenses)	(1,372,362)	(1,232,221)
Increase in Net Position	$ 2,836,141	$ 8,257,490

Capital Assets and Debt Administration

Capital and Lease Assets

Capital and lease assets of the Utility were $82.7 million (net of accumulated depreciation and amortization) as of June 30, 2022. This represents a $7,288,989 increase from the prior year.

Significant expenditures for capital assets and work in progress during the fiscal year ending June 30, 2022, are as follows:

- Fiberoptic infrastructure expansion – $3,519,471
- Advanced Metering Infrastructure – $3,012,882
- Electric distribution system infrastructure – $1,154,319
- Sewer main rehabilitation – $887,559
- Water main replacement - $638,552
- Streetlights – $375,937
- Vehicle fleet – $276,121
- Wastewater treatment plant improvements and equipment – $256,495

Debt

Total long-term debt of the Utility as of June 30, 2022, was $13,573,680 which is up $4,590,714 from the prior year. This increase is mainly a result of the draws taken on the issuance of the Series 2019 Combined Waterworks and Sewerage System Revenue bonds in the amount of $183,720, as well as draws taken on the issuance of new debt through Missouri Association of Municipal Utilities (MAMU) in the form of a financed purchase agreement for expansion of the City's communications infrastructure in the amount of $5,400,000 less principal payments made on outstanding debt.

Economic Factors and Next Year's Budget

Power supply cost continues to be the largest budget item for Carthage Water & Electric Plant (CWEP). This cost is historically affected by weather, market pricing, and availability of baseload facilities. Over the past year, the United States' power generation and distribution sectors have seen historic cost increases as inflation continues to hit all aspects of the industry. The war in Ukraine, oil and natural gas prices, lingering effects of Winter Storm Uri, natural gas and coal supply chain disruptions, record summer heat, and transmission congestion have pushed CWEP's wholesale energy costs up in 2022. To recoup these costs, CWEP uses a Purchase Power Adjustment Factor (PPAF) in addition to its regular rates. The PPAF spreads the cost increases over a 12-month rolling average to minimize extreme swings in wholesale cost increases and/or decreases. In times of rising costs, the PPAF increases to bridge the gap between CWEP's electric rates and actual costs. In times of decreasing costs, the PPAF decreases, allowing for a credit if CWEP's costs fall below its base cost.

Like all utilities across the country, supply chain issues and rising costs have the potential to affect our industry. This has been the case in the latter part of 2021 and in 2022. CWEP is managing this by working to secure additional vendors, monitoring inventory levels to stay ahead of demand wherever possible and collaborating with other utilities when possible. CWEP also has a cash reserve policy that helps to ensure financial stability in times such as this while still completing capital improvements, providing reliable service, and maintaining stable rates.

The Advanced Metering Infrastructure (AMI) project to install electric and water meters that was originally budgeted in the fiscal year of 2019-2020 was completed on time and under budget in fiscal year 2021-2022. The project was paid for with excess cash reserves.

Utility rates are evaluated each year by management and the Board. The most recent cost of service and rate study was completed during Fiscal Year 2020. CWEP continues to update the cost-of-service model internally each year to determine the need for rate adjustments. The industry recommends an external study be done every 3-5 years. Since CWEP has had studies done in 2017 and 2020 and is updating the model annually, the plan is to have an external study done in 2024 or 2025 as management and the Board deem necessary. While this year has reflected higher inflation throughout the country than in the recent past, management and the Board desire to continue small incremental rate adjustments each year to allow the Utility to keep up with inflation while not having a major impact on the ratepayers in any one year. The Board and City Council approved rate adjustments for Electric, Water and Wastewater effective July 1, 2022.

In the 2022-2023 fiscal year budget, CWEP, with Board and City Council approval, presented a plan for major capital improvements to the electric system including the following: (1) replacement of transmission lines between the Southwest Power Administration Substation and Substation No. 1; (2) upgrading and improving infrastructure for transmitting and transforming electricity from Power Plant Substation to Substation No. 1; (3) replacement and upgrade of transformer and other infrastructure in Substation No. 2; and (4) upgrading and extending feeder that ties distribution system to Substation No. 2. CWEP, under the City of Carthage, is currently seeking financing for these projects through Certificates of Participation in the aggregate amount of approximately $15,000,000. This financing is expected to be finalized by the end of December 2022.

The communications infrastructure project for fiber to the home that was secured by financing in Fiscal Year 2021 is progressing as scheduled.

The project for the wastewater treatment facility upgrades that was approved in August 2014 by the citizens of Carthage was completed in July 2022. Essentially, the project was done and operational by the end of the previous fiscal year, but supply chain issues delayed the final piece.

Cash reserves have been fully funded in accordance with the Minimum Cash Reserve requirements at June 30, 2022.

Contacting the Utility's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Utility's finances and to demonstrate the Utility's accountability for the money it receives. If you have questions about this report or need additional information, contact the Utility's business office at:

627 W. Centennial Ave.
Carthage, Missouri
(417) 237-7300

Carthage Water & Electric Plant

Statement of Net Position

June 30, 2022

Assets	
Current Assets	
Cash and cash equivalents - unrestricted	$ 10,001,831
Investments - unrestricted	10,413,090
Utilities receivable, net	2,364,709
Leases receivable - current	39,545
Other receivables	147,523
Accrued interest receivable	70,841
Inventories	4,500,849
Prepaid expenses	1,053,885
Total Current Assets	28,592,273
Noncurrent Assets	
Restricted cash and cash equivalents	4,374,096
Leases receivable - noncurrent	165,329
Net pension asset	1,150,563
Property, Plant and Equipment	
Non-depreciable	9,521,413
Depreciable, net	73,056,477
Lease assets, net	99,669
Total Property, Plant, and Equipment	82,677,559
Total Assets	116,959,820
Deferred Outflow of Resources	
Deferred pension outflows	432,863
Liabilities	
Current Liabilities	
Accounts payable	2,956,675
Accrued expenses	254,504
Unearned revenue	32,198
Accrued interest payable	42,905
Utility deposits	895,585
Current maturities of long-term debt and leases	1,203,756
Total Current Liabilities	5,385,623
Long-Term Liabilities	
Financed purchases payable	8,328,356
Lease obligations payable	62,335
Bonds payable	3,979,233
Compensated absences payable	504,169
Total Long-Term Liabilities	12,874,093
Total Liabilities	18,259,716
Deferred Inflow of Resources	
Deferred pension inflows	945,352
Deferred lease inflows	192,965
Total Deferred Inflow of Resources	1,138,317
Net Position	
Net investment in capital assets	72,018,641
Restricted	552,732
Unrestricted	25,423,277
Total Net Position	$ 97,994,650

See accompanying Notes to the Financial Statements.

Carthage Water & Electric Plant

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

Operating Revenues	
Residential	$ 13,398,314
Commercial	7,785,172
Industrial	13,801,485
Interdepartmental sales	871,376
Communication services	622,681
Late fees	270,713
Other	164,543
Total Operating Revenues	36,914,284
Operating Expenses	
Salaries and wages	2,009,797
Employee benefits	1,390,254
Purchase of power	19,084,899
Supplies and materials	616,372
Utilities	964,617
Insurance	351,295
Repairs and maintenance	2,097,908
Travel, meetings, and dues	214,857
Customer services	689,534
Other expenses	1,068,172
Depreciation and amortization	4,218,076
Total Operating Expenses	32,705,781
Operating Income	4,208,503
Nonoperating Revenues (Expenses)	
Interest income	103,191
Other income	128,874
Transfers of funds to the City	(1,180,934)
Other expense	(9,967)
Interest and fees expense	(284,701)
(Loss) on disposal of capital assets	(128,825)
Total Nonoperating Revenues (Expenses)	(1,372,362)
Net Income	2,836,141
Net Position, July 1	95,158,509
Net Position, June 30	$ 97,994,650

See accompanying Notes to the Financial Statements.

Carthage Water & Electric Plant

Statement of Cash Flows

Year Ended June 30, 2022

Cash Flows from Operating Activities	
Cash received from customers	$ 36,622,071
Cash paid to suppliers	(25,392,908)
Cash paid to employees	(3,933,173)
Net Cash Provided by Operating Activities	7,295,990
Cash Flows from Noncapital Financing Activities	
Transfer to City	(1,180,934)
Proceeds from other non-operating activities	116,965
Payments for other non-operating activities	(5,820)
Net Cash (Used) by Noncapital Financing Activities	(1,069,789)
Cash Flows from Capital and Related Financing Activities	
Interest paid on long-term debt	(271,012)
Principal paid on long-term debt	(1,104,894)
Proceeds from issuance of long-term debt	5,695,608
Proceeds from sale of fixed assets	7,701
Purchase of lease assets	(112,958)
Purchase of capital assets	(11,530,633)
Net Cash (Used) by Capital and Related Financing Activities	(7,316,188)
Cash Flows from Investing Activities	
Interest received on investments	84,191
Proceeds from maturity of investments	2,065,511
Net Cash Provided by Investing Activities	2,149,702
Net Increase in Cash and Cash Equivalents	1,059,715
Cash and Cash Equivalents, Beginning of year	13,316,212
Cash and Cash Equivalents, End of year	14,375,927
Less Restricted Cash and Cash Equivalents	4,374,096
Unrestricted Cash and Cash Equivalents	$ 10,001,831

See accompanying Notes to the Financial Statements.

Carthage Water & Electric Plant

Statement of Cash Flows

Year Ended June 30, 2022

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$	4,208,503
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		4,218,076
(Increase) decrease in		
Utilities receivable, net		(204,079)
Other accounts receivable		(80,914)
Inventories		90,183
Prepaid expenses		(144,585)
Net pension asset		1,904,338
Deferred pension outflows		(221,805)
Increase (decrease) in		
Accounts payable		(283,050)
Deposits payable		(7,220)
Accrued expenses		49,433
Unearned revenue		32,198
Compensated absences		(29,073)
Deferred pension inflows		(2,236,015)
Net Cash Provided by Operating Activities	$	7,295,990

See accompanying Notes to the Financial Statements.

1. Summary of Significant Accounting Policies

Carthage Water & Electric Plant was created in 1898 and provides electric, water, communication services, and wastewater treatment to the citizens of Carthage, Missouri. In accordance with Missouri law, the Utility is operated by a Board of Public Works, the members of which are appointed by the Mayor and approved by the City Council. The component unit financial statements reflect the results of certain transactions between the City and the Utility under this arrangement. Bonded debt must be authorized by an ordinance of the City Council and approved by a vote of the citizens.

The accounting policies of the Utility conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not financially accountable, but 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be 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.

A component unit is a legally separate organization for which the elected officials of its primary government are financially accountable. The Carthage Water & Electric Plant is a component unit of the City of Carthage, Missouri, and is included as a component unit in the City of Carthage, Missouri's basic financial statements. These component unit financial statements present only the operations of the Carthage Water & Electric Plant.

Basis of Accounting

Carthage Water & Electric Plant's accounting policies are consistent with enterprise fund accounting. Enterprise funds are established to account for the financing of self-supporting activities, which render services on a user charge basis to the general public.

The accrual basis of accounting is used under which expenses are recorded when the liability is incurred and revenues are recorded when earned.

Net Position

Equity is displayed in three components as follows:

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does not meet the definition of restricted or net investment in capital assets.

It is the Utility's policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

Capital Assets

Capital assets are recorded at cost or estimated historical cost. Capital assets are defined by the Utility as assets with a cost of $5,000 or greater and an estimated useful life of at least one year. Expenditures for maintenance and repairs are charged to current operating expense. Renewals and betterments of existing assets that extend the useful life of the asset are capitalized and depreciated. Estimated useful lives used in the computation of depreciation of capital assets using the straight-line basis are as follows:

Buildings and Plant	10-50 years
Distribution, Collection, Generation, and Transmission System	15-67 years
Furniture, Fixtures, and Equipment	5-20 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Cash and Cash Equivalents

The Utility considers all accounts subject to withdrawal by check or on demand to be cash equivalents, which includes money market funds.

Inventories

Inventories are stated at average cost.

Capitalization of Costs Related to Construction of Assets

In connection with the construction of assets, Carthage Water & Electric Plant capitalizes payroll and overhead directly related to the project.

Compensated Absences

Employees are entitled to certain compensated absences based on their length of employment. These compensated absences are accrued when vesting occurs. Liabilities for compensated absences are determined at the end of the year based on current salary rates.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenue and expenses are considered nonoperating.

Deposits and Investments

For purposes of the statement of cash flows, Carthage Water & Electric Plant considers all accounts subject to withdrawal by check or on demand to be cash equivalents. All other deposits and certificates of deposit are considered to be investments. Investments are stated at fair value. Fair value for investments is determined by closing market prices at year-end as reported by the custodian.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the Utility has one item that qualifies for reporting in this category, deferred amounts relating to employer contributions to the retirement plan.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Utility has two items that qualify for reporting in this category, deferred pension inflows relating to the retirement plan and deferred lease inflows, which is derived from leases on the Statement of Net Position. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Pensions

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 the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. 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.

New Pronouncement

The Utility implemented GASB Statement No. 87 – *Leases* in the year ended June 30, 2022. The objective of this pronouncement is to establish standards for the measurement, recognition, and display of lease obligations (lessee) and the measurement, recognition, and display of sums to be received from third parties where an entity is the lessor. While the application of the new pronouncement did not affect the Utility's net position or the net increase in net position for the year ended June 30, 2021, certain balances and other classifications were added that changed amounts previously reported.

2. Cash & Cash Equivalents

State statutes require that the Utility's deposits be insured or collateralized in the name of the Utility by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all bank balances on deposit are entirely insured or collateralized.

3. Investments

Investments of the Utility at June 30, 2022, consist of the following:

Investment Type	Maturity	Amount
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	$ 249,860
Missouri Securities Investment Program (MOSIP) - Certificates of Deposit	8/26/2022	1,914,000
Missouri Securities Investment Program (MOSIP) - Term	7/8/2022 to 11/22/22	8,249,230
		$ 10,413,090

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Utility's deposits be collateralized in the name of the Utility by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all certificates of deposit are entirely insured or collateralized with securities.

Missouri Securities Investment Program

Funds in the Missouri Securities Investment Program are invested in MOSIP Term investments and cash management funds in which the Utility has a pro-rata share. The funds are invested in accordance with Section 165.051 RSMo. The cash management fund has a current rating of AAAm by S&P and term investments have a current rating of AAAf from Fitch Ratings.

Interest Rate Risk

The Utility limits its exposure to interest rate risk. The Utility restricts its investments to those maturing in 5 years or less.

4. Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts at June 30, 2022, as follows:

	Gross Receivable	Allowance	Net Receivable
Utilities Receivable	$ 2,419,709	$ (55,000)	$ 2,364,709

5. Restricted Assets

Cash and cash equivalents, and net position have been restricted as follows:

	Restricted Cash and Cash Equivalents	Restricted Net Position
Customer Deposits	$ 895,585	$ -
Unclaimed Property	11,017	-
Cash deposit held by MISO	175,000	175,000
2012 Certificates of Participation		
Debt service reserve	213,500	213,500
2019 Revenue Bonds		
Debt service funds	116,423	116,423
Depreciation and replacement	47,809	47,809
2020 MAMU Project Fund	2,914,762	-
	$ 4,374,096	$ 552,732

6. Employee Pension Plan – LAGERS

General Information about the Pension Plan

Plan Description. The Carthage Water and Electric Plant's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Utility participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police, fire, and public safety groups) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police, fire, and public safety groups) and receive a reduced allowance.

	2022 Valuation
Benefit Multiplier	2.00% for life
Final Average Salary	3 Years
Member Contributions	0.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	66
Inactive employees entitled to but not yet receiving benefits	10
Active employees	78
	154

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 15.9% of annual covered payroll.

Net Pension Asset. The employer's net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions. The total pension liability in the February 28, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of police, fire and public safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2022, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2021	$ 22,470,976	$ 25,525,877	$ (3,054,901)
Changes for the Year:			
Service cost	521,010	-	521,010
Interest on total pension liability	1,554,298	-	1,554,298
Difference between expected and actual experience	354,937	-	354,937
Contributions - employer	-	807,286	(807,286)
Net investment income	-	22,400	(22,400)
Benefit payments, including refunds	(1,063,633)	(1,063,633)	-
Administrative expense	-	(17,125)	17,125
Other (net transfer)	-	(286,654)	286,654
Net changes	1,366,612	(537,726)	1,904,338
Balance at June 30, 2022	$ 23,837,588	$ 24,988,151	$ (1,150,563)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	$ 27,312,270	$ 23,837,588	$ 20,976,080
Plan Fiduciary Net Position	24,988,151	24,988,151	24,988,151
Net Pension Liability/(Asset)	$ 2,324,119	$ (1,150,563)	$ (4,012,071)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the employer recognized pension expense of $253,804. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ 432,863	$ (122,766)	$ 310,097
Assumption changes	-	(315,755)	(315,755)
Net difference between projected and actual earnings on pension plan investments	-	(506,831)	(506,831)
	$ 432,863	$ (945,352)	$ (512,489)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2023	$ (181,389)
2024	(204,534)
2025	(512,738)
2026	335,740
2027	50,432
	$ (512,489)

Payable to the Pension Plan

At June 30, 2022, the Utility had no outstanding contributions reported as payable to the pension plan.

7. Long-Term Debt

Long-term debt of the Utility at June 30, 2022, consists of the Series 2019 Combined Waterworks and Sewerage System Revenue bonds, Series 2012 and Series 2015 Refunding Certificates of Participation, 2018 and 2020 MAMU agreements, lease obligations payable and compensated absences payable.

Series 2019 Combined Waterworks and Sewerage System Revenue Bonds

On September 27, 2019, the Utility entered into an agreement authorizing the issuance of not to exceed $4,501,000 in Series 2019 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) for the purpose of extending and improving the City's combined waterworks and sewerage system. The bonds bear interest at 0.98% with principal and interest payments due semi-annually on July 1 and January 1 each year. The bonds also require a semi-annual administrative fee of 0.25% of the outstanding principal balance of the bonds as of the business day preceding each principal payment due. If the Utility defaults on the payment of principal or interest on any of the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the Utility, by the registered owner of any bond then outstanding, the Utility shall pay to DNR the penalties assessed by DNR in accordance with the regulations. During the year ended June 30, 2020, the Utility issued $1,875,478 of the bonds and during the year ended June 30, 2021, the Utility issued an additional $2,203,840 and during the year ended June 30, 2022, the Utility issued an additional $183,720.

The annual debt service requirements to amortize principal on the bonds outstanding at June 30, 2022, are listed in the following table:

	Direct Placement		
Year Ending June 30,	Principal	Interest	Total
2023	$ 188,805	$ 41,050	$ 229,855
2024	193,000	40,013	233,013
2025	197,000	38,112	235,112
2026	201,000	36,172	237,172
2027	205,000	34,192	239,192
2028	209,000	32,173	241,173
2029	213,000	30,115	243,115
2030	217,000	28,018	245,018
2031	222,000	25,882	247,882
2032	227,000	23,692	250,692
2033	231,000	21,457	252,457
2034	236,000	19,184	255,184
2035	241,000	16,856	257,856
2036	245,000	14,484	259,484
2037	249,000	12,074	261,074
2038	254,000	9,624	263,624
2039	259,000	7,120	266,120
2040	265,000	4,567	269,567
2041	115,233	1,960	117,193
	$ 4,168,038	$ 436,745	$ 4,604,783

Financed Purchases

Series 2012 Refunding Certificates of Participation

On November 27, 2012, the Utility issued $2,135,000 in Series 2012 Refunding Certificates of Participation to refund the Series 2003A Certificates of Participation. The certificates bear interest at various rates ranging from 0.80% to 2.80%, with principal payments due November 15 and interest payments due May 15 and November 15 each year.

The annual debt service requirements to amortize principal on the 2012 Refunding Certificates of Participation outstanding at June 30, 2022, are listed in the following table:

Year Ending June 30,	Principal	Interest	Total
2023	$ 210,000	$ 8,663	$ 218,663
2024	210,000	2,940	212,940
	$ 420,000	$ 11,603	$ 431,603

Series 2015 Refunding Certificates of Participation

On June 9, 2015, the Utility issued $2,920,000 in Series 2015 Certificates of Participation to refund the Series 2007 Certificates of Participation. The certificates bear interest at various rates ranging from 0.80% to 3.35%, with principal payments due November 15 and interest payments due May 15 and November 15 each year.

The annual debt service requirements to amortize principal on the Series 2015 Refunding Certificates of Participation outstanding at June 30, 2022, are listed in the following table:

Year Ending June 30,	Principal	Interest	Total
2023	$ 245,000	$ 43,934	$ 288,934
2024	250,000	37,557	287,557
2025	255,000	30,357	285,357
2026	265,000	22,425	287,425
2027	275,000	13,849	288,849
2028	280,000	4,690	284,690
	$ 1,570,000	$ 152,812	$ 1,722,812

Missouri Association of Municipal Utilities (MAMU) Agreements

On November 18, 2018, the Utility entered into an agreement with the Missouri Association of Municipal Utilities (MAMU) in the amount of $1,348,260 to finance the acquisition and installation of diesel oxidation catalysts on diesel engines. The agreement bears interest at 3.73% which includes a .15% administration fee, with principal and interest payments due monthly. In the event of default, the lender may terminate the agreement and give notice to the Utility to vacate or surrender the Project within 60 days, by written notice enter and take immediate possession of the Project or sell or lease the Utility's interest in the Project or sublease it for the account of the Utility, holding the Utility liable for all payments and other payments due during the remainder of the fiscal year in which event of default occurs.

The annual debt service requirements to amortize principal on the 2018 MAMU outstanding at June 30, 2022, is listed in the following table:

Year Ending June 30,	Direct Borrowing		
	Principal	Interest	Total
2023	$ 105,282	$ 33,108	$ 138,390
2024	109,277	29,273	138,550
2025	113,424	25,294	138,718
2026	117,727	21,163	138,890
2027	122,194	16,876	139,070
2028	126,831	12,425	139,256
2029	131,643	7,806	139,449
2030	136,638	3,012	139,650
2031	9,707	29	9,736
	$ 972,723	$ 148,986	$ 1,121,709

On December 15, 2020, the Utility entered into an agreement with the Missouri Association of Municipal Utilities (MAMU) in an amount not to exceed $7,000,000 to finance expansion of the City's communications infrastructure. The agreement bears interest at 2.48% which includes a .15% administration fee, with principal and interest payments due monthly. In the event of default, the lender may terminate the agreement and give notice to the Utility to vacate or surrender the Project within 60 days, by written notice enter and take immediate possession of the Project or sell or lease the Utility's interest in the Project or sublease it for the account of the Utility, holding the Utility liable for all payments and other payments due during the remainder of the fiscal year in which event of default occurs.

The annual debt service requirements to amortize principal on the 2020 MAMU outstanding at June 30, 2022, is listed in the following table:

Year Ending June 30,	Direct Borrowing		
	Principal	Interest	Total
2023	$ 395,410	$ 151,989	$ 547,399
2024	405,916	142,084	548,000
2025	416,700	131,915	548,615
2026	427,771	121,477	549,248
2027	439,136	110,761	549,897
2028	450,803	99,761	550,564
2029	462,780	88,469	551,249
2030	475,075	76,876	551,951
2031	487,697	64,975	552,672
2032	500,654	52,759	553,413
2033	513,956	40,217	554,173
2034	483,113	25,564	508,677
2035	586,126	15,904	602,030
2036	276,188	1,997	278,185
	$ 6,321,325	$ 1,124,748	$ 7,446,073

Lease Obligations

The Utility, has entered into lease agreements for various pieces of equipment, the terms of which expire in various years through 2026. Payments are based on each specific lease agreement.

The following is a schedule by year of payments under the leases as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	$ 59,259	$ 5,218	$ 64,477
2024	54,183	2,642	56,825
2025	3,986	295	4,281
2026	4,166	115	4,281
	$ 121,594	$ 8,270	$ 129,864

A summary of the changes in long-term debt for the year ended June 30, 2022, is as follows:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Amounts Due Within One Year
Financed Purchases					
Certificates of Participation					
Series 2012	$ 625,000	$ -	$ 205,000	$ 420,000	$ 210,000
Series 2015	1,810,000	-	240,000	1,570,000	245,000
Direct Borrowing					
2018 MAMU	1,074,156	-	101,433	972,723	105,282
2020 MAMU	1,372,515	5,400,000	451,190	6,321,325	395,410
	4,881,671	5,400,000	997,623	9,284,048	955,692
Lease Obligations	21,977	111,888	12,271	121,594	59,259
Direct Placement					
Series 2019 Revenue Bonds	4,079,318	183,720	95,000	4,168,038	188,805
Compensated Absences Payable	533,242	-	29,073	504,169	-
	$ 9,516,208	$ 5,695,608	$ 1,133,967	$ 14,077,849	$ 1,203,756

8. Capital and Lease Assets

Net capital assets and net lease assets are as follows at June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Non-Depreciable Capital Assets				
Land	$ 467,807	$ -	$ -	$ 467,807
Construction in Progress	5,742,563	12,067,243	8,756,200	9,053,606
Total Non-Depreciable Capital Assets	6,210,370	$ 12,067,243	$ 8,756,200	9,521,413
Depreciable Capital Assets				
Buildings and plant	25,853,047	$ 641,991	$ 29,088	26,465,950
Distribution system	61,483,598	6,031,469	-	67,515,067
Transmission system	4,701,988	-	-	4,701,988
Treatment system	4,409,920	80,502	87,233	4,403,189
Collection system	18,868,314	452,399	72,096	19,248,617
Production system	16,315,365	78,137	16,153	16,377,349
Machinery and equipment	9,178,815	803,140	86,568	9,895,387
Furniture and fixtures	2,119,110	131,952	54,458	2,196,604
Total Depreciable Capital Assets	142,930,157	$ 8,219,590	$ 345,596	150,804,151
Less Accumulated Depreciation	73,773,934	$ 4,182,810	$ 209,070	77,747,674
Depreciable Capital Assets, net	69,156,223			73,056,477
Total Capital Assets, net	75,366,593			82,577,890
Lease Assets				
Machinery and equipment	21,977	$ 112,958	$ -	$ 134,935
Less Accumulated Amortization	-	$ 35,266	$ -	35,266
Total Lease Assets, net	21,977			99,669
Total Capital and Lease Assets, net	$ 75,388,570			$ 82,677,559

9. Risk Management

The Utility is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Utility has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

10. Commitments & Contingencies

As of June 30, 2022, the Utility had the following commitments:

Effective June 1, 1998, the Utility entered into an Amendatory Agreement with the United States of America, represented by the Secretary of Energy, acting by and through the Southwestern Power Administration (hereinafter "SWPA"). The agreement provides for the utilization of the SWPA transmission system for the exchange by the Utility of non-federal power and energy with other utilities that are connected to the system of SWPA. The agreement is scheduled to expire at midnight, June 30, 2023. Rates are pursuant to statute on a firm and an interruptible service basis.

The Utility power contract with SWPA provides for a maximum demand purchase of 7 MW of hydro peaking power. The Utility currently purchases 23 MW of life of plant power and associated energy from Sikeston Light & Water pursuant to the Power Sales Contract.

The contract with Sikeston Light & Water sets the price of energy at cost of plant plus 10%. At the beginning of its fiscal year, Sikeston prepares its budget with forecasted costs, and then charges the participating Cities a demand charge per KW for capacity, and an energy charge per kwh purchased on a monthly basis. The per unit charges are based on Sikeston's forecast costs. Upon completion of the fiscal year and annual audit, actual costs are compiled and actual per unit charges are computed. Sikeston then refigures demand and energy charges for each City and nets against the amount paid throughout the fiscal year, via the monthly billings.

11. Related Party Transactions

With respect to the Transfers of Funds to the City, monthly payments of $98,411 were made to the City of Carthage, totaling $1,180,934 for the year ended June 30, 2022. Monthly payments to the City of Carthage also consist of the PILOT (Payments in Lieu of Tax) collected on 3.5% of inside City Utility billings not to exceed $100 per month, per metered account, totaling $584,622. The Utility also received $173,743 from the City of Carthage for utility services.

The Utility purchases multiple insurance policies through Beimdiek Insurance Agency, which is owned by a member of the Board of Public Works. The Utility paid $366,327 directly to Beimdiek Insurance Agency during the year ended June 30, 2022.

12. Bond Ordinance

On August 5, 2014, citizens approved the issuance of bonds up to $6,000,000 for purposes of renovating, constructing, improving, and enlarging its combined water and wastewater system, including the costs to renovate and improve the Utility's sewer treatment plant to be compliant with state and federal regulations and to add capacity and efficiency to the operation of the sewer treatment plant, and the cost of operating and maintaining the said combined water and wastewater system. As of June 30, 2022, $4,501,000 of the bond ordinance had been authorized and $4,263,038 had been issued. Subsequent to year end, the Utility has issued an additional $151,767 of the bonds.

13. Deferred Compensation Plan

Utility employees participate in a 457 Deferred Compensation Plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or unforeseeable emergency. All deferred amounts are the property of the Utility, and participant's interest in the plan is that of a general creditor of the Utility. It is the opinion of the Utility's management that the Utility and Board have no liability for losses under the plan, but do have the duty of due care that would be required of an ordinary prudent investor, therefore, the activity related to the plan is not included in the basic financial statements. Amounts on deposit with Mission Square Retirement for the Carthage Water & Electric Plant participants at June 30, 2022, were $3,400,955.

14. Leases Receivable

The Utility, as a lessor has entered into lease agreements for pole attachments, water tower and dark fiber rentals to various third parties, the terms of which expire 2023 through 2047. Lease and interest revenue recognized under the lease agreements during the year ended June 30, 2022, was $19,043 and $4,112, respectively.

Below is a schedule of future payments that are included in the measurement of the lease receivable:

Year Ending June 30,	Principal	Interest	Total
2023	$ 39,545	$ 8,328	$ 47,873
2024	40,980	7,204	48,184
2025	37,351	5,479	42,830
2026	36,604	3,906	40,510
2027	39,462	2,263	41,725
2028-2032	1,095	2,369	3,464
2032-2037	1,965	2,050	4,015
2038-2042	3,145	1,509	4,654
2043-2047	4,727	669	5,396
	$ 204,874	$ 33,777	$ 238,651

15. Restatement

During the current year, the Utility adopted GASB Statement No. 87 – *Leases*. Net Position has been restated to reflect application of the new pronouncement, however there was no net effect on net position.

Net Position, as previously stated, June 30, 2021	$ 95,158,509
Lease receivable	11,596
Lease asset	21,977
Lease obligations	(21,977)
Deferred lease inflows	(11,596)
Net Position, as restated, July 1, 2021	$ 95,158,509

Required Supplementary Information

Carthage Water & Electric Plant

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Year Ended June 30, 2022

Missouri Local Government Employees Retirement System (LAGERS)

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability								
Service Cost	$ 521,010	$ 487,265	$ 473,493	$ 458,641	$ 424,993	$ 396,884	$ 304,161	$ 302,155
Interest on the total pension liability	1,554,298	1,579,494	1,514,440	1,418,491	1,361,992	1,308,957	1,062,480	1,028,518
Change of benefit terms	-	-	-	-	-	-	2,083,446	-
Difference between expected and actual experience	354,937	(127,893)	(56,135)	427,751	(90,694)	(100,212)	163,853	(11,114)
Changes of assumptions	-	(487,085)	-	-	-	-	647,918	-
Benefit Payments	(1,063,633)	(1,036,988)	(1,045,381)	(934,066)	(932,987)	(844,414)	(968,846)	(739,376)
Net Change in Total Pension Liability	1,366,612	414,793	886,417	1,370,817	763,304	761,215	3,293,012	580,183
Total Pension Liability, Beginning	22,470,976	22,056,183	21,169,766	19,798,949	19,035,645	18,274,430	14,981,418	14,401,235
Total Pension Liability, Ending	23,837,588	22,470,976	22,056,183	21,169,766	19,798,949	19,035,645	18,274,430	14,981,418
Plan Fiduciary Net Position								
Contributions - employer	807,286	749,159	680,068	699,907	678,813	602,298	344,686	414,395
Pension plan net investment income (loss)	22,400	5,508,700	270,131	1,257,939	2,088,740	1,891,759	(4,387)	336,672
Benefit payments, including refunds	(1,063,633)	(1,036,988)	(1,045,381)	(934,066)	(932,987)	(844,414)	(968,846)	(739,376)
Pension plan administrative expense	(17,125)	(15,611)	(19,895)	(17,504)	(11,950)	(11,546)	(11,186)	(11,836)
Other (net transfer)	(286,654)	(352,924)	171,059	106,080	23,749	135,995	114,572	13
Net Change in Plan Fiduciary Net Position	(537,726)	4,852,336	55,982	1,112,356	1,846,365	1,774,092	(525,161)	(132)
Plan Fiduciary Net Position, Beginning	25,525,877	20,673,541	20,617,559	19,505,203	17,658,838	15,884,746	16,409,907	16,410,039
Plan Fiduciary Net Position, Ending	24,988,151	25,525,877	20,673,541	20,617,559	19,505,203	17,658,838	15,884,746	16,409,907
Employer Net Pension Liability (Asset)	$ (1,150,563)	$ (3,054,901)	$ 1,382,642	$ 552,207	$ 293,746	$ 1,376,807	$ 2,389,684	$ (1,428,489)
Plan fiduciary net position as a percentage of the total pension liability	104.83%	113.59%	93.73%	97.39%	98.52%	92.77%	86.92%	109.54%
Covered payroll	$ 4,941,303	$ 4,555,263	$ 4,195,417	$ 4,137,642	$ 3,957,751	$ 3,627,276	$ 3,361,113	$ 3,561,801
Net pension liability (asset) as a percentage of covered payroll	-23.28%	-67.06%	32.96%	13.35%	7.42%	37.96%	71.10%	-40.11%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Carthage Water & Electric Plant

Schedule of Contributions

Year Ended June 30, 2022

Year Ending June 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution (Excess) Deficiency	Covered Payroll	Contribution as a Percentage of Covered Payroll
2013	$ 429,982	$ 429,983	$ (1)	$ 3,359,235	12.80%
2014	411,588	411,588	-	3,429,900	12.00%
2015	414,395	414,395	-	3,572,371	11.60%
2016	344,686	344,686	-	3,628,275	9.50%
2017	602,298	602,298	-	3,695,078	16.30%
2018	678,812	678,812	-	3,923,772	17.30%
2019	699,906	699,906	-	4,216,305	16.60%
2020	680,068	680,068	-	4,331,644	15.70%
2021	749,159	749,159	-	4,624,437	16.20%
2022	807,286	807,286	-	5,077,272	15.90%

See accompanying Notes to the Schedule of Contributions.

Valuation Date: February 28, 2022

Notes: The roll-forward of total pension liability from February 28, 2022, to June 30, 2022, reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period, or (ii) 15 years.

Remaining Amortization Period: 13 to 15 years

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation

Investment Rate of Return: 7.00%, net of investment expenses

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

Other Information

Carthage Water & Electric Plant

Departmental Statement of Net Position

June 30, 2022

	Electric	Water	Wastewater	Communications	Total
Assets					
Current Assets					
Cash and cash equivalents - unrestricted	$ 7,349,056	$ 1,527,980	$ 1,124,795	$ -	$ 10,001,831
Investments - unrestricted	7,651,539	1,592,161	1,169,390	-	10,413,090
Utilities receivable, net	1,904,216	209,296	171,482	79,715	2,364,709
Leases receivable - current	51	29,509	-	9,985	39,545
Other receivables	120,472	26,149	664	238	147,523
Accrued interest receivable	46,368	16,468	6,687	1,318	70,841
Due from other departments	120,559	-	-	-	120,559
Inventories	3,267,450	275,847	116,531	841,021	4,500,849
Prepaid expenses	962,487	36,819	42,876	11,703	1,053,885
Total Current Assets	21,422,198	3,714,229	2,632,425	943,980	28,712,832
Noncurrent Assets					
Restricted cash and cash equivalents	1,188,988	64,308	203,538	2,917,262	4,374,096
Leases receivable - noncurrent	11,343	140,905	-	13,081	165,329
Net pension asset	927,509	101,496	89,511	32,047	1,150,563
Property, Plant and Equipment					
Non-depreciable	2,410,201	2,160,434	4,917,757	33,021	9,521,413
Depreciable, net	21,820,973	21,623,771	21,912,549	7,699,184	73,056,477
Lease assets, net	56,030	35,373	6,967	1,299	99,669
Total Property, Plant, and Equipment	24,287,204	23,819,578	26,837,273	7,733,504	82,677,559
Total Assets	47,837,242	27,840,516	29,762,747	11,639,874	117,080,379
Deferred Outflow of Resources					
Deferred pension outflows	348,946	38,185	33,675	12,057	432,863

Carthage Water & Electric Plant

Departmental Statement of Net Position

June 30, 2022

	Electric	Water	Wastewater	Communications	Total
Liabilities					
Current Liabilities					
Accounts payable	2,408,952	207,242	208,773	131,708	2,956,675
Accrued expenses	158,499	38,607	27,986	29,412	254,504
Due to other departments	-	-	-	120,559	120,559
Unearned revenue	-	32,198	-	-	32,198
Accrued interest payable	2,367	978	26,504	13,056	42,905
Utility deposits	890,585	2,500	-	2,500	895,585
Current maturities of long-term debt and leases	250,693	80,704	476,137	396,222	1,203,756
Total Current Liabilities	3,711,096	362,229	739,400	693,457	5,506,182
Long-Term Liabilities					
Financed purchases payable	977,985	60,795	1,363,661	5,925,915	8,328,356
Lease obligations payable	36,593	20,920	3,948	874	62,335
Bonds payable	-	-	3,979,233	-	3,979,233
Compensated absences payable	254,291	76,802	30,675	142,401	504,169
Total Long-Term Liabilities	1,268,869	158,517	5,377,517	6,069,190	12,874,093
Total Liabilities	4,979,965	520,746	6,116,917	6,762,647	18,380,275
Deferred Inflow of Resources					
Deferred pension inflows	762,081	83,394	73,546	26,331	945,352
Deferred lease inflows	11,161	155,972	-	25,832	192,965
Total Deferred Inflow of Resources	773,242	239,366	73,546	52,163	1,138,317
Net Position					
Net investment in capital assets	23,021,933	23,657,159	21,014,294	4,325,255	72,018,641
Restricted	287,386	61,808	203,538	-	552,732
Unrestricted	19,123,662	3,399,622	2,388,127	511,866	25,423,277
Total Net Position	$ 42,432,981	$ 27,118,589	$ 23,605,959	$ 4,837,121	$ 97,994,650

Carthage Water & Electric Plant

Departmental Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

	Electric	Water	Wastewater	Communications	Total
Operating Revenues					
Residential	$ 9,814,343	$ 1,565,310	$ 1,736,346	$ 282,315	$ 13,398,314
Commercial	6,119,281	747,768	508,857	409,266	7,785,172
Industrial	11,631,174	1,112,786	869,783	187,742	13,801,485
Interdepartmental sales	706,964	48,591	2,793	113,028	871,376
Communication services	-	-	-	622,681	622,681
Late fees	224,692	27,071	18,950	-	270,713
Other	83,662	32,570	44,250	4,061	164,543
Total Operating Revenues	28,580,116	3,534,096	3,180,979	1,619,093	36,914,284
Operating Expenses					
Salaries and wages	1,050,582	387,769	298,041	273,405	2,009,797
Employee benefits	1,120,732	122,641	108,158	38,723	1,390,254
Purchase of power	19,084,899	-	-	-	19,084,899
Supplies and materials	369,791	37,777	127,052	81,752	616,372
Utilities	90,188	450,532	404,856	19,041	964,617
Insurance	231,611	54,402	65,082	200	351,295
Repairs and maintenance	1,287,196	465,727	314,222	30,763	2,097,908
Travel, meetings, and dues	143,856	21,156	14,345	35,500	214,857
Customer services	338,675	190,444	134,759	25,656	689,534
Other expenses	818,559	66,282	157,276	26,055	1,068,172
Depreciation and amortization	1,737,550	1,153,817	828,281	498,428	4,218,076
Total Operating Expenses	26,273,639	2,950,547	2,452,072	1,029,523	32,705,781
Operating Income	2,306,477	583,549	728,907	589,570	4,208,503
Nonoperating Revenues (Expenses)					
Interest income	68,353	22,657	9,842	2,339	103,191
Other income	72,600	51,186	4,482	606	128,874
Transfers of funds to the City	(891,750)	(134,360)	(110,520)	(44,304)	(1,180,934)
Other expense	(4,470)	(522)	(1,157)	(3,818)	(9,967)
Interest and fees expense	(49,108)	(5,119)	(113,259)	(117,215)	(284,701)
Gain (loss) on disposal of capital assets	335	(68,703)	(60,837)	380	(128,825)
Total Nonoperating Revenues (Expenses)	(804,040)	(134,861)	(271,449)	(162,012)	(1,372,362)
Net Income	1,502,437	448,688	457,458	427,558	2,836,141
Net Position, July 1	40,930,544	26,669,901	23,148,501	4,409,563	95,158,509
Net Position, June 30	$ 42,432,981	$ 27,118,589	$ 23,605,959	$ 4,837,121	$ 97,994,650

Other Reporting Requirements

KPM
CPAS & ADVISORS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Public Works
Carthage Water & Electric Plant
Carthage, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Carthage Water & Electric Plant as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Carthage Water & Electric Plant's basic financial statements, and have issued our report thereon, dated November 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carthage Water & Electric Plant's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utility's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Utility's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carthage Water & Electric Plant's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Utility's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utility's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2022

APPENDIX D

TRUST INDENTURE

Dated as of December 15, 2022

Between

UMB BANK, N.A.,
As Trustee

AND

CITY OF CARTHAGE, MISSOURI

Authorizing
$15,000,000
CITY OF CARTHAGE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CARTHAGE WATER AND ELECTRIC PLANT)
SERIES 2022

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of December 15, 2022 (the "Indenture"), between **UMB BANK, N.A.**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America with a corporate trust office located in Kansas City, Missouri, as Trustee (the "Trustee"), and the **CITY OF CARTHAGE, MISSOURI**, a constitutional charter city duly organized and existing under the laws of the State of Missouri (the "City").

WITNESSETH:

WHEREAS, the City is authorized pursuant to the Revised Statutes of Missouri, as amended, to sell or lease any existing sites owned by the City, together with any existing buildings and facilities thereon, in order to provide for the acquisition, construction, improvement, extension, repair, remodeling, renovation, furnishing and equipping of buildings and facilities thereon and other property, and then lease or purchase such sites, buildings, facilities and property; and

WHEREAS, pursuant to an ordinance adopted by the City on November 22, 2022, the City has been authorized to (a) enter into a Base Lease with the Trustee, dated as of the date hereof (the "Base Lease"), pursuant to which the City shall grant a leasehold interest to the Trustee for a maximum Base Lease Term ending on June 30, 2073, in certain real estate described in **Schedule 1** attached to this Indenture and any existing building and improvements located thereon (the "Project Site"), and (b) to enter into an annually renewable Lease Agreement with the Trustee, dated as of the date hereof (the "Lease"), under which the City will (i) provide for projects (the "Project") more specifically described in **Schedule 2** attached to this Indenture to be constructed and installed on the Project Site and certain other rights to land of the City (the "Project Site" and all additions, modifications, improvements, replacements and substitutions made thereon and thereto and any additional facilities financed with the Series 2022 Certificates or any Additional Certificates (as hereinafter defined) being collectively referred to as the "Facilities") and (ii) lease the Facilities from the Trustee for an initial term ending June 30, 2023 (the "Initial Term"), with successive one-year renewal options (the "Renewal Terms") exercisable by the City subject to annual budget appropriations, except that the final Renewal Term may be for a period of less than one year as provided in the Lease; and

WHEREAS, in order to provide funds to pay the costs of the Project, the Trustee will, pursuant to this Indenture, execute and deliver the City of Carthage, Missouri, Certificates of Participation (Carthage Water and Electric Plant), Series 2022 in the aggregate principal amount of $15,000,000 (the "Series 2022 Certificates"), and is authorized to execute and deliver Additional Certificates (such Additional Certificates together with the Series 2022 Certificates being collectively referred to as the "Certificates"), evidencing proportionate interests of the owners thereof in Rental Payments (as defined herein) payable pursuant to the Lease; and

WHEREAS, the City is authorized (i) to execute and deliver this Indenture for the purpose of providing for the delivery and security for the Certificates and for the purpose of providing funds to pay the costs of the Projects, (ii) to enter into the Lease, and (iii) to provide for completion of the Project; and

WHEREAS, all things necessary to make the Certificates, when executed by the Trustee and delivered as provided in this Indenture, the valid and legally binding evidences of proportionate interests in the right to receive the Rental Payments, and for this Indenture to constitute a valid and legally binding pledge and assignment of the Trust Estate herein made for the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates, have been

done and performed, and the execution and delivery of this Indenture and the execution and delivery of the Certificates, subject to the terms of this Indenture, have in all respects been duly authorized.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City and the Trustee, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Certificates by the Registered Owners thereof, and the sum of one dollar duly paid to the City by the Trustee, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the City of all the covenants, agreements and conditions herein and in the Base Lease and the Lease contained, do hereby transfer in trust, pledge, assign and grant a security interest unto the Trustee and its successors and assigns forever in, the property described below (said property being herein called the **"Trust Estate"**), to wit:

(a) all right, title and interest of the City and the Trustee in, to and under the Base Lease and the Lease, including all Rental Payments and other payments, revenues and receipts derived by the Trustee under and pursuant to and subject to the provisions of the Lease (except for the rights of the Trustee to receive money for its own account and to indemnity under the Lease and any amounts required under Section 148(f) of the Code to be paid to the United States); and

(b) all money and securities from time to time held by the Trustee under the terms of this Indenture, and any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by or on behalf of the City, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Indenture.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby pledged and assigned, or agreed or intended so to be, to the Trustee and its successors and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, for the equal and proportionate benefit, protection and security of all Registered Owners from time to time of the Certificates Outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any Certificate over any other Certificate except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the City shall well and truly pay, or cause to be paid, the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by all the Certificates, at the times and in the manner mentioned in the Certificates according to the true intent and meaning thereof, or shall provide for the payment thereof (as provided in **Article XII** of this Indenture), and shall pay or cause to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Certificates delivered hereunder are to be

authenticated and delivered and that all of the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City does hereby agree and covenant with the Trustee and with the respective Registered Owners from time to time of the Certificates, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this Indenture and in the Lease, the following words and terms as used in this Indenture and in the Lease shall have the following meanings:

"Additional Certificates" means any additional parity Certificates delivered pursuant to **Section 209** of this Indenture.

"Additional Payments" means the additional payments described in **Section 5.2** of the Lease.

"Authorized City Representative" means the Mayor, the City Administrator, the General Manager of the Carthage Water and Electric Board or such other person at the time designated, by written certificate furnished to the Trustee, as the person or persons authorized to act on behalf of the City. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the City by the Mayor and may designate an alternate or alternates.

"Base Lease" means the Base Lease dated as of December 15, 2022, between the City and the Trustee, as from time to time amended and supplemented in accordance with the provisions thereof and of **Article XII** of this Indenture.

"Business Day" means any day other than (a) a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the corporate trust office of the Trustee is required or authorized by law to remain closed or (b) a day on which the Securities Depository is closed.

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York, and any successor nominee of the Securities Depository with respect to the Certificates.

"Certificate Fund" means the "Certificate Fund" created in **Section 501** of this Indenture.

"Certificate Payment Date" means any date on which any amount representing the Principal Component or the Interest Component with respect to any Certificate is payable.

"Certificate Register" means the registration books kept by the Trustee to evidence the registration, transfer and exchange of Certificates.

"Certificate Registrar" means the Trustee when acting as such under this Indenture.

"Certificates" means the Series 2022 Certificates delivered under this Indenture and any Additional Certificates delivered pursuant to this Indenture.

"City" means the City of Carthage, Missouri, a constitutional charter city duly organized and existing under the laws of the State and its successors and assigns.

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

"Completion Certificate" means the certificate delivered to the Trustee pursuant to **Section 4.4** of the Lease and **Section 505** of this Indenture evidencing substantial completion of the Project, and acceptance of the Project by the City.

"Completion Date" means the date of completion of the acquisition, construction, improvement, furnishing and equipping of the Project established as such pursuant to **Section 4.4** of the Lease.

"Construction Contracts" means all architect's and general contractor's contracts and all prime subcontractor's contracts and purchase orders for any equipment that have been or will be entered into by the City and that will incorporate the Plans and Specifications related to the Project.

"Construction Period" means the period from the beginning of construction of the Project to the Completion Date.

"Contractor" means any contractor for the Project selected by the City, and its successors and assigns.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for the City or the Trustee.

"Defaulted Interest" means interest on any Certificate that is payable but not paid on the date due.

"Defeasance Obligations" means any of the following obligations:

(a) Cash.

(b) U.S. Treasury Certificates, Notes and Bonds.

(c) Direct obligations of the Treasury that have been stripped by the Treasury itself.

(d) The interest component of Resolution Funding Corporation (REFCORP) strips that have been stripped by request to the Federal Reserve Bank of New York in book-entry form.

(e) Pre-refunded municipal bonds pre-refunded with cash or United States Government Obligations.

"Event of Default" means (a) with respect to this Indenture, any Event of Default as described in **Section 901** of this Indenture, and (b) with respect to the Lease, any Event of Default as described in **Section 12.1** of the Lease.

"Event of Nonappropriation" means a nonrenewal of the Lease by the City determined by the failure of the City to appropriate and budget, or the election of the City not to so appropriate and budget, on or before the date required by the laws of the State during the Initial Term or any Renewal Term, moneys sufficient to pay the Rental Payments and reasonably expected Additional Payments due and payable during the next Renewal Term.

"Facilities" means the Project Site, the Project and all additions, modifications, improvements, replacements and substitutions made thereon and thereto, and any additional facilities financed with the

Certificates on the Project Site or other property of the City financed or refinanced pursuant to the Lease, as they may at any time exist.

"Fiscal Year" means the fiscal year adopted by the City for accounting purposes, which as of the execution of this Indenture commences on July 1 of each year and ends on June 30 of the following year.

"Full Insurable Value" means the actual replacement cost of the Facilities insofar as the same may be of an insurable nature less physical depreciation and exclusive of land, excavations, footings, foundations, parking lots and other parts of the Facilities that are not insurable.

"Indenture" means this Trust Indenture dated as of December 15, 2022, as amended and supplemented from time to time by Supplemental Indentures in accordance with the provisions of **Article X** of this Indenture.

"Initial Term" means the initial term of the Lease, which begins on the effective date of the Lease and ends on the last day of the Fiscal Year in which such effective date occurs.

"Interest Component" means the Interest Component of Rental Payments as provided by **Section 5.1** of the Lease and as set forth on **Schedule 4** in the Lease.

"Lease" means the Lease Agreement dated as of December 15, 2022, between the Trustee, as lessor, and the City, as lessee, as from time to time amended and supplemented in accordance with the provisions thereof and of **Article X** of this Indenture.

"Lease Term" means the period from the effective date of the Lease until the expiration thereof which includes the Initial Term and any Renewal Term or Terms as provided in the Lease.

"Lessee" means the City when acting as the lessee under the Lease.

"Lessor" means the Trustee when acting as the lessor under the Lease.

"Mandatory Prepayment Date" means any mandatory prepayment date established pursuant to this Indenture.

"Maximum Lease Term" means the Initial Term and all Renewal Terms through the Renewal Term ending June 30, 2043, as provided in the Lease Agreement (unless otherwise provided in a Supplemental Lease).

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Net Proceeds" means the gross proceeds from any insurance or condemnation award with respect to the Facilities, less the payment of all expenses (including attorneys' fees and expenses, Trustee's fees, costs, charges and expenses, including any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"Opinion of Counsel" means a written opinion of counsel to the City or the Trustee.

"Option Purchase Price" means the price as specified in **Schedule 4** attached to the Lease which the City may elect to pay to the Trustee to purchase the Facilities from the Trustee on the Optional Prepayment Date immediately following such Optional Purchase Date prior to the scheduled payment of all sums to be paid for the Facilities, all as is more particularly specified in **Schedule 4** attached to the Lease and as such **Schedule 4** may be revised hereafter in accordance with **Section 306** of this Indenture. In the event of a partial prepayment of the Certificates as provided in this Indenture, the Option Purchase Price is required to be recalculated by the Trustee and provided to and binding upon the City as more fully set forth in this Indenture or any Supplemental Indenture and in the Lease.

"Optional Prepayment Date" means any optional prepayment date established pursuant to this Indenture.

"Optional Purchase Date" means any date during the Lease Term as specified in the Lease upon which the City, pursuant to the Lease, may elect to purchase the Facilities for the then applicable Option Purchase Price.

"Outstanding" means, when used with reference to Certificates, as of any particular date of determination, all Certificates theretofore authenticated and delivered under this Indenture, except the following Certificates:

(a) Certificates theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Certificates paid or deemed to be paid in accordance with the provisions of **Article XIII** of this Indenture;

(c) Certificates alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in **Section 210** of this Indenture;

(d) Certificates in exchange for or in lieu of which other Certificates have been authenticated and delivered pursuant to this Indenture; and

(e) for purposes of any consent or other action to be taken by the Registered Owners of a specified percentage of Certificates under this Indenture or the Lease, Certificates held by or for the account of the City or any person controlling, controlled by or under common control of the City.

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

"Paying Agent" means the Trustee and any other bank or trust company designated pursuant to this Indenture as paying agent for any series of Certificates and at which the principal, premium, if any, and interest on any such Certificates shall be payable.

"Permitted Encumbrances" means, as of any particular time (a) liens for ad valorem taxes and special assessments not then delinquent or if delinquent are being contested in accordance with the Lease, (b) this Indenture, (c) the Lease, (d) the Base Lease, (e) any and all Uniform Commercial Code Financing Statements executed to perfect any security interest created in connection with the delivery of the Certificates, (f) utility, access and other easements and rights-of-way, street dedications, mineral rights, restrictions, exceptions and encumbrances that the City certifies in writing will not materially interfere with

or impair the operations being conducted on the Project Site or easements granted to the City or the Trustee, (g) such minor defects, irregularities, encumbrances, easements, mechanic's liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Facilities and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Trustee or the City, and (h) items affecting the Project Site that are agreed to in writing by the Trustee (in reliance upon the written direction of the Registered Owners of not less than a majority in aggregate Principal Components of the Certificates Outstanding) and the City.

"Permitted Investments" means any of the following securities and obligations, if and to the extent the same are at the time legal for investment by the City:

(a) United States Government Obligations.

(b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service.

(c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (d) and have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City.

(d) obligations of Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks and Farm Service Agency.

(e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (d) above, inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit or time deposits.

(f) money market mutual funds (1) that invest in such securities as are described above in clauses (a) through (d), and (2) that are rated in one of the two highest categories by a nationally recognized rating service, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise.

(g) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"Plans and Specifications" means the plans and specifications prepared for and showing the Project, as amended by the City from time to time prior to the Completion Date, the same being duly

certified by the Authorized City Representative, which plans and specifications are on file at the principal office of the City and shall be available for reasonable inspection by the Trustee and its duly appointed representatives.

"Prime Rate" means that rate of interest which has most recently been established by the Trustee or its principal banking affiliate, as its prime rate, such Prime Rate to be adjusted on the effective date of any change thereof as announced from time to time by the Trustee or its principal banking affiliate.

"Principal Component" means the Principal Component of Rental Payments as provided by **Section 5.1** of the Lease and as set forth on **Schedule 4** attached to the Lease.

"Project" means the acquisition, construction, improvement, furnishing and equipping of the improvements described in **Schedule 2** attached to this Indenture or any Supplemental Indenture, pursuant to **Article IV** of the Lease, paid for in whole or in part from the proceeds of Certificates, and all replacements thereof and substitutions therefor made pursuant to the Lease, and all additions, alterations, modifications and improvements thereof made pursuant to the Lease, including, upon delivery of Additional Certificates, including Project Additions financed with Additional Certificates.

"Project Additions" means all additions, improvements, extensions, alterations, expansions or modifications of the Facilities, or any other property of the City, or any part thereof, financed with the proceeds of Additional Certificates delivered pursuant to **Section 209** of this Indenture.

"Project Costs" means all costs of acquisition, construction, improvement, furnishing and equipping of the Project, including the following:

(a) fees and expenses of architects, appraisers, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of architects, appraisers, surveyors and engineers in relation to the construction of the Project or the delivery of the Certificates;

(b) all costs and expenses of every nature incurred with respect to the Project, including the actual cost of labor and materials, as payable to contractors, builders, suppliers, vendors and materialmen in connection with the acquisition, construction, improvement, furnishing and equipping of the Project;

(c) the cost of insurance policies referred to in **Article VI** of the Lease and any insurance or performance and payment bonds maintained during the Construction Period in accordance with the Lease;

(d) expenses of administration, supervision and inspection properly chargeable to the Project, underwriting expenses, legal fees and expenses, fees and expenses of accountants and other consultants, publication and printing expenses, and initial fees and expenses of the Trustee and the Paying Agent to the extent that said fees and expenses are necessary or incident to the delivery and sale of the Certificates or the acquisition, construction, improvement, furnishing and equipping of the Project;

(e) all other items of expense not elsewhere specified in this definition as may be necessary or incident to: (i) the authorization, delivery and sale of the Certificates; (ii) the acquisition, construction, improvement, furnishing and equipping of the Project; and (iii) the financing thereof (including capitalized interest, if any); and

(f) reimbursement to the City or those acting for it for any of the above enumerated costs and expenses incurred and paid by them before or after the execution of the Lease as permitted by the Code.

"Project Fund" means the **"Project Fund"** created in **Section 501** of this Indenture.

"Project Site" means the real estate described in **Schedule 1**.

"Purchaser" means the original purchaser of each series of the Certificates.

"Record Date" means the fifteenth day (whether or not a Business Day) of the calendar month next preceding the month in which each Certificate Payment Date occurs.

"Registered Owner," "Owner" or **"Certificate Owner"** when used with respect to any Certificate means the Person in whose name such Certificate is registered on the Certificate Register.

"Renewal Term" means the optional renewal terms of the Lease, each being a duration of one year and a term co-extensive with the City's Fiscal Year.

"Rental Payment Date" means during the Lease Term, any day on or prior to each Certificate Payment Date, and any other date on which any Rental Payments are payable pursuant to the Lease.

"Rental Payments" means the payments described in **Section 5.1** of the Lease.

"Replacement Certificates" means Certificates delivered to the beneficial owners of the Certificates in accordance with **Section 212(b)** of this Indenture.

"S&P" or **"Standard & Poor's"** means Standard & Poor's Ratings Services, a separately identifiable business unit within Standard & Poor's Financial Services LLC, a Delaware limited liability company wholly owned by the McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"Series 2022 Certificates" means the City's Certificates of Participation (Carthage Water and Electric Plant), Series 2022, delivered pursuant to this Indenture.

"Special Counsel" means Gilmore & Bell, P.C., or any other attorney or firm of attorneys (which is mutually acceptable to the City and the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Special Record Date" means the date fixed by the Trustee pursuant to **Section 204(d)** of this Indenture for the payment of Defaulted Interest.

"State" means the State of Missouri.

"Supplemental Indenture" means any indenture supplemental or amendatory to this Trust Indenture entered into by the City and the Trustee pursuant to **Article X** of this Indenture.

"Supplemental Lease" means any agreement supplemental or amendatory to the Lease entered into by the City and the Trustee pursuant to **Article XI** of this Indenture.

"Tax Compliance Agreement" means the Tax Compliance Agreement between the City and the Trustee, entered into in connection with the delivery of each series of Certificates for which the interest component of Rental Payments paid by the City and distributed to the registered owners of the Certificates is excluded from gross income for federal income tax purposes, as from time to time amended in accordance with the provisions thereof.

"Trust Estate" means the Trust Estate described in the Granting Clauses of this Indenture and in the Granting Clauses of any Supplemental Indenture.

"Trustee" means UMB Bank, N.A., in Kansas City, Missouri, in its capacity as trustee hereunder, and its successor or successors and any other corporation which at the time may be substituted in its place pursuant to and at the time serving as Trustee under this Indenture.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed 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, and such obligations are held in a custodial or trust account for the benefit of the City.

Section 102. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) All references in this Indenture to a particular article, section, other subdivision, exhibit, schedule or appendix shall be construed to be a reference to the specified article, section or other subdivision or exhibit, schedule or appendix hereto unless the context or use clearly indicates another or different meaning or interest. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole as this Indenture may be amended and not to any particular Article, Section or subdivision.

(c) The section and article headings are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Indenture.

(d) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

THE CERTIFICATES

Section 201. Title and Amount of Certificates. No Certificates may be delivered under this Indenture except in accordance with the provisions of this Article. The Certificates authorized to be delivered under this Indenture shall be designated as "City of Carthage, Missouri Certificates of Participation (Carthage Water and Electric Plant)," with such further appropriate particular designation added to or incorporated in such title for the Certificates of any particular series as may be set forth in the provisions of this Indenture or any Supplemental Indenture authorizing such series. The initial series of Certificates will be authorized pursuant to **Section 208** of this Indenture. Additional Certificates may be delivered as provided in **Section 209** of this Indenture.

Section 202. Limited Obligations.

(a) Each Certificate shall evidence the undivided interest of the Registered Owner thereof in the rights to receive Rental Payments from the City under the Lease. The Certificates are limited obligations and are payable solely out of the Rental Payments and other payments, revenues and receipts derived under the Lease (including, in certain circumstances, Certificate proceeds and income from the temporary investment thereof and Net Proceeds), and are secured by a pledge and assignment of the Trust Estate by the Trustee in favor of the Registered Owners of the Certificates, as provided in this Indenture. Neither the Certificates nor the Rental Payments payable pursuant to the Lease shall constitute a debt or liability of the City beyond the Lease Term in effect at any time and shall not constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction.

(b) No provision, covenant or agreement contained in this Indenture or the Certificates, or any obligation herein or therein imposed upon the City, or any breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability or a charge upon the general credit of the City. No officer, employee, agent or board member of the Trustee or the City, nor any person executing the Certificates shall be personally liable with respect to the Certificates by reason of the delivery thereof.

Section 203. Denomination, Numbering and Dating of Certificates. Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of $5,000 or any integral multiple thereof. The Series 2022 Certificates shall be dated and numbered as provided in **Section 208** of this Indenture. Certificates of each series of Additional Certificates shall be dated and numbered as provided in the Supplemental Indenture authorizing such series of Additional Certificates.

Section 204. Method and Place of Payment of Certificates.

(a) The Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for payment of debts due the United States of America.

(b) Amounts representing the Principal Component and premium, if any, payable with respect to the Certificates shall be payable at maturity or upon earlier prepayment by check or draft to the persons in whose names such Certificates are registered on the Certificate Register at the maturity or prepayment date thereof, upon the presentation and surrender of such Certificates at the corporate trust office of the Trustee or of any Paying Agent named in the Certificates or at such other office as the Trustee may indicate.

(c) Amounts representing the Interest Component payable with respect to each Certificate on any Certificate Payment Date shall be paid to the person in whose name such Certificate is registered at the

close of business on the Record Date for such interest by check or draft mailed by the Paying Agent to such Registered Owner at the address shown on the Certificate Register. Upon the request and at the expense of any Registered Owner of Certificates representing at least $500,000 in Principal Component, payments with respect to the Certificates shall be made by electronic transfer to the bank (which shall be in the continental United States) for credit to the ABA routing number and the account name and account number designated to the Trustee by such Registered Owner no later than five Business Days preceding the Record Date. With respect to any such request, the Registered Owner, at the time of delivery of the disbursement direction, shall (i) certify they have reviewed any wire instructions set forth in such written disbursement direction to confirm such wire instructions are accurate, and (ii) agree they will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with the disbursement direction.

(d) Defaulted Interest with respect to any Certificate shall cease to be payable to the Owner of such Certificate on the relevant Record Date and shall be payable to the Owner in whose name such Certificate is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The City shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Certificate and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment; money deposited with the Trustee shall be held in trust for the benefit of the Owners of the Certificates entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment (unless the Trustee agrees to a shorter period). The Trustee shall, at the expense of the City, cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner of a Certificate entitled to such notice at the address of such Owner as it appears on the Certificate Register not less than 10 days prior to such Special Record Date.

Section 205. Execution of Certificates.

(a) Each Certificate shall be executed by the manual signature of an authorized signatory of the Trustee. In case any person whose signature appears on any Certificate shall cease to be an authorized signatory before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Certificate may be signed by a person who at the actual time of the execution of such Certificate shall be a person authorized to sign such Certificate although at the date of such Certificate such person may not have been so authorized.

(b) No Certificate shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate shall have been duly executed by the Trustee. Such execution shall be conclusive evidence that such Certificate has been duly executed and delivered under this Indenture. Any Certificate shall be deemed to have been duly executed if signed by any authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign all of the Certificates of any series.

Section 206. Registration, Transfer and Exchange of Certificates.

(a) The Trustee is hereby appointed Certificate Registrar and as such shall keep a Certificate Register for the registration and for the transfer of Certificates as provided in this Indenture. Each

Certificate when delivered shall be registered in the name of the Registered Owner thereof on the Certificate Register.

(b) Any Certificate may be transferred only upon the Certificate Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in a form satisfactory to the Trustee. Upon any such transfer, the Trustee shall execute and deliver in exchange for such Certificate one or more new fully registered Certificates, registered in the name of the designated transferee, of any authorized denomination and of like series, maturity and aggregate stated principal amount.

(c) Any Certificate, upon surrender thereof to the Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in a form satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for one or more Certificates of any authorized denomination and of like series, maturity and aggregate stated principal amount.

(d) When any Certificate is surrendered for exchange or transfer hereunder, the Trustee shall execute and deliver one or more new Certificates at the earliest practicable time in accordance with the provisions of this Indenture. All Certificates surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. The Trustee may make a charge to the Registered Owner requesting the same for every such exchange or transfer of Certificates sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such new Certificate shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any certificate printing necessary to effect such transfer or exchange shall be paid by the City as Additional Payments. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may make a charge against such Registered Owner sufficient to pay any governmental charge required to paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Registered Owner hereunder or with respect to the Certificates.

(e) At reasonable times and under reasonable regulations established by the Trustee, the Certificate Register may be inspected and copied by the City or the Owners (or a designated representative thereof) of 10% or more in principal amount of Certificates then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(f) The Trustee shall not be required to register the transfer of or exchange any Certificate after notice calling such Certificate or portion thereof for prepayment has been given or during the period of fifteen days next preceding the first mailing of such notice of prepayment.

Section 207. Persons Deemed Registered Owners of Certificates. The person in whose name any Certificate shall be registered as shown on the Certificate Register shall be deemed and regarded as the absolute Registered Owner thereof for all purposes, and payment of any amount representing principal, premium, if any, or interest with respect to such Certificate shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability represented by such Certificate to the extent of the sum or sums so paid.

Section 208. Authorization of Series 2022 Certificates.

(a) There shall be initially delivered and secured by this Indenture a series of Certificates in the aggregate principal amount of $15,000,000 for the purpose of providing funds to pay Project Costs, which series of Certificates shall be designated "City of Carthage, Missouri Certificates of Participation (Carthage Water and Electric Plant), Series 2022" (herein called the **"Series 2022 Certificates"**). The

Series 2022 Certificates shall be substantially in the form set forth in **Exhibit A** attached hereto. The Series 2022 Certificates shall be numbered from 1 consecutively upward, with the number on each Series 2022 Certificate preceded by the letter **"R"**. The Series 2022 Certificates shall be dated the date of their delivery, shall mature on May 1 in the following years and stated principal amounts (subject to prior prepayment as hereinafter provided in **Article III**), and shall evidence interests in the right to receive a proportionate share of the Rental Payments (determined by reference to such stated principal amounts with interest thereon at the following respective rates per annum):

SERIAL CERTIFICATES

Maturity May 1	Principal Amount	Interest Rate
2024	$455,000	5.000%
2025	475,000	5.000
2026	500,000	5.000
2027	525,000	5.000
2028	555,000	5.000
2029	580,000	5.000
2030	610,000	5.000
2031	640,000	5.000
2032	670,000	5.000
2033	705,000	5.000
2034	740,000	5.000

TERM CERTIFICATES

Maturity May 1	Principal Amount	Interest Rate
2037	$2,445,000	5.000%
2040	2,835,000	5.000
2043	3,265,000	4.375

Interest Components with respect to the Series 2022 Certificates shall be computed on the basis of a 360-day year of twelve 30-day months from the date thereof or from the most recent Certificate Payment Date to which interest has been paid or duly provided for and shall be payable semiannually on May 1 and November 1 in each year, beginning on May 1, 2023.

(b) The Trustee is hereby designated as the Paying Agent for the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Series 2022 Certificates.

(c) The Series 2022 Certificates shall be delivered to the Trustee for execution substantially in the form set forth in **Article IV** together with the following items:

(1) An original or certified copy of the ordinance adopted by the City Council of the City approving the delivery of the Series 2022 Certificates and authorizing the execution of the Base Lease, the Lease, this Indenture and the Tax Compliance Agreement;

(2) An original executed counterpart of this Indenture;

(3) An original executed counterpart of the Lease;

(4) An original executed counterpart of the Base Lease;

(5) An original executed counterpart of the Tax Compliance Agreement;

(6) A request and authorization to the Trustee on behalf of the City, executed by an Authorized City Representative, to execute the Certificates and to deliver the Certificates to or upon the order of the Purchaser upon payment of the purchase price thereof. The Trustee shall be entitled to conclusively rely upon such request and authorization as to the name of the purchaser and the amount of such purchase price;

(7) An opinion of Special Counsel to the effect that the Series 2022 Certificates represent valid and legally binding, undivided interests in the rights to receive Rental Payments from the City under the Lease, and that the Interest Component of the Rental Payments is excludable from gross income for federal income tax purposes;

(8) An ALTA owner's title insurance policy, or commitment therefor, in form and substance acceptable to the Purchaser, satisfying the requirements of **Section 3.7** of the Base Lease; and

(9) Such other certificates, statements, receipts, opinions and documents as the Trustee, the Purchaser or Special Counsel shall reasonably require for the delivery of the Series 2022 Certificates.

(d) When the documents specified in subsection (c) of this Section have been filed with the Trustee, and when the Series 2022 Certificates shall have been executed as required by this Indenture, the Trustee shall deliver the Series 2022 Certificates to or upon the order of the Purchaser upon payment of the purchase price of the Series 2022 Certificates. The net proceeds of the sale of the Series 2022 Certificates, including accrued interest and premium thereon, if any, shall be deposited and applied in accordance with **Article V** hereof.

Section 209. Authorization of Additional Certificates.

(a) Additional Certificates may be delivered under and be equally and ratably secured by this Indenture on a parity with the Series 2022 Certificates and any other Additional Certificates Outstanding, at any time and from time to time while no Event of Default or Event of Nonappropriation has occurred and is continuing under the Indenture, upon compliance with the provisions of this Section, for any of the following purposes:

(1) To provide funds to pay the costs of completing the Project, the total of such costs to be evidenced by a certificate signed by an Authorized City Representative;

(2) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Project in the event of damage, destruction or condemnation thereto or thereof, but

only to the extent that such costs exceed the Net Proceeds of the insurance or condemnation awards out of which such costs are to be paid pursuant to **Article VIII** of the Lease;

(3) To provide funds for refunding all or any portion of the Certificates of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated prepayment date and any expenses in connection with such refunding; or

(4) Any other lawful purpose for the benefit of the City.

The principal amount of any Additional Certificates may include an amount sufficient to pay the costs and expenses of delivery, a funding of a reserve account, if required, and such capitalized amounts as are permitted by law.

(b) Before any Additional Certificates shall be delivered under the provisions of this Section, the City shall adopt an ordinance (i) authorizing or approving the delivery of such Additional Certificates and fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Certificates are being delivered or describing the Certificates to be refunded, (ii) authorizing or approving the execution of a Supplemental Indenture for the purpose of delivering such Additional Certificates, (iii) authorizing the execution of an amendment to the Lease to provide for Rental Payments at least sufficient to pay the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates then to be Outstanding (including the Additional Certificates to be delivered) as the same become due, (iv) authorizing the execution of an amendment to the Base Lease, if appropriate, to extend the term thereof and to add real property subject to the terms thereof, and (v) for such other matters as are appropriate because of the delivery of the Additional Certificates proposed to be delivered which, in the judgment of the City, are not to the prejudice of the City or do not materially and adversely the security for the Registered Owners of the Certificates previously delivered.

(c) Additional Certificates shall be dated and numbered, shall be stated to mature in such year or years, shall provide for amounts representing Interest Components at such rate or rates not exceeding the maximum rate then permitted by law, and shall be prepayable at such times and prices, as may be provided by the Supplemental Indenture authorizing the delivery of such Additional Certificates. Except as to any difference in date, maturity, interest rate or prepayment provisions, such Additional Certificates shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 2022 Certificates and any other Additional Certificates Outstanding after the delivery of such Additional Certificates. If such Additional Certificates are to be secured by a reserve fund, such fund shall be fully funded to any reserve requirement set at the time of delivery of such Additional Certificates.

(d) Such Additional Certificates shall be executed substantially in the form and manner set forth in this Article and **Article IV** of this Indenture**,** upon filing the following items with the Trustee:

(1) An original or certified copy of the Ordinance adopted by the City Council of the City approving the delivery of such Additional Certificates pursuant to such Supplemental Indenture and authorizing the execution of any amendment of the Lease and/or the Base Lease;

(2) An original executed counterpart of the Supplemental Indenture providing for the delivery of the Additional Certificates;

(3) An original executed counterpart of the amendment to the Base Lease, if required, and the Lease, if required, which amendment to the Lease shall clearly establish that the City has agreed that the Additional Certificates shall constitute Certificates for the purpose of computing the required Rental Payments;

(4) A request and authorization to the Trustee, on behalf of the City, executed by an Authorized City Representative, to execute the Additional Certificates and to deliver said Additional Certificates to or upon the order of the purchaser thereof upon payment of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the name of the purchaser and the amount of such purchase price;

(5) An opinion of Special Counsel to the effect that the delivery of such Additional Certificates represent valid and legally binding proportionate interests in the rights to receive Rental Payments from the City under the Lease and, except with respect to those Certificates delivered with Interest Components which are includable in gross income for federal income tax purposes, that the delivery of such Additional Certificates will not cause the Interest Component of the Rental Payments represented by any Certificates then Outstanding (including such Additional Certificates) to become includable in gross income for federal income tax purposes;

(6) In the case of Additional Certificates being delivered to refund Outstanding Certificates, such additional documents as shall be reasonably required by the Trustee to evidence that provision has been duly made in accordance with the provisions of **Article XII** of this Indenture for the payment of all of the Certificates to be refunded;

(7) Additional Certificates may be delivered without notice to or the consent of the Registered Owners of the Certificates (a) if the Additional Certificates are being issued to refund Certificates providing present value debt service savings for the City or (b) for Additional Certificates issued in the principal amount, together with other Certificates then Outstanding, that does not exceed $30,000,000.

(8) The Opinions of Counsel required by **Section 1003** and **Section 1103** of this Indenture; and

(9) Such other certificates, statements, receipts, opinions and documents as the City, the Trustee or Special Counsel shall reasonably require for the delivery of such Additional Certificates.

(e) When the documents described in subsection (d) of this Section shall have been filed with the Trustee, and when such Additional Certificates shall have been executed as required by this Indenture, the Trustee shall deliver such Additional Certificates to or upon the order of the purchaser thereof upon payment of the purchase price of such Additional Certificates. The proceeds of the sale of such Additional Certificates, except Additional Certificates delivered to refund Outstanding Certificates, including any accrued interest and premium thereon, shall be deposited in accordance with the provisions of this Indenture and as provided by the Supplemental Indenture authorizing the delivery of such Additional Certificates. The proceeds of all Additional Certificates delivered to refund Outstanding Certificates shall be deposited by the Trustee, together with other available funds, after payment or making provision for payment of all expenses incident to such financing, to the credit of a special trust fund, to be held in trust for the sole and exclusive purpose of paying the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates to be refunded, as provided in **Section 1303** of this Indenture and in the Supplemental Indenture authorizing the delivery of such Additional Certificates.

Section 210. Mutilated, Lost, Stolen or Destroyed Certificates. In the event any Certificate is mutilated, lost, stolen or destroyed, the Trustee shall execute and deliver a new Certificate of like series, date and tenor as the Certificate mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Certificate, such mutilated Certificate shall first be surrendered to the Trustee, and in the case of

any lost, stolen or destroyed Certificate, there shall be first furnished to the Trustee evidence satisfactory to the Trustee of such loss, theft or destruction, together with indemnity satisfactory to Trustee. In the event any such Certificate shall have matured or has been designated for prepayment, such Certificate may be paid without surrender thereof or delivery of a new Certificate. Upon the delivery of any substitute Certificate, the Trustee may require the payment of an amount sufficient to reimburse the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 211. Cancellation and Destruction of Certificates Upon Payment. All Certificates which have been paid or prepaid or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be canceled by the Trustee immediately upon such payment, prepayment or purchase and the surrender thereof to the Trustee. All Certificates canceled under any of the provisions of this Indenture shall be destroyed by the Trustee. The Trustee shall execute a certificate describing the Certificates so destroyed and shall file an executed counterpart of such certificate with the City.

Section 212. Certificates Delivered in Book-Entry Form.

(a) 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 Certificate Registrar delivers Replacement Certificates as provided in subsection (b) of this Section. 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 Certificate Registrar authenticates and delivers Replacement Certificates to the beneficial owners as described in subsection (b).

(b) (1) If the City determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) 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 (C) that the continuation of a book-entry system to the exclusion of any Certificates being delivered to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Certificates, or (2) if the Certificate Registrar receives written notice from Participants having interests in not less than 50% of the principal amounts 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 delivered to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Certificates, then the Certificate Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Certificate Registrar shall register in the name of and authenticate and deliver Replacement Certificates to the beneficial owners or their nominees in Principal Components representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued Interest Components and previous calls for prepayment; provided, that in the case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the consent of the Certificate Registrar, may select a successor securities depository in accordance with **Section 212(c)** below to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when at least one Certificate is registered in the name of the Securities Depository or its nominee. Upon the delivery 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 Certificate Registrar, to the extent applicable with respect to such Replacement Certificates. If the Securities Depository resigns and the City, the Certificate Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 212(c)**, then the Certificate Registrar shall authenticate and cause

delivery of Replacement Certificates to Owners, as provided herein. The Certificate Registrar may rely on information from the Securities Depository and its Participants as to the names and addresses of and the amounts held by the beneficial owners of the Certificates. The cost of printing, registration, authentication and delivery of Replacement Certificates shall be paid for by the City.

(c) 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 City may appoint a successor Securities Depository provided the Certificate Registrar and the City receive written evidence 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 Certificate Registrar upon its receipt of a Certificate or Certificates for cancellation shall cause the delivery of Certificates to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

PREPAYMENT OF CERTIFICATES

Section 301. Prepayment of Certificates Generally. The Series 2022 Certificates shall be subject to prepayment prior to maturity in accordance with the terms and provisions set forth in this Article. Additional Certificates shall be subject to prepayment prior to maturity in accordance with the terms and provisions contained in this Article and as may be specified in the Supplemental Indenture authorizing such Additional Certificates.

Section 302. Prepayment of Series 2022 Certificates.

(a) ***Optional Prepayment.*** The Series 2022 Certificates are subject to prepayment on and after May 1, 2030 as a whole or in part at any time at 100% of the Principal Component represented thereby, plus the Interest Component accrued thereon to the prepayment date.

(b) ***Extraordinary Optional Prepayment.*** The Certificates shall be subject to prepayment prior to the stated maturity thereof, upon instructions from the City, in whole or in part on any date, at a prepayment price equal to 100% of the principal amount of the Certificates to be prepaid plus interest accrued thereon to the prepayment date, upon the occurrence of any of the following conditions or events:

(1) if title to, or the use for a limited period of, all or substantially all of the Facilities is condemned by any authority having the power of eminent domain (other than the City or any entity controlled by or otherwise affiliated with the City);

(2) if title to all or substantially all of the Facilities is found to be deficient or nonexistent to the extent that the efficient utilization of the Facilities by the City is impaired;

(3) if all or substantially all of the Facilities is damaged or destroyed by fire or other casualty; or

(4) if as a result of changes in the constitution of the State, or of legislative or administrative action by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Base Lease, the Lease or this Indenture shall

become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City with respect to the Base Lease, the Lease or this Indenture.

(c) **Mandatory Prepayment**. The Series 2022 Certificates or portions thereof bearing stated maturity dates of May 1, 2037, May 1, 2040 and May 1, 2043 (the "Term Certificates"), shall be subject to mandatory prepayment prior to their stated maturities at a Prepayment Price of 100% of the Principal Component so prepaid plus the Interest Component accrued thereon to the Prepayment Date, in the following principal amounts:

May 1, 2037 Term Certificates

Prepayment Date May 1	**Principal Component**
2035	$775,000
2036	815,000
2037	855,000 *

*Final Maturity

May 1, 2040 Term Certificates

Prepayment Date May 1	**Principal Component**
2038	$900,000
2039	945,000
2040	990,000 *

*Final Maturity

May 1, 2043 Term Certificates

Prepayment Date May 1	**Principal Component**
2041	$1,040,000
2042	1,090,000
2043	1,135,000 *

*Final Maturity

The Trustee shall in each year in which such Term Certificates are to be prepaid pursuant to the terms of the foregoing paragraph make timely selection of such Term Certificates or portions thereof and shall give notice thereof as hereinafter provided without further instructions from the City.

If permitted by law, moneys deposited in the Certificate Fund in excess of amounts necessary to pay amounts representing Principal Components and Interest Components with respect to the Term Certificates coming due on or prior to the next ensuing Payment Date may be used at any time to purchase Term

Certificates in the open market, to the extent practical, at the written instruction of the City at a price not in excess of 100% of the principal amount thereof and to pay interest accrued on such Term Certificates so purchased at the specified rate thereon to the date of purchase.

At its option, to be exercised on or before the 45th day next preceding any mandatory prepayment date, the City may (i) deliver to the Trustee for cancellation Term Certificates in any aggregate principal amount desired or (ii) receive a credit in respect to the mandatory prepayment obligation provided above for the respective Term Certificates of the same maturity which prior to such date shall have been purchased or prepaid (other than through the operation of such mandatory prepayment provisions as aforesaid) and canceled by the Trustee and not theretofore applied against such mandatory prepayment obligation. Each Term Certificate so delivered or previously purchased or prepaid as described in the immediately preceding sentence shall be credited at 100% of the principal amount thereof against the obligation to prepay Term Certificates of the same maturity on the next succeeding mandatory prepayment date pursuant to this subsection and any excess of such amount shall be credited on future mandatory prepayment obligations for Term Certificates pursuant to this subsection in chronological order. If the City intends to exercise the option granted by clauses (i) or (ii) above, the City shall, on or before the 35th day next preceding each mandatory prepayment date, furnish the Trustee a certificate signed by an Authorized City Representative indicating to what extent said provisions of clauses (i) and (ii) are to be applied in respect to such mandatory prepayment requirement and the Term Certificates to be canceled.]

Section 303. Selection of Certificates to Be Prepaid.

(a) Certificates shall be prepaid only in the principal amount of $5,000 or any integral multiple thereof. When less than all of the Outstanding Certificates of any series are to be prepaid prior to maturity (other than by mandatory sinking fund prepayment, if any), the City shall designate which maturities of such series of the Certificates shall be prepaid. Certificates to be prepaid of less than a full maturity shall be selected by the Trustee in $5,000 units of face value by lot or in such other equitable manner as the Trustee may determine.

(b) In the case of a partial prepayment of Certificates when Certificates of denominations greater than $5,000 units of face value are then Outstanding, then for all purposes in connection with such prepayment, each $5,000 unit of face value shall be treated as though it were a separate Certificate. If it is determined that one or more, but not all, of the $5,000 units of face value represented by any Certificate is selected for prepayment, then upon notice of intention to prepay such $5,000 unit or units, the Registered Owner of such Certificate or his duly authorized agent shall forthwith present and surrender such Certificate to the Trustee (1) for payment of the prepayment price (including amounts representing premium, if any, and Interest Components to the date fixed for prepayment) of the $5,000 unit or units of face value called for prepayment, and (2) for exchange, without charge to the Registered Owner thereof, for a new Certificate or Certificates of the aggregate principal amount of the unprepaid portion of the principal amount of such Certificate. If the Registered Owner of any such Certificate of a denomination greater than $5,000 fails to present such Certificate to the Trustee for payment and exchange as aforesaid, such Certificate shall, nevertheless, become due and payable on the prepayment date to the extent of the $5,000 unit or units of face value called for prepayment (and to that extent only).

Section 304. Trustee's Duty to Prepay Certificates.

(a) The Trustee shall call Certificates for prepayment and payment as herein provided and shall give notice of prepayment as provided in **Section 305** upon receipt by the Trustee at least 35 days prior to the prepayment date of a written request of the City. Such request shall specify the principal amount of Certificates of each maturity to be called for prepayment, the applicable prepayment price or prices and the above-mentioned provision or provisions pursuant to which such Certificates are to be called for

prepayment. The Trustee shall be entitled to rely conclusively on such written request in exercising its duty to give notice of the call for such prepayment as provided in **Section 305**.

(b) Reference is hereby made to **Section 5.6** of the Lease, wherein the City is given the right to direct the Trustee to prepay Certificates under certain circumstances under the foregoing provisions of this Article. The Trustee shall comply with any direction of the City given pursuant to said **Section 5.6** of the Lease upon satisfaction of the conditions specified therein precedent to the City's right to direct such a prepayment.

Section 305. Notice and Effect of Call for Prepayment. Official notice of any prepayment shall be given by the Trustee by mailing a copy of an official prepayment notice at least 20 days prior to the date fixed for prepayment by first class mail to the Purchaser of the Certificates and the Registered Owner of the Certificate or Certificates to be prepaid, unless waived by any Registered Owner thereof, at the address shown on the Certificate Register as of the date of the notice.

All official notices of prepayment shall be dated and shall state:

(1) the prepayment date,

(2) the prepayment price,

(3) if less than all Outstanding Certificates are to be prepaid, the identification number, series, maturity date (and, in the case of partial prepayment of any Certificates, the respective principal amounts) of the Certificates to be prepaid,

(4) that on the prepayment date the prepayment price will become due and payable upon each such Certificate or portion thereof called for prepayment, and that interest thereon shall cease to accrue from and after said date, and

(5) the place where such Certificates are to be surrendered for payment of the prepayment price, which place of payment shall be the corporate trust office of the Trustee or such other office as the Trustee shall designate.

With respect to optional prepayments, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the prepayment date in an amount sufficient to pay the prepayment price on the prepayment date. If such notice is conditional and either the Trustee receives written notice from the City that moneys sufficient to pay the prepayment price will not be on deposit on the prepayment date, or such moneys are not received on the prepayment date, then such notice shall be of no force and effect, the Trustee shall not prepay such Certificates and the Trustee shall give notice, in the same manner in which the notice of prepayment was given, that such moneys were not or will not be so received and that such Certificates will not be prepaid.

The failure of any Owner of Certificates to receive notice given as provided in this Section, or any defect therein, shall not affect the validity of any proceedings for the prepayment of any Certificates.

On or prior to any prepayment date, funds shall be on deposit with the Trustee which are sufficient to pay the prepayment price of all the Certificates or portions of Certificates that are to be prepaid on that date in addition to any amounts therein required for regularly scheduled payments of amounts representing Principal and Interest Components with respect to the Certificates.

Official notice of prepayment having been given as aforesaid, the Certificates or portions of Certificates so to be prepaid shall, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after such date (unless the City shall default in the payment of the prepayment price), the Registered Owners of such Certificates or portion of Certificates shall no longer be entitled to receive any additional Interest Component of the Rental Payments. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates shall be paid by the Trustee at the prepayment price. Installments of Interest Components due on or prior to the prepayment date shall be payable as herein provided for payment of Interest Components. Upon surrender for any partial prepayment of any Certificate, there shall be prepared for the Registered Owner a new Certificate or Certificates of the same maturity in the amount of the unpaid principal. All Certificates which have been prepaid shall be canceled and destroyed by the Trustee and shall not be redelivered.

Upon the happening of the above conditions, and notice having been given as provided above, the Registered Owners of such Certificates or portion of the Principal Component with respect to the Certificates thus called for prepayment shall no longer be entitled to receive any additional Interest Component of the Rental Payments after the specified prepayment date, and such Certificates or portion of the Principal Component with respect to the Certificates thus called for prepayment shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture.

Any defect in any notice or the failure of any parties to receive any notice of prepayment shall not cause any Certificate called for prepayment to remain Outstanding.

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

Section 306. Revised Schedule of Rental Payments and Option Purchase Price. Upon partial prepayment of Certificates, the Trustee shall provide the City with a revised schedule of Rental Payments and a revised schedule setting forth the Option Purchase Price which schedule shall take into account such prepayment or delivery and shall be and become for all purposes thereafter included in **Schedule 4** to the Lease; provided, however, that nothing herein shall be construed to authorize or permit a revision of the Optional Purchase Dates from those originally provided in the Lease.

ARTICLE IV

FORM OF CERTIFICATES

Section 401. Forms Generally. The Certificates shall be in substantially the form set forth in **Exhibit A** to this Indenture. Any Additional Certificates shall also be in substantially the form set forth in **Exhibit A**, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

ARTICLE V

CREATION OF FUNDS;
CUSTODY AND APPLICATION OF CERTIFICATE PROCEEDS

Section 501. Creation of Funds. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the City to be designated as follows:

(a) Certificate Fund; and
(b) Project Fund.

Within each Fund created hereunder, a separate account shall be created for each series of Certificates. The Trustee is authorized to segregate moneys within such accounts, as instructed by the City, as necessary, on a book-entry basis or in such other manner as the Trustee may deem necessary or convenient.

Section 502. Allocation of Certificate Proceeds. The net proceeds received from the sale of the Series 2022 Certificates, shall be deposited or applied simultaneously with the delivery of the Series 2022 Certificates, in the Project Fund.

Section 503. Deposits into the Project Fund. The following moneys shall be paid over to and deposited by the Trustee in the applicable subaccount of the Project Fund, as and when received:

(a) The proceeds from the sale of the Series 2022 Certificates, to the extent required by **Section 502** hereof.

(b) The proceeds from the sale of Additional Certificates (except Additional Certificates delivered to refund Outstanding Certificates), to the extent provided in the Supplemental Indenture authorizing such Additional Certificates;

(c) The Net Proceeds of casualty insurance, title insurance or condemnation awards required to be deposited into the Project Fund pursuant to the Lease;

(d) All payment and performance and labor and material bond payments and any and all payments from any contractors or other suppliers by way of breach of contract, refunds or adjustments required to be deposited into the Project Fund pursuant to the Lease; and

(e) Except as otherwise provided herein or in the Lease, any other moneys received by or to be paid to the Trustee from any other source for the acquisition, construction, improvement, furnishing and equipping of the Project, to the extent directed in writing by the Authorized City Representative to be deposited into the Project Fund.

Section 504. Disbursements from the Project Fund.

(a) So long as no Event of Default or Event of Nonappropriation has occurred and is continuing, the money in the Project Fund shall be disbursed by the Trustee for the payment of remaining Project Costs upon receipt of requisition certificates in substantially the form attached to the Lease as **Schedule 3**, and signed by an Authorized City Representative. All disbursements of Project Fund moneys shall, at the option of the City, be made either directly to the appropriate payees or to the City for reimbursement of Project Costs. The Trustee hereby covenants and agrees to disburse such money in accordance with the provisions of this Section. In making disbursements for Project Costs, the Trustee may

conclusively rely as to the completeness and accuracy of all statements in such requisition certificate without inquiry or investigation if such requisition certificate is signed by the Authorized City Representative. It is understood that the Trustee shall not make any inspections of the Project nor any improvements thereon, make any provision to obtain completion certificates, mechanic's or materialmen's lien releases or otherwise supervise any phase of the acquisition, construction, improvement, furnishing or equipping of the Project. The receipt of a requisition signed by the Authorized City Representative shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Project Fund have been completed.

(b) The Trustee shall keep and maintain adequate records pertaining to the Project Fund (and the subaccounts therein), earnings thereon and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs filed as provided in **Section 505** below, the Trustee shall file with the City a final statement of receipts and disbursements with respect thereto.

Section 505. Disposition upon Completion of the Project. The completion of the Project and payment of all costs and expenses incidental thereto shall be evidenced by the filing with the Trustee by the Authorized City Representative of the Completion Certificate required by **Section 4.4** of the Lease. As soon thereafter as practicable, any balance remaining in the Project Fund (other than amounts retained by the Trustee as specified in said certificate) shall without further authorization be deposited in the applicable subaccount of the Certificate Fund and applied by the Trustee as directed in writing by the City solely (i) to pay amounts representing Principal Components or premium, if any, and Interest Components with respect to the Certificates upon the payment or prepayment thereof at the earliest date permissible under the terms of this Indenture, or (ii) at the option of the City, to purchase Certificates at such earlier date or dates as the City may elect. The balance remaining in the Project Fund and transferred to the Certificate Fund shall be invested in accordance with the written direction of the City. Any investment direction of the City shall be in compliance with the Tax Compliance Agreement. Any earnings on such investments may be applied to pay amounts representing Principal Components, premium, if any, or Interest Components with respect to the Certificates. Any Certificates purchased by the Trustee pursuant to this provision with moneys from the Certificate Fund will be deemed canceled. From time to time as the proper disposition of the amounts retained by the Trustee and specified in said certificate shall be determined, to the extent that such amounts are not paid out by the Trustee pursuant to **Section 504** of this Indenture, the City shall so notify the Trustee by one or more certificates as aforesaid and amounts from time to time no longer to be so retained by the Trustee shall be so deposited in the applicable subaccount of the Certificate Fund and applied by the Trustee as aforesaid.

Section 506. Disposition upon Acceleration. If the Certificates shall have become due and payable pursuant to **Section 802** of this Indenture, upon the date of payment by the Trustee of any money due as hereinafter provided in **Article IX** of this Indenture, any balance remaining in the Project Fund shall without further authorization be deposited in the applicable subaccount of the Certificate Fund by the Trustee with written notice to the City of such action.

ARTICLE VI

REVENUES AND FUNDS

Section 601. Deposits into the Certificate Fund. The Trustee shall deposit into the applicable subaccount of the Certificate Fund, as and when received, the following moneys:

(a) All Rental Payments payable by the City to the Trustee specified in the Lease;

(b) Any amount remaining in the Project Fund to be transferred to the Certificate Fund pursuant to **Section 505** of this Indenture upon completion of the Project and any amount remaining in the Project Fund to be transferred to the Certificate Fund pursuant to **Section 506** of this Indenture upon acceleration of the maturity of the Certificates;

(c) The balance of any Net Proceeds of insurance or condemnation awards received by the Trustee pursuant to **Article VIII** of the Lease;

(d) All interest and other income derived from investments of moneys required to be transferred to the Certificate Fund as provided in **Section 702** of this Indenture; and

(e) All other moneys received by the Trustee when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Certificate Fund.

Section 602. Application of Moneys in the Certificate Fund.

(a) Except as provided in this Section and in **Section 807** of this Indenture, moneys in the Certificate Fund shall be expended solely for (1) the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates as the same mature and become due or upon the prepayment thereof, or (2) to purchase Certificates for cancellation prior to maturity.

(b) The Trustee is hereby authorized and directed to withdraw sufficient moneys from the applicable subaccount of the Certificate Fund to pay the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates as the same become due and payable and to make said moneys available to the Paying Agent for the purpose of paying such amounts.

(c) The Trustee, upon written direction of the City, shall use any moneys in the Certificate Fund (1) to prepay all or part of the Certificates Outstanding and the Interest Component of Rental Payments to accrue with respect thereto prior to such prepayment, in accordance with and to the extent permitted by **Article III** of this Indenture so long as the City is not in default with respect to any payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Certificates theretofore matured or called for prepayment, and (2) to pay past due interest in all cases when such Certificates have not been presented for payment. The City may cause such excess moneys in the Certificate Fund or such part thereof or other moneys of the City, as the City may direct, to be applied by the Trustee to purchase Certificates in the open market for the purpose of cancellation, at prices not exceeding the principal amount thereof plus interest accrued with respect thereto to the date of delivery for cancellation.

(d) After payment or provision for payment in full of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates, and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under this Indenture and the Lease, all amounts remaining in the Certificate Fund shall be paid to the City.

Section 603. Reserved.

Section 604. Payments Due on Days Other than Business Days. In any case where any amount representing Principal Component, premium, if any, or Interest Component with respect to any Certificate is payable on a day other than a Business Day, then such amounts with respect to the Certificates need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made when due, and no interest shall accrue for the period after such date.

Section 605. Nonpresentment of Certificates. In the event that any Certificate is not presented for payment when the Principal Component and premium, if any, with respect thereto becomes due, whether at maturity, upon prepayment or otherwise, or at the date fixed for prepayment thereof, if funds sufficient to pay such Certificate shall have been made available to the Trustee, all liability of the City to the Registered Owner thereof for the payment of such Certificate shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for Interest Components with respect thereto, for the benefit of such Registered Owner of such Certificate, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture with respect to such Certificate. If any Certificate is not presented for payment within one year following the date when such Certificate becomes due, whether by maturity, upon prepayment or otherwise, the Trustee upon the request of the City shall repay to the City without liability for interest thereon the funds theretofore held by the Trustee for payment of such Certificate, and such Certificate shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF MONEYS

Section 701. Moneys to Be Held in Trust. All moneys deposited with or paid to the Trustee for the account of any Fund under any provision of this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease and, until used or applied as so provided, shall constitute part of the Trust Estate and be subject to the lien of this Indenture. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys except as provided herein.

Section 702. Investment of Moneys in Funds.

(a) Money in the Funds held by the Trustee hereunder shall, pursuant to the City's direction given by the Authorized City Representative, confirmed in writing, and subject to the Tax Compliance Agreement, be separately invested and reinvested by the Trustee in Permitted Investments which mature or are subject to prepayment by the holder prior to the date when such money will be needed or, if such written directions are not received, then the Trustee shall hold such moneys in a money market fund to be designated by the City. After the Trustee has notice pursuant to **Section 901(h)** of this Indenture of the existence of an Event of Default or an Event of Nonappropriation, the Trustee shall direct the investment of money in the Funds held by it hereunder. The Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in any Fund is insufficient for the purposes of such Fund. The Trustee may make any and all investments permitted by the provisions of this Section through its own bond department or any affiliate or short-term investment department. The Trustee shall be entitled to rely on any written investment direction of an Authorized City Representative as to the suitability and legality of such directed investment and, if the Interest Component of Rental Payments is excluded from gross income for federal income tax purposes, that such written investment direction complies with the requirements of the Tax Compliance Agreement.

(b) Any Permitted Investments shall be held by or under the control of the Trustee and will be deemed at all times to be a part of the Fund in which such money is originally held. The interest earnings and any profit realized from Permitted Investments in any Fund hereunder shall be credited to the applicable subaccount of the Certificate Fund. However, prior to the Completion Date, the City may, in its sole

discretion, direct the Trustee in writing to deposit all interest earnings and profit realized from Permitted Investments to the applicable subaccount of the Project Fund. Any loss resulting from Permitted Investments shall be charged to the applicable Fund.

(c) In determining the balance in any Fund, investments in such Funds shall be valued at the lower of their original cost or their fair market value as of the most recent Record Date, or as frequently as deemed necessary.

(d) Although the City recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the City hereby agrees that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 801. Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an Event of Default under this Indenture:

(a) Default in the due and punctual payment of any amount representing Interest Components with respect to any Certificate;

(b) Default in the due and punctual payment of any amount representing Principal Components or premium, if any, with respect to any Certificate, whether at maturity, upon prepayment or otherwise;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City in this Indenture or in the Certificates contained (other than a default described in (a) or (b) above) or in any other document or instrument that secures or otherwise relates to the obligations hereby secured, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the City by the Trustee, or to the Trustee (which notice of default the Trustee shall be required to accept) and the City by the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the City within such period and diligently pursued until the default is corrected, so long as said default is corrected within 60 days after written notice thereof was first given as hereinabove provided unless the Trustee at the written direction of the Registered Owners of not less than a majority in aggregate Principal Components with respect to the Certificates then Outstanding otherwise consents; or

(d) An Event of Default as specified in **Section 12.1** of the Lease shall have occurred.

Section 802. Acceleration of Maturity.

(a) If an Event of Default or an Event of Nonappropriation shall have occurred and be continuing, (1) the Trustee may, and (2) the Trustee shall, at the written direction of the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding, by notice in writing delivered to the City, declare the Rental Payments and Additional Payments payable during the current Renewal Term immediately due and payable, and such Rental Payments and Additional Payments shall

thereupon become and be immediately due and payable, anything in this Indenture or in the Certificates to the contrary notwithstanding.

(b) If, at any time after such declaration, but before the Certificates shall have matured by their terms, all overdue installments representing Principal and Interest Components with respect to the Certificates, together with the reasonable and proper costs, charges, fees and expenses of the Trustee, and all other sums then payable by the City under this Indenture either has been paid or provision satisfactory to the Trustee for such payment has been made, then and in every such case the Trustee shall, upon the written request of the Registered Owners of not less than a majority in aggregate Principal Components of the Certificates Outstanding, rescind such declaration and annul such default in its entirety. In such event, the Trustee shall rescind any declaration of acceleration of installments of Rental Payments made pursuant to **Section 12.2** of the Lease.

(c) In case of any rescission, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former position and rights hereunder respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or Event of Nonappropriation or impair any right consequent thereon.

Section 803. Surrender of Possession of Facilities; Rights and Duties of Trustee in Possession. If an Event of Default or an Event of Nonappropriation shall have occurred and be continuing, the City, upon written demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of the Facilities, together with the books, records and accounts of the City pertaining thereto, and the Trustee may exercise all rights under this Indenture, the Lease and/or the Base Lease, and to hold, operate and manage the Facilities, and the right from time to time to make all needful repairs and improvements as shall be deemed wise by the Trustee; and the Trustee may lease the Facilities or any part thereof, and collect, receive and sequester the payments, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including without limitation (i) reasonable compensation to the Trustee, its agents and counsel, (ii) any charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this Indenture or the leasehold interest granted by the Base Lease, which the Trustee may deem it wise to pay, and (iv) all expenses of such repairs and improvements, and the Trustee shall apply the remainder of the moneys so received in accordance with the provisions of **Section 808** of this Indenture. Whenever all amounts with respect to the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates shall have been paid and all defaults made good, the Trustee shall surrender possession of the Facilities to the City, its successors or assigns, the same right of entry, however, to exist upon any subsequent Event of Default or Event of Nonappropriation. While in possession of such property, the Trustee shall render annually to the City a summarized statement of receipts and expenditures in connection therewith.

Section 804. Appointment of Receivers. If an Event of Default or an Event of Nonappropriation shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights and remedies of the Trustee and of the Registered Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, or any part thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 805. Exercise of Remedies by the Trustee.

(a) If an Event of Default or Event of Nonappropriation has occurred and is continuing, (1) the Trustee may, and (2) the Trustee shall, upon the written request of the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding, and upon being indemnified as provided in **Section 901(l)** of this Indenture, pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding or exercise such one or more of the rights and remedies conferred by this Indenture, the Lease and the Base Lease as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Registered Owners, to enforce the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates then Outstanding and to enforce and compel the performance of the duties and obligations of the City under the Lease.

(b) All rights of action under this Indenture or under any of the Certificates may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without necessity of joining as plaintiffs or defendants any Registered Owners of the Certificates, and any recovery of judgment shall, subject to the provisions of **Section 808** of this Indenture, be for the equal benefit of all the Registered Owners of the Outstanding Certificates.

Section 806. Limitation on Exercise of Remedies by Registered Owners. No Registered Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default or Event of Nonappropriation has occurred of which the Trustee has been notified or is deemed to have notice as provided in **Section 901(h)** of this Indenture, (b) the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding shall have made written request to the Trustee and have furnished the Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and have furnished to the Trustee indemnity as provided in **Section 901(l)** of this Indenture, and (c) the Trustee thereafter fails or refuses to exercise the powers and remedies herein granted or to institute such action, suit or proceeding in its own name. No one or more Registered Owners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Certificates then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Registered Owner to payment of amounts representing Principal Component, premium, if any, and Interest Components of the Rental Payments represented by any Certificate at and after the maturity thereof or the obligation of the City to provide for payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by any Certificate delivered hereunder to the respective Registered Owners thereof at the time, place, from the source and in the manner herein and in the Certificates expressed.

Section 807. Right of Registered Owners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Registered Owners of not less than a majority in aggregate Principal Components with respect to the Certificates then Outstanding shall have the right at any time, upon an Event of Default or an Event of Nonappropriation, by an instrument or instruments in writing 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 terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and to the extent not inconsistent with this Section.

Section 808. Application of Moneys in Event of Default or Event of Nonappropriation.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs, fees, charges, and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee, including any attorneys' fees and expenses, be deposited in the applicable subaccount of the Certificate Fund. All moneys so deposited in the Certificate Fund shall be applied as follows:

(1) Unless any of the Principal Components with respect to any 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 all installments of amounts representing Interest Components then due and payable with respect to any Certificates, in the order in which such interest installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such Interest Component installment, to the persons entitled thereto, without any discrimination or privilege; and

Second -- To the payment to the persons entitled thereto of the unpaid amounts representing Principal Components with respect to any of the Certificates which have become due and payable (other than Certificates called for prepayment for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full amounts representing Principal Components due with respect to Certificates on any particular date, then to the payment, ratably, according to the amount of Principal Components due on such date, to the persons entitled thereto without any discrimination or privilege.

(2) If any of the Principal Component of the Rental Payments represented by the Outstanding Certificates has become due or been declared due and payable, all such moneys shall be applied to the payment of the amounts then due and unpaid with respect to such Certificates, without preference or priority of Principal Component over Interest Component or of Interest Component over Principal Component or of any installment of Interest Component over any other installment of Interest Component or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for the Principal Component and Interest Component, to the persons entitled thereto, without any discrimination or privilege.

(3) If the Principal Component of the Rental Payments represented by any of the Outstanding Certificates has been declared due and payable, and if such declaration thereafter has been rescinded and annulled under the provisions of **Section 802** of this Indenture, then, subject to the provisions of subsection (a)(2) above of this Section in the event that the Principal Component with respect to any of the Outstanding Certificates later becomes due or is declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a)(1) of this Section.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, 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 and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Certificate Payment Date unless the Trustee 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 date 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 Registered Owner of any

unpaid Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Whenever all amounts representing Principal and Interest Components with respect to all Outstanding Certificates have been paid under the provisions of this Section, and all expenses and charges of the Trustee and the Paying Agents have been paid, any balance remaining in the Certificate Fund shall be paid to the City.

Section 809. Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or to the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Registered Owners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default or Event of Nonappropriation shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or Event of Nonappropriation or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default or Event of Nonappropriation hereunder, whether by the Trustee or the Registered Owners, shall extend to or shall affect any subsequent Event of Default or Event of Nonappropriation or shall impair any rights or remedies consequent thereon.

Section 810. Waivers of Event of Default or Event of Nonappropriation. Subject to the provisions of **Section 802** of this Indenture, the Trustee may waive any Event of Default or any Event of Nonappropriation hereunder and its consequences and rescind any declaration of maturity of Rental Payments and Additional Payments, and shall do so upon the written request of the Owners of at least a majority in aggregate principal amount of all Certificates then Outstanding. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee under this Indenture on account of any such Event of Default or Event of Nonappropriation are discontinued or abandoned for any reason, or are determined adversely, then and in every such case the Trustee and the Registered Owners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken.

ARTICLE IX

THE TRUSTEE

Section 901. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default or an Event of Nonappropriation and after the curing of all Events of Default or Events of Nonappropriation which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default or an Event of Nonappropriation shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys or receivers and shall not be responsible for the negligence or willful misconduct of any agent, attorneys or receivers appointed with due care. The Trustee shall be entitled to act or refrain from acting upon the opinion or advice of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of Counsel.

(c) The Trustee shall file continuation statements to the extent required by the Uniform Commercial Code of the State. The Trustee shall not be responsible for any recital herein or in the Certificates, or for the recording or re-recording, filing or re-filing of this Indenture or any financing statements (other than continuation statements) in connection therewith, or for insuring the Facilities or collecting any insurance moneys, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security for the Certificates. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with **Article VII** of this Indenture.

(d) The Trustee shall not be accountable for the use of any Certificates executed and delivered as provided hereunder. The Trustee, in its individual or any other capacity, may become the Registered Owner or pledgee of Certificates with the same rights which it would have if it were not Trustee.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any Ordinance, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document specified by this Indenture and believed by the Trustee to be genuine and correct and to have been signed, presented or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authorized consent of any Person who, at the time of making such request or giving such authority or consent is the Registered Owner of any Certificate, shall be conclusive and binding upon all future Registered Owners of the same Certificate and upon Certificates delivered in exchange therefor or upon transfer or in substitution thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture, the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by an Authorized City Representative as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in **Section 901(h)** of this Indenture or of which by said Section the Trustee is deemed to have notice, the Trustee may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made in **Article VI** of this Indenture and **Article V** of the Lease, unless the Trustee shall be specifically notified in writing of such Event of Default by the Registered Owners of at least 10% in aggregate Principal Components with respect to all Certificates then Outstanding, which notice of Event of Default the Trustee shall be required to accept.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect any and all books, papers and records of the City pertaining to the Project and the Certificates, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect to the execution of its trusts and powers hereunder or otherwise with respect to the Facilities.

(k) The Trustee shall have the right, but shall not be required, to demand, with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right to the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(l) Before taking any action under this Indenture, other than the making of payments to Registered Owners of Principal Components and Interest Components of the Rental Payments represented by the Certificates or accelerating the maturity of Certificates pursuant to **Section 802** of this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) The Trustee may elect not to proceed in accordance with the directions of the Owners of the Certificates without incurring any liability to the Certificate Owners if in the opinion of the Trustee such direction may result in environmental or other liability to the Trustee, in its individual capacity, for which the Trustee has not received indemnity pursuant to this Section, and the Trustee may rely conclusively upon an Opinion of Counsel in determining whether any action so directed may result in such liability.

(n) The Trustee may inform the Certificate Owners of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not received indemnity pursuant to this Section.

(o) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Certificate Registrar or Paying Agent.

(p) The Trustee shall not be responsible for and makes no representation as to the legality, effectiveness or sufficiency of any security document or for the creation, perfection, priority or protection of any lien securing the Certificates. The Trustee shall not be responsible for filing or for the sufficiency or accuracy of any financing statements initially filed to perfect security interests granted under this Indenture. The Trustee shall file continuation statements with respect to each U.C.C. financing statement filed at the time of the delivery of the Certificates; provided that a copy of the filed initial financing statement is timely delivered to the Trustee. In addition, unless the Trustee shall have been notified in writing by the City that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (a) relying on such initial filing and descriptions in filing any financing

or continuation statements or modifications thereto pursuant to this Section and (b) filing any continuation statements in the same filing offices as the initial filings were made. The City shall be responsible for the customary fees charged by the Trustee for the preparation and filing of continuation statements and for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder.

q) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Certificates.

(r) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(s) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts or war or terrorism, epidemics or pandemics, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services.

Section 902. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Certificates. Pursuant to the provisions of **Section 5.2** of the Lease, the City has agreed to pay, as Additional Payments, to the Trustee all fees, charges and expenses of the Trustee under this Indenture. Upon the occurrence of an Event of Default or an Event of Nonappropriation and during its continuance, the Trustee shall have a first lien with right of payment prior to payment on account of amounts representing Principal Components, premium, if any, or Interest Components with respect to any Certificate, upon all moneys in its possession under any provisions of this Indenture for the foregoing advances, fees, costs and expenses incurred and unpaid.

Section 903. Notices to Registered Owners. If a default occurs of which the Trustee is by **Section 901(h)** of this Indenture required to take notice, or if notice of default is given as provided in said Section, or if the Trustee has actual knowledge that there has been a failure to renew or a deficiency in the insurance coverages required by the Lease, then the Trustee shall, immediately after knowledge of such default, give written notice thereof to the Registered Owners of all Certificates then Outstanding, as shown by the Certificate Register.

Section 904. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Registered Owners, the Trustee may intervene on behalf of Registered Owners and shall do so if

requested in writing by the Registered Owners of at least 25% of the aggregate principal amount of Certificates then Outstanding if provided with indemnity pursuant to **Section 901(l)** of this Indenture.

Section 905. Successor Trustee upon Merger, Consolidation or Sale. Any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 906. Resignation of the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the City and the Registered Owners whose names and addresses are on file with the Trustee, and such resignation shall take effect upon the earlier of (i) the end of such 30 days or (ii) the appointment of a successor Trustee by the City or by the Owners of at least a majority in aggregate stated Principal Components represented by the Certificates then Outstanding in accordance with **Section 908** of this Indenture; provided, however, that in no event shall the resignation of a Trustee or successor Trustee become effective until such time as a successor Trustee has been appointed and has accepted the appointment in accordance with **Section 909** of this Indenture. If at any time the Trustee shall cease to be eligible to act as trustee in accordance with the provisions of this Indenture, the Trustee shall immediately resign in the manner provided in this Section. In the event that the City or the Registered Owners of at least a majority in aggregate Principal Components represented by the Certificates then Outstanding fail to appoint a successor Trustee within 30 days after notice of resignation has been given by the Trustee, the Trustee shall have the right to petition a court to appoint a successor Trustee.

Section 907. Removal of the Trustee. The Trustee may be removed at any time for any breach of trust or by an instrument or concurrent instruments in writing delivered (a) to the Trustee and the City and signed by the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates then Outstanding, or (b) to the Trustee and the Registered Owners and signed by the City (so long as no Event of Default or Event of Nonappropriation shall have occurred and being continuing). In no event shall the removal of a Trustee or successor Trustee become effective until such time as a successor Trustee has been appointed and has accepted such appointment. In the event that the City or the Registered Owners of at least a majority in aggregate Principal Components represented by the Certificates then Outstanding fail to appoint a successor Trustee within 30 days after said instrument or concurrent instruments removing the Trustee are delivered to the Trustee, the Trustee shall have the right to petition a court to appoint a successor Trustee.

Section 908. Appointment of Successor Trustee. In case the Trustee shall resign or be removed, or shall otherwise become incapable of acting, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Registered Owners of a majority in aggregate principal amount of Certificates then Outstanding by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy and so long as no Event of Default or Event of Nonappropriation hereunder shall have occurred and be continuing, the City, by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal, may appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners; and any such Trustee so appointed by the City shall immediately and without further act be superseded by the successor Trustee so appointed by such Registered Owners. Every such Trustee appointed pursuant to the provisions of this Section shall warrant at the time of accepting such trust and exercising the powers of the Trustee hereunder that (i) it is a trust company or bank in good standing located

in or incorporated under the laws of one of the states of the United States of America, (ii) it is duly authorized to exercise trust powers and is qualified to accept such trust, (iii) it is subject to examination by a federal or state authority, and (iv) it shall maintain a reported capital and surplus of not less than $75,000,000. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of this Section, the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

Section 909. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor; but such predecessor shall, nevertheless, on the written request of the City, and upon receipt of the payment of its outstanding fees and expenses, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; and every predecessor Trustee shall deliver to its successor all securities and moneys held by such predecessor as Trustee hereunder and the duties and obligations of the predecessor Trustee hereunder shall thereafter cease and terminate. Should any instrument in writing from the City be required by any predecessor or successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Section 910. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Facilities are not paid as required herein or in the Lease, the Trustee may pay such tax, assessment or governmental charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Registered Owners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at a rate per annum equal to the Prime Rate in effect at the time plus 2%, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of amounts representing Principal Components, premium, if any, or Interest Components with respect to the Certificates, and shall be paid out of the proceeds of payments, revenues and receipts collected from the Facilities, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Registered Owners of at least 25% of the aggregate principal amount of Certificates then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 911. Trust Estate May Be Vested in Co-Trustee.

(a) It is the intent of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, the Lease or the Base Lease, and in particular in case of the enforcement of one or more of the same on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction the Trustee may not exercise any of the powers, rights or remedies herein granted to it, or to take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable for the Trustee to appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

(b) Any co-trustee appointed pursuant to this Section must comply with clause (iii) of **Section 908** of this Indenture; relating to the size of such co-trustee.

(c) In the event that the Trustee appoints an additional individual or institution as a co-trustee or separate trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, title, interest and lien expressed or intended by this Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

(d) Should any deed, conveyance or instrument in writing from the City be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to the co-trustee or separate trustee such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

(e) In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

Section 912. Annual Accounting. The Trustee shall render an accounting at least annually to the City and to any Registered Owner requesting the same, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any Funds created by this Indenture as of the beginning and close of such accounting period.

Section 913. Performance of Duties under the Lease. The Trustee hereby accepts and agrees to perform all duties and obligations specifically assigned to it under the Lease and the Base Lease.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures Not Requiring Consent of Registered Owners. The City and the Trustee may from time to time, subject to the provisions of **Section 1303** of this Indenture, without the consent of or notice to any of the Registered Owners, enter into a Supplemental Indenture or Supplemental Indentures not inconsistent with the terms and provisions of this Indenture, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or make any other change which in the judgment of the Trustee is not prejudicial to the Trustee or materially adverse to the security of the Registered Owners (provided the Trustee is entitled to receive and rely upon an opinion of counsel in exercising such judgment);

(b) To grant to or confer upon the Trustee for the benefit of the Registered Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or the Trustee or either of them;

(c) To more precisely identify the Facilities or the Trust Estate or to add property thereto;

(d) To subject to this Indenture additional revenues, properties or collateral;

(e) To comply with the arbitrage rebate requirements of Section 148(f) of the Code; and

(f) To deliver Additional Certificates as provided in **Section 209** of this Indenture.

Section 1002. Supplemental Indentures Requiring Consent of Registered Owners.

(a) Exclusive of Supplemental Indentures covered by **Section 1001** above and subject to the terms and provisions contained in this Section and **Section 1303** of this Indenture, with the prior written consent of the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates then Outstanding, the City and the Trustee shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to execute such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the City for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section contained shall permit or be construed as permitting without the consent of the Registered Owners of 100% in aggregate Principal Components represented by the Certificates then Outstanding (1) an extension of the maturity or mandatory prepayment date of any installment representing Principal Components or Interest Components with respect to any Certificate delivered hereunder, (2) a reduction in the Principal Component represented by any Certificate or the rate of interest with respect thereto, (3) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, (4) a reduction in the aggregate Principal Components represented by the Certificates, (5) a change to the optional, extraordinary optional or special mandatory prepayment provisions in this Indenture, or (6) a change to this Section.

(b) If at any time the City requests the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Registered Owner as shown on the Certificate Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the requisite percentage of Registered Owners shall have consented to and approved the execution thereof as herein provided, no Registered Owner of any Certificate shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1003. Opinion of Counsel. Before the City and the Trustee enter into any Supplemental Indenture pursuant to this Article, there shall have been delivered to the City and the Trustee an Opinion of Special Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture, will upon the execution and delivery thereof be valid and binding upon the City in accordance with its terms, and will not adversely affect the validity of the Certificates or the exclusion from federal gross income of interest on any Certificates that have been delivered.

ARTICLE XI

AMENDMENTS TO THE BASE LEASE OR THE LEASE

Section 1101. Amendments to the Base Lease or the Lease Not Requiring Consent of Registered Owners. The City and the Trustee shall, without the consent of or notice to any of the Registered Owners, enter into any amendment, change or modification of the Base Lease or the Lease as

may be required (a) by the provisions of the Base Lease, the Lease or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission in the Base Lease, the Lease or in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or materially adverse to the security for the Registered Owners (provided the Trustee is entitled to receive and rely upon an opinion of counsel in exercising such judgment), (c) so as to more precisely identify the Facilities or add property thereto, or (d) in connection with the delivery of Additional Certificates under **Section 209** of this Indenture.

Section 1102. Amendments to the Base Lease or the Lease Requiring Consent of Registered Owners. Except for the amendments, changes or modifications as specified in **Section 1101** of this Indenture, neither the City nor the Trustee shall execute any other amendment, change or modification of the Base Lease or the Lease without the giving of notice and the obtaining of the written approval or consent of the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates at the time Outstanding given and obtained as provided in **Section 1002** of this Indenture. The Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in **Section 1002** of this Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the same are on file at the corporate trust office of the Trustee or such other office as the Trustee shall designate for inspection by all Certificate Owners.

Section 1103. Opinion of Counsel. Before the City and the Trustee consent to any amendment, change or modification of the Base Lease or the Lease, there shall have been delivered to the City and the Trustee an Opinion of Special Counsel stating that the amendment, change or modification of the Base Lease or the Lease is authorized or permitted by this Indenture and the instrument amended, changed or modified, will upon the execution and delivery thereof be valid and binding upon the City in accordance with its terms, and will not adversely affect the validity of the Certificates or the exclusion from federal gross income of interest on any Certificates that have been delivered.

ARTICLE XII

SATISFACTION AND DISCHARGE OF THIS INDENTURE

Section 1201. Satisfaction and Discharge of this Indenture.

(a) When the Principal Components, premium, if any, and Interest Components with respect to all the Certificates shall have been paid in accordance with their terms or provision has been made for such payment, as provided in **Section 1202** of this Indenture, and provision has also been made for paying all other sums payable hereunder, including the fees, costs, charges and expenses of the Trustee and the Paying Agent to the date of retirement of the Certificates and all sums payable under the Lease, then the right, title and interest of the Trustee under this Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the City any property at the time subject to this Indenture which may then be in the Trustee's possession, except funds or securities in which such moneys are invested and held by the Trustee for the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates.

(b) The City is hereby authorized to accept a certificate of the Trustee stating that all amounts with respect to the Principal Component, premium, if any, and Interest Component of the Rental Payments

represented by the Certificates due and payable upon all of the Certificates then Outstanding has been paid or provision for such payment has been made in accordance with **Section 1202** of this Indenture as evidence of satisfaction of this Indenture.

Section 1202. Certificates Deemed to Be Paid.

(a) Certificates or any portion thereof shall be deemed to be paid within the meaning of this Article when payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates being paid to the due date thereof (whether such due date is by reason of maturity or upon prepayment as provided in this Indenture, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms hereof, or (2) provision therefor shall have been made by depositing with the Trustee or other duly authorized escrow agent, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment or (ii) Defeasance Obligations maturing as to principal and interest, without reinvestment, in such amount and at such times as will ensure the availability of sufficient moneys to make such payment. At such time as a Certificate shall be deemed to be paid hereunder as aforesaid, such Certificate shall no longer be secured by or be entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

(b) Notwithstanding the foregoing, in the case of any Certificate which by its terms may be prepaid prior to the stated maturity thereof, no deposit under clause (2) of subsection (a) above shall be deemed a payment of such Certificates as aforesaid until, as to all such Certificates which are to be prepaid prior to their respective stated maturities, (1) proper notice of such prepayment shall have been given in accordance with **Article III** of this Indenture or irrevocable instructions shall have been given to the Trustee to give such notice and (2) in the case of Certificates which do not mature or will not be prepaid within 90 days of the deposit referred to in (a) above, there shall have been delivered to the Trustee a verification report of an independent certified public accounting firm as to the adequacy of the trust funds to fully pay the Certificates deemed to be paid.

(c) Notwithstanding any provision of any other Section of this Indenture which may be contrary to the provisions of this Section, all moneys or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Principal Components (including premium, if any) and Interest Components with respect thereto shall be applied to and be used solely for the payment of the particular Principal Components (including premium, if any) and Interest Components with respect thereto to which such moneys and Defeasance Obligations have been so set aside in trust.

(d) Provision for payment of the Certificates Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the Interest Component of the Rental Payments represented by such Certificates is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may rely upon an opinion of Special Counsel to the effect that so providing for the payment of any Certificates will not cause the Interest Component of the Rental Payments to be includable in gross income for federal income tax purposes.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Reserved.

Section 1302. Consents and Other Instruments by Registered Owners.

(a) Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Certificates, (other than the assignment of ownership of a Certificate as set forth in the form of Certificate) if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of ownership of Certificates, the amount or amounts, numbers and other identification of Certificates, and the date of holding the same shall be proved by the Certificate Register maintained by the Trustee.

(b) In determining whether the Registered Owners of the requisite principal amount of Certificates Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Certificates owned by the City shall be disregarded and deemed not to be Outstanding under this Indenture.

Section 1303. Limitation of Rights under this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Certificates is intended or shall be construed to give any person, other than the parties hereto, or the Registered Owners of the Certificates, any right, remedy or claim under or with respect to this Indenture, this Indenture and all of the covenants, conditions and provisions of this Indenture being intended to be and being for the sole and exclusive benefit of the parties hereto, and the Registered Owners of the Certificates as herein provided.

Section 1304. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Indenture shall be in writing and shall be deemed duly given or filed if the same shall be duly mailed by first class, registered or certified mail (unless otherwise provided herein), postage prepaid, addressed as follows provided that any of the foregoing given to the Trustee shall be effective only upon receipt:

(a) To the City:

City of Carthage, Missouri
326 Grant Street
Carthage, MO 64836
Attention: City Administrator

(b) To the Trustee:

UMB Bank, N.A., as Trustee
928 Grand Boulevard, 12th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department

(c) To the Purchaser:

Piper Sandler & Co.
11635 Rosewood Street
Leawood, Kansas 66211

(d) To the Registered Owners if the same shall be duly mailed by first class mail (unless otherwise provided for herein) addressed to each of the Registered Owners of Certificates at the time Outstanding as shown by the Certificate Register.

All notices given by first class, certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed. The Trustee and the City may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1305. Suspension of Mail Service. If, because of the suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such publication, electronic delivery or hand delivery in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient notice.

Section 1306. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions of this Indenture or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1307. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1308. Governing Law. This Indenture shall be governed exclusively by and be construed in accordance with applicable laws of the State.

Section 1309. Electronic Storage of Documents. The City and the Trustee agree that the transaction 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 executed 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.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the **CITY OF CARTHAGE, MISSOURI** has caused this Indenture to be signed in its name and behalf and attested by its duly authorized officers, and to evidence its acceptance of the trusts hereby created, **UMB BANK, N.A.** has caused this Indenture to be signed in its name and behalf and attested by its duly authorized officers, all as of the date first above written.

CITY OF CARTHAGE, MISSOURI

By: _____
Name: Dan Rife
Title: Mayor

(Seal)

ATTEST:

_____
Name: Miranda Deal
Title: City Clerk

UMB BANK, N.A.,
as Trustee

By: _____
Name:
Title:

ATTEST:

By _____
Name:
Title:

SCHEDULE 1 TO TRUST INDENTURE

THE PROJECT SITE

Tract 1

Parcel #1
All of that tract of land Commencing at a point on the half Section line, said Point being One Hundred and Thirty-four (134.00) feet North of the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence East 763.20 feet, thence North 38.00 feet, thence West 763.20 feet, thence South 38.00 feet to the Point of Beginning.

Except commencing at the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 238.43 feet to the Point of Beginning, thence North 00 Degrees, 22 Minutes, 58 Seconds East 100 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 10.00 feet, thence South 00 Degrees, 22 Minutes, 58 Seconds West 100 feet, thence North 89 Degrees, 37 Minutes, 02 Seconds West 10.00 feet to the Point of Beginning.

Parcel #2
Commencing at the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 427.20 feet to the Point of Beginning, thence continuing South 89 Degrees, 37 Minutes, 02 Seconds East 36.00 feet, thence South 01 Degrees, 17 Minutes, 24 Seconds West 134.00 feet, thence North 89 Degrees, 37 Minutes, 02 Seconds West 36.00 feet, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet to the Point of Beginning.

Parcel #3
Commencing One Hundred and Thirty-four (134.00) Feet North and Four Hundred and Sixty-three and Two Tenths (463.20) feet East of the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence East 300.00 feet, thence South 607.50 feet, thence West 300.00 feet, thence North 607.50 feet to the Point of Beginning.

Tract 2

All of Lots numbered Fifty-Seven (57), Fifty-Eight (58), Fifty-Nine (59) and Sixty (60) in SOUTHERN ADDITION TO CARTHAGE, located in the Northeast Quarter of the Northeast Quarter of Section 16, Township 28, Range 31, in the City of Carthage, Jasper County, Missouri, according to the recorded Plat thereof.

SCHEDULE 2 TO TRUST INDENTURE

THE PROJECT

The Project consists of replacing, upgrading and renovating various pieces of equipment of the utility system, including the relocation and upgrade of several transmission lines and switches. The Project includes four main components:

(1) The transmission lines between the Southwest Power Administration Substation and Substation No. 1 will be replaced. Electricity that is purchased arrives at the utility via the Southwest Power Administration Substation and is then transmitted to the utility's other substations.

(2) The infrastructure utilized in the transmission and transformation of electricity between the Power Plant Substation and Substation No. 1 will be upgraded and improved. Infrastructure upgrades in and near the Power Plant Substation include replacement of physical lines and relocation of five distribution feeder circuit breakers to Substation No. 1. Infrastructure upgrades in and near Substation No. 1 include upgrading and adding distribution feeder circuit breakers that will improve reliability and be easier to maintain.

(3) Infrastructure in and near Substation No. 2 will be replaced and upgraded. A transformer and switch gear will be replaced, and the improvements will be moved to an outdoor structure to provide for easier maintenance and operation.

(4) Feeder lines from Substation No. 2 will be upgraded and extended. The feeder line connects the substation to the distribution system. The extension will connect with neighborhoods and improve flexibility in electric distribution.

EXHIBIT A TO TRUST INDENTURE

(FORM OF CERTIFICATE OF PARTICIPATION)

No. R-_____ **$_____**

EXCEPT AS OTHERWISE PROVIDED IN THIS INDENTURE (DESCRIBED HEREIN), THIS GLOBAL CERTIFICATE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (DESCRIBED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

UNITED STATES OF AMERICA

STATE OF MISSOURI

CITY OF CARTHAGE, MISSOURI
CERTIFICATE OF PARTICIPATION
(CARTHAGE WATER AND ELECTRIC PLANT)
SERIES 2022

Interest Rate	Maturity Date	Dated Date	CUSIP Number

Registered Owner: _____

Principal Amount: _____

THIS CERTIFIES THAT the Registered Owner shown above, or registered assignee, is the owner of an undivided interest in the right to receive Rental Payments (hereinafter described) from City of Carthage, Missouri, as lessee (the **"City"**), under an annually renewable Lease Agreement dated as of December 15, 2022, as amended and supplemented from time to time in accordance with the provisions thereof (the **"Lease"**), between the City, as lessee and UMB Bank, N.A., Kansas City, Missouri, as Trustee (the **"Trustee"**). Payments under the Lease and this Certificate are secured by a pledge and assignment by the City of all of the City's rights and interest under the Lease and the Base Lease dated as of December 15, 2022, as amended and supplemented from time to time in accordance with the provisions thereof (the **"Base Lease"**), between the City and the Trustee, pursuant to a Trust Indenture dated as of December 15, 2022 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the **"Indenture"**), between the Trustee and the City. Under the Lease and the Indenture, the Registered Owner shown above, or registered assigns, is entitled to receive, but solely from Rental Payments to be made by the City under the Lease, upon the presentation and surrender of this Series 2022 Certificate, the Principal Amount shown above on the Maturity Date shown above, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may become applicable hereto, and in like manner to receive interest on said Principal Amount at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent interest payment date to which interest has been paid or

duly provided for, payable semiannually on May 1 and November 1 in each year beginning May 1, 2023, until said Principal Amount is paid.

The Principal Component, premium, if any, and Interest Component of the Rental Payments represented by this Series 2022 Certificate shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Amounts representing the Principal Component and premium, if any, with respect to this Series 2022 Certificate shall be payable to the Registered Owner at the maturity or prepayment date hereof upon presentation and surrender of this Series 2022 Certificate at the payment office of the Trustee, or such other office designated by the Trustee. The Interest Components payable with respect to this Series 2022 Certificate on any interest payment date shall be paid by check or draft mailed by the Trustee to the person in whose name this Series 2022 Certificate is registered at the close of business on the Record Date for such interest, which shall be the fifteenth day (whether or not a Business Day) of the calendar month preceding the month in which such interest payment date occurs. Upon the request and at the expense of any Registered Owner of Series 2022 Certificate representing at least $500,000 in Principal Component payments with respect to the Series 2022 Certificates shall be made by electronic transfer to the bank for credit to the ABA routing number and the account name and account number designated to the Trustee by such Registered Owner no later than the five (5) Business Days preceding the Record Date.

This Series 2022 Certificate is one of a series of Certificates of Participation consisting of $15,000,000 principal amount of City of Carthage, Missouri Certificates of Participation (Carthage Water and Electric Plant), Series 2022 (the **"Series 2022 Certificates"**), which evidence the proportionate interests of the Registered Owners thereof in the right to receive certain Rental Payments from the City under the Lease. The Series 2022 Certificates have been delivered and sold for the purposes of providing funds to pay the costs of a project located on certain real estate and any existing buildings and fixtures thereon (the **"Project Site**,**"** the Project Site and all additions, modifications, improvements, replacements and substitutions made thereon and thereto and any additional facilities financed with Additional Certificates on the Project Site being collectively referred to as the **"Facilities"**), to be leased to the City under the terms of the Lease.

Subject to the terms of this Indenture, the Trustee may deliver Additional Certificates on a parity with the Series 2022 Certificates (together with Additional Certificates, the **"Certificates"**). Reference is hereby made to this Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Series 2022 Certificates, the rights, duties and obligations of the Trustee and the owners of the Series 2022 Certificates, and the terms upon which the Series 2022 Certificates are delivered and secured. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

The Series 2022 Certificates shall be subject to prepayment prior to maturity upon instructions from the City, on and after May 1, 2030, as a whole or in part at any time, at a prepayment price of 100% of the principal component of the Rental Payments represented by the Series 2022 Certificates being prepaid, plus the interest component of the Rental Payments accrued to the prepayment date.

The Series 2022 Certificates, or portions thereof, maturing on May 1, 2037, May 1, 2040 and May 1, 2043, are subject to mandatory prepayment prior to maturity at a prepayment price of 100% of the principal amount thereof, plus accrued interest thereon to the prepayment date, in the amounts and on the dates provided in the Indenture.

The Series 2022 Certificates are also subject to prepayment prior to maturity upon instructions from the City, in whole or in part on any date at a prepayment price of 100% of the principal amount thereof,

plus accrued interest thereon to the prepayment date upon the occurrence of certain extraordinary events described in the Indenture.

In the event any of the Series 2022 Certificates are called for prepayment as aforesaid, notice thereof identifying the Series 2022 Certificates to be prepaid will be given by mailing a copy of the prepayment notice at least 20 days prior to the prepayment date to the Registered Owner of each Series 2022 Certificate to be prepaid at the address shown on the Certificate Register maintained by the Trustee. Any notice of prepayment shall state the date and place of prepayment, the series, maturities and numbers of the Series 2022 Certificates or portions of Series 2022 Certificates to be prepaid (and in the case of the prepayment of a portion of any Series 2022 Certificate the principal amount thereof being prepaid), the prepayment price and that the Registered Owner will no longer be entitled to receive any additional Interest Component of the Rental Payments from and after the prepayment date. The Registered Owners of such Series 2022 Certificates or portion of the Principal Component with respect to the Series 2022 Certificates thus called for prepayment shall no longer be entitled to receive any additional Interest Component of the Rental Payments after the specified prepayment date, and such Series 2022 Certificates or portion of the Principal Component with respect to the Series 2022 Certificates thus called for prepayment shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Each Series 2022Certificate shall evidence the undivided interest of the Registered Owner thereof in the rights of the Trustee to receive Rental Payments from the City under the Lease. The Series 2022 Certificates are payable solely out of the Rental Payments and other payments, revenues and receipts derived from the City under the Lease (including, in certain circumstances, Series 2022 Certificate proceeds and income from the temporary investment thereof and Net Proceeds). The Series 2022 Certificates and the interest with respect thereto are secured by a pledge and assignment of the Trust Estate by the Trustee in favor of the Registered Owners of the Series 2022 Certificates, as provided in the Indenture. The Series 2022 Certificates shall not constitute a liability or obligation of the City beyond the Lease Term in effect at any time. The Series 2022 Certificates shall not constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction.

NO PROVISION, COVENANT OR AGREEMENT CONTAINED HEREIN OR IN THE INDENTURE OR IN THE LEASE, OR ANY OBLIGATION HEREIN OR THEREIN IMPOSED ON THE TRUSTEE OR THE BREACH THEREOF, SHALL (1) CONSTITUTE OR GIVE RISE TO OR IMPOSE UPON THE TRUSTEE A PECUNIARY LIABILITY OR A CHARGE UPON THE GENERAL CREDIT OF THE TRUSTEE, OR (2) IMPOSE ANY PERSONAL LIABILITY ON ANY DIRECTOR, OFFICER, AGENT, OR EMPLOYEE OF THE TRUSTEE.

Pursuant to the provisions of the Lease, Rental Payments sufficient for the prompt payment when due of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Series 2022 Certificates are to be made by the City directly to the Trustee and deposited in a special trust account created by the Indenture and designated **"Certificate Fund**."

The Registered Owner of this Series 2022 Certificate shall have no right to enforce the provisions of this Indenture or to institute any action to enforce the covenants therein, or to take any action with respect to any Event of Default or any Event of Nonappropriation under this Indenture (as defined therein), or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, amounts representing Principal Components with respect to the Certificates delivered under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Indenture may be modified, amended or supplemented only to

the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Indenture.

The Series 2022 Certificates are delivered in the form of fully registered Series 2022 Certificates without coupons in the denominations of $5,000 or any integral multiple thereof.

The Series 2022 Certificates are being delivered by means of a book-entry system with no physical distribution of certificates to be made except as provided in the Indenture. One certificate with respect to each date on which the Series 2022 Certificates are stated to mature or with respect to each form of Series 2022 Certificates, registered in the nominee name of the Securities Depository, is being delivered. The book-entry system will evidence positions held in the Series 2022 Certificates by the Securities Depository's participants, beneficial ownership of the Series 2022 Certificates in authorized denominations pursuant to the Indenture being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The City and the Trustee will recognize the Securities Depository nominee, while the registered owner of this Series 2022 Certificate, as the owner of this Series 2022 Certificate for all purposes, including (i) payments representing Principal Components, premium, if any, and Interest Components with respect to this Certificate, (ii) notices and (iii) voting. Transfer of amounts representing Principal and Interest Components and any premium payments to participants of the Securities Depository, and transfer of amounts representing Principal and Interest Components and any premium payments to beneficial owners of the Series 2022 Certificates by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The City and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Series 2022 Certificate, notwithstanding the provision hereinabove contained, payments of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by this Series 2022 Certificate shall be made in accordance with existing arrangements among the City, the Trustee and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL SERIES 2022 CERTIFICATE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

This Series 2022 Certificate may be transferred or exchanged, as provided in the Indenture, only upon the registration books kept for that purpose at the above-mentioned office of the Trustee, upon surrender of this Series 2022 Certificate together with a written instrument of transfer or authorization for exchange satisfactory to the Trustee and duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Series 2022 Certificate or Series 2022 Certificates, in any authorized denomination of the same maturity and in the same aggregate principal amount shall be delivered by the Trustee to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Trustee and any Paying Agent may deem and treat the Person in whose name this Series 2022 Certificate is registered on the Certificate Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, amounts representing the Principal Component, premium, if any, and Interest Component due with respect hereto and for all other purposes.

Subject to the conditions and upon the payment of the charges provided in the Indenture, the owner of any Series 2022 Certificate or Series 2022 Certificates may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly

authorized attorney) in exchange for an equal aggregate principal amount of Series 2022 Certificates of any other authorized denominations.

This Series 2022 Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until it has been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and of this Series 2022 Certificate do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, UMB BANK, N.A., has caused this Series 2022 Certificate to be executed in its name by the manual signature of its authorized signatory and has caused this Series Certificate to be dated as of the Dated Date shown above.

UMB BANK, N.A.,
Trustee and Paying Agent

By _____
Authorized Signatory

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Series 2022 Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Series 2022 Certificate on the books kept by the Trustee for the registration and transfer of Series 2022 Certificates, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2022 Certificate in every particular and must be guaranteed by an eligible guarantor.

Medallion Signature Guarantee:

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Special Counsel, which was dated and issued as of the date of original execution and delivery of the Series 2022 Certificates:

GILMORE & BELL, P.C.
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108

[APPROVING LEGAL OPINION OF SPECIAL COUNSEL]

LEASE AGREEMENT

Dated as of December 15, 2022

Between

UMB BANK, N.A.,
as Lessor

and

CITY OF CARTHAGE, MISSOURI,
as Lessee

LEASE AGREEMENT

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of December 15, 2022 (the **"Lease"**), between **UMB BANK, N.A.**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America with a corporate trust office located in Kansas City, Missouri, in its capacity as Trustee under the hereinafter referred to Indenture (the **"Lessor"**), and **CITY OF CARTHAGE, MISSOURI**, a constitutional charter city duly organized and existing under the laws of the State of Missouri (the **"Lessee"**).

WITNESSETH:

WHEREAS, the Lessee is authorized pursuant to the Revised Statutes of Missouri, as amended, to sell or lease any existing sites owned by the Lessee, together with any existing buildings and facilities thereon, in order to provide for the acquisition, construction, improvement, extension, repair, remodeling, renovation, furnishing and equipping of buildings and facilities thereon and other property, and then lease back or purchase such sites, buildings, facilities and property; and

WHEREAS, pursuant to an ordinance adopted by the Lessee on November 22, 2022, the Lessee has been authorized (a) enter into a Base Lease with the Lessor, dated as of the date hereof (the **"Base Lease"**), pursuant to which the Lessee shall grant a leasehold interest to the Lessor for a maximum Base Lease Term ending on June 30, 2073, in certain real estate described in **Schedule 1** attached hereto and any existing building and improvements located thereon (the **"Project Site"**), and (b) to enter into this annually renewable Lease with the Lessor under which the Lessee will (i) provide for projects (the **"Project"**) more specifically described in **Schedule 2** attached to this Lease (the Project Site and all additions, modifications, improvements, replacements and substitutions made thereon and thereto and any additional facilities financed with the Series 2022 Certificates or any Additional Certificates (as hereinafter defined) being collectively referred to as the **"Facilities"**) and (ii) lease the Facilities from the Lessor for an initial term ending June 30, 2023 (the **"Initial Term"**), with successive one-year renewal options (the **"Renewal Terms"**) exercisable by the Lessee subject to annual budget appropriations, except that the final Renewal Term may be for a period of less than one year as provided in this Lease; and

WHEREAS, in order to provide funds to pay the costs of the Project, the Lessor will, pursuant to a Trust Indenture, dated as of the date hereof (the **"Indenture"**), sell a series of City of Carthage, Missouri Certificates of Participation (Carthage Water and Electric Plant), Series 2022, in the aggregate principal amount of $15,000,000 (the **"Series 2022 Certificates"**), and is authorized to sell one or more additional series of Certificates of Participation for other purposes authorized by the Indenture (such additional Certificate of Participation together with the Series 2022 Certificates being collectively referred to as the **"Certificates"**), evidencing proportionate interests of the owners thereof in Rental Payments (as defined in the Indenture) payable pursuant to this Lease; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Lessor and the Lessee do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease, capitalized words and terms used in this Lease shall have the meanings given to

such words and terms in **Section 101** of the Indenture (which definitions are hereby incorporated by reference).

Section 1.2. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) All references in this Lease to a particular article, section, other subdivision, exhibit, schedule or appendix shall be construed to be a reference to the specified article, section or other subdivision or exhibit, schedule or appendix hereto unless the context or use clearly indicates another or different meaning or interest. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

(c) The section and article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

(d) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the Lessee. The Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessee a constitutional charter city duly organized and existing under the laws of the State.

(b) The Lessee has lawful power and authority to enter into this Lease, the Indenture and the Base Lease and to carry out its obligations under this Lease, the Indenture and the Base Lease and by proper action of its City Council has been duly authorized to execute and deliver this Lease, the Indenture and the Base Lease, acting by and through its duly authorized officers.

(c) The execution and delivery of this Lease, the Indenture and the Base Lease, the consummation of the transactions contemplated thereby, and the performance of or compliance with the terms and conditions of this Lease, the Indenture and the Base Lease by the Lessee will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the Lessee is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the Lessee or any of its property of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee under the terms of any instrument or agreement to which the Lessee is a party.

(d) The acquisition, construction, improving, furnishing and equipping of the Project and the leasing of the Facilities by the Lessor to the Lessee will advance the purposes of the Lessee, and the Project upon completion thereof will constitute essential governmental property to the Lessee.

(e) The Facilities and all other property of the Lessee will comply in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

(f) This Lease, the Indenture and the Base Lease constitute legal, valid and binding obligations of the Lessee enforceable in accordance with their terms, except to the extent limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(g) To the knowledge of the Lessee, there is no litigation or proceeding pending or threatened against the Lessee or any other person affecting the right of the Lessee to execute this Lease, the Indenture or the Base Lease or the ability of the Lessee to make the payments required under this Lease or to otherwise comply with the obligations contained in this Lease, the Indenture or the Base Lease, or to consummate the transactions contemplated in this Lease, the Base Lease or the Indenture, or that otherwise materially and adversely affect the financial condition of the Lessee.

(h) No member of the governing body of the Lessee or any other officer of the Lessee has any significant conflicting interest, financial, employment or otherwise, in the Lessee, the Facilities or in the transactions contemplated hereby.

(i) The execution and delivery of this Lease, the Indenture and the Base Lease by the Lessee will not conflict with or result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Lessee is a party or by which it or any of its property is bound or any of the rules or regulations applicable to the Lessee or its property of any court or other governmental body.

(j) The Lessee is a governmental unit under the laws of the State with general taxing powers, and 95% or more of the net proceeds of the Certificates will be used for local governmental activities of the Lessee.

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Lease of Facilities. The Lessor rents, leases and lets the Facilities to the Lessee, and the Lessee rents, leases and hires the Facilities from the Lessor, for the rentals and upon and subject to the terms and conditions contained in this Lease.

Section 3.2. Lease Term.

(a) This Lease shall become effective upon its delivery, and subject to earlier termination pursuant to the provisions of this Lease, shall have an Initial Term terminating on the last day of the Lessee's current Fiscal Year.

(b) The Lease Term may be extended, solely at the option of the Lessee, at the end of the Initial Term or any Renewal Term for an additional Renewal Term up to the Maximum Lease Term.

(c) At the end of the Initial Term and at the end of each Renewal Term, the Lessee shall be deemed to have exercised its option to continue this Lease for the next Renewal Term, unless the Lessee delivers written notice to the Lessor no later than June 30 of each year stating the Lessee's intention to not

extend the Lease Term. The Lessee's option to renew or not to renew this Lease shall be conclusively determined by whether or not the City Council of the Lessee has, on or before the June 30 immediately preceding the end of the Initial Term or any Renewal Term then in effect, budgeted and appropriated, specifically with respect to this Lease, moneys sufficient to pay all the Rental Payments and reasonably estimated Additional Payments for the ensuing Renewal Term. The City Administrator of the Lessee (or any other officer at any time charged with the responsibility of preparing budget proposals) is hereby directed to include in the budget proposal submitted to the City Council, in any year in which this Lease shall be in effect, items for all payments required for the next ensuing Renewal Term under this Lease; it being the intention of the City Council that the decision to renew or not to renew this Lease shall be made solely by the City Council and not by any other official of the Lessee. The Lessee shall in any event, whether or not this Lease is to be renewed, furnish to the Lessor and the Purchaser copies of its annual budget promptly after the budget is adopted, but in any case no later than 30 days later than the end of each Fiscal Year.

(d) The Lessee's option to renew or not to renew this Lease may not be exercised at any time during which an Event of Default has occurred and is then continuing under any of the terms of this Lease; provided, however, that if such Event of Default (money payments excepted) is of such nature that the same is curable but not within the period allowed for curing such Event of Default, then the right of the Lessee to exercise the option hereby granted shall not be suspended if the Lessee shall have promptly commenced within such period to comply with the provisions of this Lease which shall have been breached by it and if so long as the Lessee shall, with diligence and continuity, proceed to cure such Event of Default.

(e) The Lessee intends, subject to the provisions above respecting the failure of the Lessee to budget or appropriate funds to make Rental Payments and Additional Payments, to continue this Lease Term and to pay the Rental Payments and Additional Payments under this Lease. The Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments and Additional Payments during the Initial Term and each Renewal Term can be obtained. The Lessee further intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments and Additional Payments may be made, including making provision for such Rental Payments and Additional Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to continue the Lease Term is to be made in accordance with the Lessee's normal procedures for such decisions.

(f) The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Initial Term, except that the Rental Payments and the Option Purchase Price shall be as provided in the schedules set forth in **Schedule 4** to this Lease, as such schedules may be revised as provided in the Indenture.

Section 3.3. Termination of the Lease Term. The Lease Term will terminate, and all of the Lessee's right, title and interest in and to this Lease (except to the extent of any conveyance pursuant to **Article XI** of this Lease) and its obligations thereunder shall terminate without penalty upon the earliest to occur of any of the following events:

(a) the expiration of the Initial Term or any Renewal Term and the nonrenewal of the Lease Term resulting from an Event of Nonappropriation pursuant to **Section 5.5** of this Lease (which is not thereafter waived by the Lessor as herein provided);

(b) the exercise by the Lessee of the option to purchase the Facilities pursuant to **Section 11.1** of this Lease;

(c) an Event of Default and the Lessor's election to terminate this Lease as provided in **Article XII** of this Lease;

(d) the payment by the Lessee of all Rental Payments and Additional Payments authorized or required to be paid by the Lessee under this Lease during the Maximum Lease Term; or

(e) June 30, 2043 (unless otherwise provided in a Supplemental Lease).

Section 3.4. Possession and Use of the Facilities.

(a) The Lessor covenants and agrees that as long as the Lessee shall not be in default under this Lease, the Lessee shall have sole and exclusive possession of the Facilities (subject to the Lessor's right of access pursuant to **Section 3.5** of this Lease) and shall and may peaceably and quietly have, hold and enjoy the Facilities during the Lease Term. The Lessor covenants and agrees that it will not take any action, except as expressly set forth in this Lease, the Base Lease and the Indenture, to prevent the Lessee from having quiet and peaceable possession and enjoyment of the Facilities during the Lease Term and will, at the request and expense of the Lessee, cooperate with the Lessee in order that the Lessee may have quiet and peaceable possession and enjoyment of the Facilities and will defend the Lessee's enjoyment and possession thereof against all parties.

(b) Subject to the provisions of this Section, the Lessee shall have the right to use the Facilities for any lawful purpose allowed by law. The Lessee shall comply in all material respects with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities (including without limitation all environmental laws), now or hereafter applicable to the Facilities and the other property of the Lessee or to any adjoining public ways, as to the manner of use or the condition of the Facilities or of adjoining public ways. The Lessee shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried by the provisions of **Article VI** of this Lease. The Lessee 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 Lessee to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Lessee 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 Lessee may refrain from complying therewith unless the Lessor shall notify the Lessee that, in the opinion of Counsel, by noncompliance, the interest of the Lessor in the Facilities will be materially endangered or the Facilities or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly comply therewith or provide the Lessor with full security against any such loss or forfeiture, in form satisfactory to the Lessor.

Section 3.5. Right of Access to the Facilities. The Lessee agrees that the Lessor and its duly authorized agents shall have the right at reasonable times during business hours, subject to the Lessee's usual safety and security requirements, to examine and inspect the Facilities without interference or prejudice to the Lessee's operations. The Lessee further agrees that the Lessor and its duly authorized agents shall have such rights of access to the Facilities (a) as may be reasonably necessary to effect the completion of the acquisition, construction, furnishing and equipping of the Project specified in **Section 4.2** of this Lease, (b) maintaining and performing such work in and about the Facilities made necessary by reason of the Lessee's default under any of the provisions of this Lease, and (c) exhibiting the Facilities to prospective purchasers, lessees or trustees subsequent to an Event of Default or Event of Nonappropriation.

ARTICLE IV

EXECUTION AND DELIVERY OF CERTIFICATES; CONSTRUCTION OF THE PROJECT

Section 4.1. Execution and Delivery of Certificates.

(a) In order to provide funds to finance Project Costs or to reimburse the Lessee for Project Costs, the Lessor will, concurrently with the delivery of this Lease, execute and deliver the Certificates under the Indenture, each Certificate evidencing the undivided interest of the Registered Owner thereof in the rights to receive Rental Payments and other payments under this Lease. The proceeds of the sale of the Certificates shall be paid to the Lessor as provided in the Indenture to be used and applied as hereinafter provided in this Article and in the Indenture.

(b) The Lessee may authorize the execution and delivery of Additional Certificates from time to time upon the terms and conditions provided in **Section 209** of the Indenture.

(c) If the Lessee is not in default under this Lease, the Lessor will, at the written request of the Lessee, from time to time, execute and deliver the amount of Additional Certificates specified by the Lessee; provided that the terms and provisions of such Additional Certificates, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed shall have been approved in writing by the Lessee, and provided further that the Lessee shall have entered into an amendment to this Lease to provide for additional Rental Payments represented by the Additional Certificates when due, and the Lessee shall have otherwise complied with the provisions of the Indenture with respect to the execution and sale of such Additional Certificates. The terms and provisions of any Additional Certificates shall be set forth in the Supplemental Indenture authorizing such Additional Certificates.

Section 4.2. Acquisition, Construction, Improvement and Equipping of the Project.

(a) The Lessee will acquire, construct, improve, furnish and equip the Project in accordance with the Construction Contracts and the Plans and Specifications. The Lessee may make minor changes in and to the Construction Contracts and the Plans and Specifications incorporated therein, but material changes may only be made with the approval of the Lessor. The Lessee agrees that it will use its best efforts to cause the acquisition, construction, improvement, furnishing and equipping of the Project to be completed as soon as practicable with all reasonable dispatch.

(b) The Lessee shall ensure that the Project conforms to all applicable health, safety, environmental and building codes, regulations and standards.

Section 4.3. Payment for Project Costs.

(a) All Project Costs shall be paid by the Lessor from moneys in the Project Fund upon receipt by the Lessor of requisition certificates in substantially the form attached hereto as **Schedule 3** to this Lease in accordance with **Section 504** of the Indenture.

(b) If the Project Fund shall be insufficient to pay fully all Project Costs and to complete fully the Project free of liens or claims, the Lessee shall pay, but only from legally available funds, the full amount of any such deficiency by making payments directly to the Construction Contractors and to the

suppliers of materials and services as the same shall become due, and the Lessee shall save the Lessor whole and harmless from any obligation to pay such deficiency.

Section 4.4. Establishment of Completion Date.

(a) The Completion Date shall be evidenced by delivery to the Lessor of the Completion Certificate signed by the Authorized City Representative stating (i) that the acquisition, construction, improvement, furnishing and equipping of the Project has been completed in accordance with the Plans and Specifications, (ii) that all Project Costs have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Lessee, and (iii) amounts to be retained by the Lessor with respect to item (ii) above. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

(b) Upon receipt of the Completion Certificate, any remaining moneys then in the Project Fund shall be applied by the Lessor as provided in **Section 505** of the Indenture.

(c) If an Event of Nonappropriation or an Event of Default shall occur prior to the delivery of the Completion Certificate pursuant to **Section 505** of the Indenture, then the moneys remaining in the Project Fund may be utilized by the Lessor to complete construction of the Project or, upon termination of the term of this Lease, may be disbursed as provided in the Indenture.

(d) The Lessee hereby covenants, to the extent permitted by law, to use other available funds, but only to the extent contemplated by the Construction Contracts or from lawfully available moneys specifically appropriated for that purpose, to the extent necessary to complete the design and construction of the Project as herein required, or to make certain design changes in the Project to the extent necessary to complete the Project with moneys then available for such purposes in the Project Fund.

Section 4.5. Project Documents. The Lessee, at its own cost and expense, will deliver to the Lessor, upon request, copies of the following documents (which shall be collectively referred to herein as the "Project Documents"):

(a) *Plans and Specifications.* All available preliminary and final Plans and Specifications (the Lessee agrees to deliver to the Lessor the final versions of such preliminary Plans and Specifications as such final versions become available and in any event by such time as work is commenced on the portion of the Project to which such Plans and Specifications relate).

(b) *Construction Contracts.* All architect's and general contractor's contracts for the Project and all prime subcontractor's contracts and purchase orders for any equipment included in the Project deemed necessary by the Lessor.

(c) *Performance and Payment Bonds.* Performance, labor and material payment bonds with respect to the Construction Contracts in the full amount of the contract price under the Construction Contracts, made by the Construction Contractor thereunder as the principal and a surety company or companies licensed and qualified to do business in the State as surety. Any and all moneys received by the Lessee or the Lessor under such bonds or from the Construction Contractor or other suppliers of machinery or equipment by way of breach of contract, refunds or adjustments shall become a part of and be deposited in the Project Fund.

If, at any time during the acquisition, construction, furnishing and equipping of the Project, the surety on such bond shall be disqualified from doing business within the State, or shall otherwise become

incapable of performing its obligations under such bond, an alternate surety shall be selected, licensed and qualified to do business in the State as surety. In the event of any change order resulting in an increase in the Project Costs in accordance with the Construction Contracts, the amounts of such bond pertaining thereto shall be increased to include the cost of such additional work or materials or fixtures to be incorporated in the Project.

Neither the Project Documents nor any change or amendment thereto shall (i) cause the Project to be used for any purpose prohibited hereby or by the Constitution and laws of the State; (ii) result in a material reduction in the value of the Project; or (iii) adversely affect the ability of the Lessee to meet its obligations under this Lease.

Section 4.6. Changes or Amendments to Project Documents. The Lessee may make, authorize or permit such changes or amendments in the Project Documents as it may reasonably determine to be necessary or desirable; provided, however, that no such change or amendment shall be made to the Project Documents that would cause a material change in the cost, scope, nature, or function of the Project, unless the Lessee files with the Lessor (1) a certificate of an Authorized City Representative to the effect that such change or amendment will not result in the Project being used for any purpose prohibited by this Lease or otherwise result in the Lessee failing to comply with any provisions of this Lease, and (2) for those Certificates with Interest Components of the Rental Payments which are excludable from gross income for federal income tax purposes, an Opinion of Special Counsel to the effect that such change or amendment will not result in the Interest Component of the Rental Payments for such Certificates becoming includable in gross income for federal income tax purposes. In the case of any change that would render materially inaccurate the description of the Project in **Schedule 2** to this Lease and to the Indenture, there shall be delivered to the Lessor a revised **Schedule 2** containing a description of the Project that reflects the change in the Project Documents, the accuracy of which shall have been certified by the Lessee.

Section 4.7. Title to Portions of the Project. Title to the personal property included in the Project and any and all additions and modifications to or replacements of any such portion of the Project shall be held in the name of the Lessee, subject to rights of the Lessor under this Lease and the Indenture. If an Event of Default occurs as set forth in **Section 12.1** of this Lease or if an Event of Nonappropriation shall occur, title to the personal property included in the Project shall, at the option of the Lessor, thereafter immediately and without any action by the Lessee vest in the Lessor, and the Lessee will, upon the Lessor's request, reasonably surrender possession of the Facilities to the Lessor. It is the intent of the parties hereto that any transfer of title to the Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument or conveyance. The Lessee irrevocably designates, makes, constitutes and appoints the Lessor as the Lessee's true and lawful attorney (and agent in fact) with power, at such time of termination or times thereafter as Lessor in its sole and absolute discretion may determine, in the Lessee's or Lessor's name, to endorse the name of the Lessee upon any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the personal property included in the Project in order to vest title in the Lessor.

Section 4.8. Machinery and Equipment Purchased by the Lessee. The Lessee may from time to time at its own expense install machinery, equipment and other tangible property at the Facilities. Any item of machinery or equipment the entire purchase price of which is paid by the Lessee with the Lessee's own funds, and no part of the purchase price of which is paid from funds deposited pursuant to the terms of this Lease in the Project Fund nor from any other funds deposited with the Lessor pursuant to the Indenture, shall be and remain the property of the Lessee and shall not constitute part of the Facilities; provided, however, that title to any such machinery, equipment and other tangible property which becomes permanently affixed to real property shall be, subject to this Lease, and shall be included under the terms of this Lease in the event that the Facilities would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

Section 4.9. Investment of Moneys in Funds. Any moneys held as a part of the Funds held by the Lessor under the Indenture shall, at the written direction of the Authorized City Representative, be invested or reinvested by the Lessor, to the extent permitted by law, in Permitted Investments in accordance with the provisions of **Section 702** of the Indenture.

ARTICLE V

PAYMENTS

Section 5.1. Rental Payments.

(a) The Lessee covenants and agrees to make Rental Payments, exclusively from legally available funds, in lawful money of the United States of America, to the Lessor at its corporate trust office or such other office as the Lessor shall designate during the Initial Term and each Renewal Term, in the amounts and on or before each Certificate Payment Date set forth in **Schedule 4** hereto (or on any other date a Rental Payment is due with respect to the Facilities whether at stated maturity, upon prepayment or declaration of acceleration or otherwise), in funds which will be immediately available to the Lessor in the applicable subaccount of the Certificate Fund on the due dates. Each Rental Payment shall be in consideration for the use of the Facilities by the Lessee for the period from the effective date of this Lease or the immediately preceding Rental Payment Date. All Rental Payments provided for in this Section shall be paid by the Lessee directly to the Lessor and shall be deposited in accordance with the provisions of the Indenture into the applicable subaccount of the Certificate Fund. The amounts deposited in the Certificate Fund shall be used and applied by the Lessor in the manner and for the purposes set forth in the Indenture.

(b) There shall be credited against Rental Payments any amount held in the Certificate Fund on each Rental Payment Date, including the portion of the proceeds of the sale of the Certificates which is deposited in the Certificate Fund.

(c) A portion of each Rental Payment is to be paid as, and represents the payment of, interest on an obligation of the Lessee (the **"Interest Component"**), and **Schedule 4** attached hereto sets forth the Interest Component of each Rental Payment during the Lease Term. The Rental Payments and Option Purchase Price are to be recalculated by the Lessor and the Lessee understands that the Rental Payment Schedule on **Schedule 4** shall be revised from time to time in the event of a partial prepayment of Certificates (other than any mandatory prepayments pursuant to the Indenture). The Lessee hereby agrees to pay the Rental Payments in accordance with the Rental Payment Schedule attached as **Schedule 4** as it may be revised from time to time by such amounts as are necessary to reflect the prepayment of the Principal Component represented by certain Certificates. Each Rental Payment shall be applied first as a payment of the Interest Component and then as a payment of the Principal Component and reduction of the Option Purchase Price as shown on **Schedule 4**.

(d) If the Lessee fails to make any portion of the Rental Payments which are due under this Lease, the Lessee will immediately quit and vacate the Facilities, and the Rental Payments (except for Rental Payments which have been theretofore appropriated and then available for such purpose) shall thereupon cease, it being understood between the parties that neither the Lessee nor any agency or political subdivision thereof is obligated to make any Rental Payments which are due to the Lessor or the Option Purchase Price under this Lease except as provided herein. Should the Lessee fail to pay any portion of the required Rental Payments or Additional Payments and then fail to immediately quit and vacate the Facilities, the Lessor in accordance with the Indenture may immediately bring legal action to evict the Lessee from the Facilities (and the Lessee shall, to the extent permitted by law, pay as damages for its

failure to quit and vacate the Facilities upon termination of the then current term of this Lease in violation of the terms of this Lease an amount equal to the Rental Payments and Additional Payments otherwise payable during such term prorated on a daily basis) and commence proceedings to exercise available rights and remedies under this Lease, the Indenture or the Base Lease. No judgment may be entered against the Lessee for failure to make any Rental Payments, Additional Payments or the Option Purchase Price under this Lease, except to the extent that the Lessee has theretofore incurred liability to make any such payments through its actual use and occupancy of the Facilities, or through its exercise of an option that renews this Lease for an additional Renewal Term for which moneys have been appropriated, or is otherwise obligated to make such payments pursuant to this Lease.

Section 5.2. Additional Payments. The Lessee shall pay as Additional Payments the following amounts:

(a) All fees, charges and expenses reasonably incurred, including agent and counsel fees and expenses, of the Lessor and the Paying Agent incurred under the Indenture and this Lease, and in connection with the performance of the Lessor's obligations under this Lease, the Base Lease or the Indenture, as and when the same become due.

(b) All costs incident to the payment of the Principal Component, premium, if any, and Interest Component represented by the Certificates as the same become due and payable, including all costs and expenses in connection with the call, prepayment and payment of Certificates.

(c) All expenses incurred in connection with the enforcement of any rights under this Lease, the Base Lease or the Indenture by the Lessor or the Registered Owners.

(d) All arbitrage rebate required to be paid to the United States, if any, as provided in the Indenture and the Tax Compliance Agreement.

(e) All other payments of whatever nature which the Lessee has agreed to pay or assume under the provisions of this Lease, the Indenture or the Base Lease.

The Lessee shall designate in writing to the Lessor an address to which all applicable statements, invoices and requisitions for Additional Payments are to be mailed. Each Additional Payment shall be paid in lawful money of the United States of America, at the appropriate office as designated by the respective payees entitled to receive such Additional Payment.

If the Lessee fails to pay any Additional Payments required by this Lease, the Lessor may (but shall be under no obligation to) pay such Additional Payments, which Additional Payments, together with interest thereon at the Prime Rate plus 2%, are to be reimbursed to the Lessor, by the Lessee upon demand therefor, subject to the availability of sufficient legally available funds for such purpose.

Section 5.3. Obligations Absolute and Unconditional.

(a) The Lessee hereby agrees that its obligation to pay the Rental Payments from legally available funds appropriated for such purpose shall be absolute and unconditional without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment, diminution or defense whatsoever, whether now existing or hereafter arising, and notwithstanding any damage to, loss, theft or destruction of the Facilities or any part thereof, any failure of consideration, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Facilities, legal curtailment of the Lessee's use thereof, the eviction or constructive eviction of the Lessee, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the Lessee's legal

organization or status, or any default of the Lessor hereunder, and regardless of the invalidity of any action of the Lessor, and regardless of the invalidity of any portion of this Lease. Notwithstanding any dispute between the Lessee and the Lessor under this Lease, the Lessee shall pay all Rental Payments and Additional Payments when due and shall not withhold payment of any Rental Payments and Additional Payments pending the final resolution of such dispute.

(b) Nothing in this Lease shall be construed to release the Lessor from the performance of any agreement on its part herein contained or as a waiver by the Lessee of any rights or claims which the Lessee may have against the Lessor under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Lessor separately, it being the intent of this Lease that the Lessee shall (except as provided in subsection (a) above) be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to make Rental Payments and to make Additional Payments) for the benefit of the Registered Owners of the Certificates. The Lessee may, however, at its own cost and expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use of the Facilities, and in such event the Lessor hereby agrees, so long as the Lessee is not in default under this Lease, at the expense of the Lessee, to cooperate fully with the Lessee in any such action or proceeding if the Lessee shall so request.

Section 5.4. Rental Payments to Constitute a Current Expense of the Lessee.

(a) The Lessee acknowledges and agrees that the Rental Payments and Additional Payments under this Lease shall constitute currently budgeted expenditures of the Lessee, and shall not in any way be construed to be a general obligation or debt of the Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the Lessee, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the Lessee, except as expressly provided herein. The Lessee's obligations to pay Rental Payments and Additional Payments under this Lease shall be from year to year only, and shall not constitute a mandatory payment obligation of the Lessee in any ensuing Fiscal Year beyond the then current Fiscal Year, except to the extent of funds pledged to or encumbered for the payment of such obligations. No provision of this Lease shall be construed or interpreted as creating a liability or general obligation or other indebtedness of the Lessee within the meaning of any constitutional or statutory debt limitation or restriction. No provision of this Lease shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the Lessee within the meaning of the Constitution of the State. Neither this Lease nor the delivery of the Certificates shall directly or indirectly obligate the Lessee to levy or pledge any form of taxation or make any appropriation or make any payments beyond those appropriated for the Lessee's then current Fiscal Year, but in each Fiscal Year Rental Payments shall be payable solely from the amounts budgeted or appropriated therefor out of the income and revenue provided for such year, plus any unencumbered balances from previous years, except to the extent of funds pledged to or encumbered for the payment of the Lessee's obligations to pay Rental Payments and Additional Payments under this Lease; provided, however, that nothing herein shall be construed to limit the rights of the Registered Owners or the Lessor to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture. The Lessee shall be under no obligation whatsoever to exercise its option to purchase the Facilities under **Article XI** of this Lease. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of Lessee moneys, except as expressly provided herein, nor shall any provision of this Lease restrict the future issuance of any bonds or obligations payable from any class or source of moneys of the Lessee except as expressly provided herein. Failure of the Lessee to budget and appropriate said moneys on or before June 30 during any year shall be deemed a conclusive determination of non-availability of funds for the purpose of this Lease.

(b) The parties hereto acknowledge and agree that upon the expiration or termination of the Initial Term and any Renewal Term and failure by the Lessee to renew this Lease, the Lessee shall be wholly discharged from any liability to make Rental Payments or Additional Payments under this Lease other than Rental Payments or Additional Payments incurred prior to the expiration or termination of such Initial Term or Renewal Term.

Section 5.5. Event of Nonappropriation.

(a) In the event that the City Council of the Lessee shall not budget and appropriate, specifically with respect to this Lease, on or before the end of each Fiscal Year, moneys sufficient to pay all Rental Payments and the reasonably estimated Additional Payments coming due for the next current Renewal Term, an Event of Nonappropriation shall be deemed to have occurred. In the event that during the Initial Term or any Renewal Term, any Additional Payments shall become due which were not included in the Lessee's current budget, or which exceeded the amounts which were included therefor in the Lessee's current budget, then, in the event that moneys are not specifically budgeted and appropriated to pay such Additional Payments within 30 days subsequent to the date upon which such Additional Payments are due, an Event of Nonappropriation shall be deemed to have occurred.

(b) If an Event of Nonappropriation occurs, the Lessee shall not be obligated to make payment of the Rental Payments or Additional Payments or any other payments provided for herein (other than **Section 6.8** of this Lease or from funds pledged to or encumbered for the payment of such obligations) which accrue after the last day of the Initial Term or Renewal Term during which such Event of Nonappropriation shall occur.

Section 5.6. Prepayment of Certificates. If the Lessee is not in default in making Rental Payments or Additional Payments under this Lease, the Lessor, at the written direction of the Lessee, at any time when the aggregate moneys in the funds held under the Indenture are sufficient for such purposes, shall (i) if the Outstanding Certificates are then subject to prepayment under the provisions of **Article III** of the Indenture, take all steps that may be necessary under the applicable prepayment provisions of the Indenture to prepay all or such part of the Principal Component of Rental Payments represented by the then Outstanding Certificates as may be specified by the Lessee, on such date as may be specified by the Lessee, (ii) cause such moneys in the Certificate Fund or such part thereof as the Lessee shall direct, to be applied by the Lessor for the purchase of Certificates in the open market for the purpose of cancellation at prices not exceeding the Principal Components represented by such Certificates plus accrued interest thereon to the date of delivery for cancellation, or (iii) a combination of (i) and (ii) as provided in such direction. Unless otherwise stated therein, such notice by the Lessee shall be revocable by the Lessee at any time prior to the time at which the Certificates are to be prepaid or are deemed to be paid in accordance with **Article XI** of the Indenture. Any prepayment of the Principal Component of the Rental Payments in accordance with this Section shall be applied to reduce the Option Purchase Price and shall be credited as a payment of Rental Payments from such maturities as are selected by the Lessee.

Section 5.7. Security Interest.

(a) To secure the payment of all of Lessee's obligations under this Lease, the Lessee grants to Lessor a security interest constituting a first lien on the personal property relating to the Facilities and on all additions, attachments, accessions and substitutions thereto, and on any proceeds therefrom. The Lessee agrees to execute such additional documents, including financing statements, affidavits, notices and similar instruments that may be necessary or appropriate to establish and maintain its security interest and, upon assignment, the security interest of the Registered Owners or any other assignee of the Lessor in the personal property relating to the Facilities.

(b) The Lessee agrees to enter into all instruments (including financing statements and statements of continuation) necessary for perfection of and continuance of the perfection of the security interests of the Lessor in the Facilities. The Lessee shall file or cause to be filed all such instruments required to be so filed and shall continue or cause to be continued the liens of such instruments for so long as the Certificates shall be Outstanding.

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

Section 6.1. Maintenance, Repairs and Utilities.

(a) The Lessee covenants and agrees that throughout the Lease Term and at its own expense it will maintain, preserve and keep the Facilities and all parts thereof in good repair, working order and condition, and will from time to time make all repairs, replacements and improvements necessary to keep the Facilities and all parts thereof in safe condition and free from filth, nuisance or conditions unreasonably increasing the danger of fire or other casualty. The Lessor shall have no responsibility for any of these repairs, replacements or improvements.

(b) The Lessee shall contract in its own name and pay for all utilities and utility services used by the Lessee in, on or about the Facilities, and the Lessee, shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

(a) The parties to this Lease contemplate that the Facilities will be used for a governmental or proprietary purpose of the Lessee and, therefore, that the Facilities will be exempt from all taxes presently assessed and levied with respect to real or personal property. In the event that the use, possession or acquisition of the Facilities is found to be subject to taxation in any form, the Lessee will pay during the Lease Term, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities and any facilities, equipment or other property acquired by the Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Facilities as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities; provided that, with respect to any governmental charge that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are accrued during such time as this Lease is in effect.

(b) The Lessee shall have the right, in its own name or in the Lessor's name, to contest the validity or amount of any tax, assessment or other governmental charge which the Lessee is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the contested tax, assessment or other governmental charge becomes delinquent if and provided that the Lessee (1) before instituting any such contest, gives the Lessor written notice of the Lessee's intention to do so, (2) diligently prosecutes any such contest, (3) at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, (4) promptly pays any final judgment enforcing the tax, assessment or other governmental charge so contested, and (5) thereafter promptly procures record release or satisfaction thereof. The Lessor agrees to cooperate with the Lessee in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Lessee shall hold the Lessor whole and harmless from any costs and expenses the Lessor may incur in relation to any of the above.

Section 6.3. Property and Casualty Insurance.

(a) The Lessee shall, at its sole cost and expense, maintain or cause to be maintained at all times throughout the Lease Term, property and casualty insurance, or shall demonstrate pursuant to **Section 6.6** of this Lease, that adequate self-insurance is provided, to keep the Facilities insofar as the same may be of an insurable nature constantly insured against loss or damage by fire, lightning and all other risks covered by the all risk extended coverage insurance endorsement then in use in the State in an amount equal to the Full Insurable Value of the Facilities (subject to reasonable loss deductible clauses not to exceed $25,000); provided, however, that during the Construction Period, if the Contractor under the Construction Contracts maintains in full force and effect a policy or policies of Builder's Risk-Completed Value Form Insurance insuring the Project against fire, lightning and all other risks covered by the extended coverage endorsement then in use in the State to the Full Insurable Value of the Facilities (subject to reasonable loss deductible clauses not to exceed $25,000) then the Lessee shall not be required to maintain insurance required by this subsection (a) for such Construction Period with respect to the Project while the Project is so covered by such other insurance. The Full Insurable Value of the Facilities shall be determined once in every three Fiscal Years, commencing with the year ending June 30, 2025, by an architect, contractor, appraiser, appraisal company or one of the insurers, to be selected and paid by the Lessee and a report of such determination shall be filed with the Lessee and the Lessor within 180 days after the end of such third Fiscal Year. The insurance required pursuant to this Section shall be maintained at the Lessee's sole cost and expense. Such insurance may be maintained with the Missouri Intergovernmental Risk Management Association or other generally recognized responsible insurance entity or entities authorized to do business in the State as may be selected by the Lessee. All such policies of insurance or certificates evidencing such coverage, and all renewals thereof, shall name the Lessee and the Lessor as insureds and loss payees as their respective interests may appear, and shall contain a provision that such insurance may not be canceled by the issuer thereof without at least 30 days advance written notice to the Lessee and the Lessor.

(b) The Net Proceeds of property and casualty insurance carried pursuant to this Section or self-insurance program of the Lessee shall be applied as provided in **Section 8.1** of this Lease.

Section 6.4. Public Liability Insurance.

(a) The Lessee shall, at its sole cost and expense, maintain or cause to be maintained at all times during the Lease Term general accident and public liability insurance (including but not limited to coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), or shall demonstrate, pursuant to **Section 6.6** of this Lease, that adequate self-insurance is provided, under which the Lessee and the Lessor shall be named as insureds, properly protecting and indemnifying the Lessee and the Lessor, in amounts equal to Lessee's customary insurance practice for bodily injury (including death), and for property damage arising out of or in any way relating to the condition or the operation of the Facilities (subject to reasonable loss deductible clauses not to exceed $25,000). Each insurance policy provided for in this Section or certificates evidencing such coverage shall contain a provision to the effect that the insurance company may not cancel or materially modify the policy without first giving at least 30 days advance written notice to the Lessee and the Lessor.

(b) In the event of a public liability occurrence, the Net Proceeds of liability insurance carried pursuant to this Section or self-insurance program of the Lessee shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 6.5. Workers' Compensation Insurance. The Lessee shall maintain or cause to be maintained workers' compensation insurance required by the laws of the State covering all of its employees, or shall demonstrate, pursuant to **Section 6.6** of this Lease, that adequate self-insurance is provided, and shall require any other person or entity working for or on behalf of the Lessee to carry such coverage.

Section 6.6. Blanket Insurance, Self-Insurance and Modifications.

(a) The Lessee may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance which cover not only the Facilities but other properties, provided that the Lessee complies with each and all of the requirements and specifications of this Article respecting insurance.

(b) The Lessee represents that it currently maintains insurance that meets the requirements set forth in this Article. Without the consent of the Registered Owners, the Lessee may, upon the recommendation of an insurance consultant that the Lessee will be adequately insured, make modifications to the insurance coverage, including for the Lessee to be self-insured, in whole or in part, for any such coverage, taking into account the cost and availability of insurance and the effect of the terms and rates of such insurance upon the Lessee's costs and charges for its services.

(c) In accordance with Section 427.120 of the Revised Statutes of Missouri, as amended, unless the Lessee provides evidence of the insurance coverage required by this Lease, the Lessor may purchase insurance at the Lessee's expense to protect the Lessor's interests under this Lease. This insurance may, but need not, protect the Lessee's interests. The coverage that the Lessor may purchase may not pay any claim that the Lessee may make or any claim that may be made against the Lessee in connection with the Facilities. The Lessee may later cancel any insurance purchased by the Lessor, but only after providing evidence that the Lessee has obtained insurance as required by this Lease. If the Lessor purchases insurance for the Facilities, the Lessee will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges the Lessor may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The Lessee shall pay the costs of the insurance as an Additional Payment under **Section 5.2(e)** of this Lease. The costs of the insurance may be more than the cost of insurance the Lessee may be able to obtain on its own.

(d) As soon as practicable after the execution of the Indenture, and within **90** days after the close of each Fiscal Year thereafter the Lessee will file with the Lessor a written certificate of the Authorized City Representative certifying that the Lessee is in compliance with the insurance requirements set forth in the **Sections 6.3** through **6.6**. The Lessor has no duty or obligation to monitor the Lessee's compliance with the requirements of these Sections.

Section 6.7. Advances. In the event the Lessee shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Facilities in good repair and operating condition, the Lessor may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by Lessor shall become additional rent for the then current Initial Term or Renewal Term, which amounts, together with interest thereon at the Prime Rate plus 2% per annum, the Lessee agrees to pay as Additional Payments hereunder.

Section 6.8. Release and Indemnification Covenants. To the extent permitted by law and without waiving any rights of sovereign immunity, the Lessee shall indemnify, protect and hold the Lessor and their officers, agents, and employees and any person who controls the Lessor harmless from and against any and all liability, losses, claims and damages whatsoever, and expenses in connection therewith, including, without limitation, counsel fees and expenses arising out of or as the result of the entering into this Lease, the ownership, use, operation or condition of the Facilities or any part thereof, or any accident in connection with the operation, use or condition of the Facilities or any part thereof resulting in damage to property or injury to or death of any person. To the extent permitted by law and without waiving any rights of sovereign immunity, the Lessee shall indemnify and save the Lessor and their officers, agents and

employees and any person who controls the Lessor harmless against any loss, liability or expense, including reasonable attorneys' fees, resulting from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Facilities, and against and from all claims arising after the date of this Lease, from (a) any condition of the Facilities caused by the Lessee, (b) any breach or default on the part of the Lessee in the performance of any of its obligations under this Lease, the Base Lease or the Indenture (including without limitation its obligations related to environmental matters), (c) any contract entered by the Lessee in connection with the Project, (d) any act of negligence of the Lessee or of any of its agents, contractors, servants, employees or licensees, and (e) any act of negligence of any assignee or sublessee of the Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Lessee. To the extent permitted by law and without waiving any rights of sovereign immunity, the Lessee shall indemnify and save the Lessor and their officers, agents and employees and any person who controls the Lessor harmless from and against all costs and expenses (except those which have arisen from the willful misconduct or negligence of the Lessor) incurred in connection with any action or proceeding brought thereon related to the delivery of the Certificates or the performance by the Lessor of its duties hereunder or under the Indenture, and upon notice from the Lessor, the Lessee shall defend them or either of them in any such action or proceeding. The indemnifications arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of the Lease Term for any reason. The Lessee agrees not to withhold or abate any portion of the payments required pursuant to this Lease by reason of any defects, malfunctions, breakdowns of infirmities of the Facilities or any part thereof. In addition to and not in derogation or limitation of the sovereign immunity preservations set forth elsewhere in this Lease, nothing shall impose any obligation upon the City from which the City possesses immunity under Section 537.600, et seq., of the Revised Statutes of Missouri, it being specifically understood, acknowledged and agreed that the City is a political subdivision of the State of Missouri, and the City does not by this agreement waive its statutory sovereign immunity.

Section 6.9. Hazardous Materials. The Lessee shall not cause or permit the Facilities or any other property of the Lessee to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials (hereinafter defined), except in compliance with all applicable federal, state and local laws or regulations, nor shall the Lessee cause or permit, as a result of any intentional or unintentional act or omission of the Lessee or any tenant or subtenant, a release of Hazardous Materials onto the Facilities or any other property of the Lessee, except in compliance with all applicable federal, state and local laws or regulations. The Lessee shall comply with and ensure compliance by all tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, wherever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Lessee shall (a) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Facilities or any other property of the Lessee (i) in accordance with all applicable federal, state and local laws, ordinances, rules, regulations, and policies and (ii) in accordance with the orders and directives of all federal, state and local governmental authorities, and (b) to the extent permitted by law and without waiving any rights of sovereign immunity, defend, indemnify, and hold harmless the Lessor from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to, (i) the presence, disposal, release, or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, and/or (iii) any violation of laws, orders, regulations, requirements or demands of government authorities, which are based upon or in any way related to any such Hazardous Materials including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. In the event that the Lessor elects to control, operate,

sell or otherwise claim property rights in the Facilities as a remedy hereunder or in the event this Lease is terminated, the Lessee shall deliver the Facilities free of any and all Hazardous Materials so that the conditions of the Facilities shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Facilities. Prior to any such delivery of the Facilities, the Lessee shall pay the Lessor, from its own funds, any amounts then required to be paid under (b) above. Notwithstanding anything in this Lease to the contrary, the agreements in the preceding two sentences and in (b) above shall survive termination of this Lease. For purposes of this paragraph, "Hazardous Materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and amended (42 U.S.C. Sections 9601, et. seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C Sections 1801 et. seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation. In addition to and not in derogation or limitation of the sovereign immunity preservations set forth elsewhere in this Lease, nothing shall impose any obligation upon the City from which the City possesses immunity under Section 537.600, et seq., of the Revised Statutes of Missouri, it being specifically understood, acknowledged and agreed that the City is a political subdivision of the State of Missouri, and the City does not by this agreement waive its statutory sovereign immunity.

ARTICLE VII

ADDITIONS, MODIFICATIONS AND IMPROVEMENTS TO THE FACILITIES; LIENS

Section 7.1. Additions, Modifications and Improvements to the Facilities.

(a) The Lessee shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Facilities as the Lessee from time to time may deem necessary or desirable for its purposes; provided, however, the Lessee shall not make any additions, modifications or improvements which will in any way damage the Facilities or substantially reduce the value of the Facilities. All additions, modifications and improvements made by the Lessee pursuant to the authority of this Section shall (i) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (ii) when commenced, be prosecuted to completion with due diligence, and (iii) when completed, be deemed to be a part of the Facilities except as otherwise provided in **Section 4.8** of this Lease.

(b) No addition, modification or improvement to the Facilities made pursuant to this Section shall entitle the Lessee to any reimbursement of any Rental Payments or Additional Payments from the Lessor or the Registered Owners, nor shall the Lessee be entitled to any abatement or diminution in Rental Payments or Additional Payments under this Lease, except such diminution as results from prepayment of the Principal Component or Interest Component of Rental Payments represented by the Certificates pursuant to **Article III** of the Indenture.

Section 7.2. Additional Improvements on the Project Site. The Lessee shall have and is hereby given the right, at its sole cost and expense, to construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Lessee from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Lessee pursuant to the authority of this Section shall become a part of the Facilities and subject to the terms and conditions contained in this Lease and the Base Lease. The Lessee covenants and agrees (a) to make any repairs and restorations required to be made to the Facilities because of the construction of, addition to, alteration or removal of said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and

repair, ordinary wear and tear excepted, and (c) to promptly and with due diligence either raze and remove from the Project Site in a good and workmanlike manner, or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty.

Section 7.3. Permits and Authorizations. The Lessee shall not do or permit others under its control to do any work on the Facilities related to any repair, rebuilding, restoration, replacement, modification, improvement or addition to the Facilities, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured and payment therefor made. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of **Article VI** of this Lease.

Section 7.4. Liens.

(a) The Lessee shall not do or suffer anything to be done whereby the Facilities, or any part thereof, may be encumbered by any mechanics' or materialmen's or other similar lien, other than Permitted Encumbrances. Whenever and as often as any mechanics' or materialmen's or other similar lien is filed against the Facilities, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Facilities, the Lessee shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that the Lessor shall not be liable for any labor or materials furnished to the Lessee or to anyone claiming by, through or under the Lessee upon credit, and that no mechanics' or materialmen's or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the Lessor in and to the Facilities or any part thereof.

(b) The Lessee, notwithstanding subsection (a) above, shall have the right (except as hereinafter provided) to contest any such mechanics' or materialmen's or other similar lien if and provided that the Lessee (i) within said 60-day period stated above notifies the Lessor in writing of the Lessee's intention to do so, (ii) diligently prosecutes such contest, (iii) at all times effectively stays or prevents any official or judicial sale of the Facilities, or any part thereof or interest therein, under execution or otherwise, (iv) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim, and (v) thereafter promptly procures record release or satisfaction thereof. If the Lessor shall notify the Lessee that, in the opinion of Counsel, by nonpayment of such items, the Lessor's title or interest in the Facilities will be endangered, or the Facilities or any part thereof will be subject to loss or forfeiture, then the Lessee shall promptly pay or cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Lessee shall hold the Lessor whole and harmless from any loss, costs or expenses the Lessor may incur in relation to any such contest. The Lessor will cooperate fully with the Lessee in any such contest.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 8.1. Damage, Destruction and Condemnation.

(a) If during the Lease Term, the Facilities are damaged or destroyed, in whole or in part, by fire or other casualty, or in the event the Project Site is condemned or taken for any public or quasi-public use or title thereto is found to be deficient, to such extent that the claim for loss (including any deductible amount pertaining thereto) resulting from such damage, destruction, condemnation or deficient title is

greater than $100,000, the Lessee shall promptly notify the Lessor in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the Lessee shall determine that such rebuilding, repairing, restoring or replacing is practicable and desirable, the Lessee shall proceed promptly with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing of the property damaged or destroyed so as to place said Facilities in substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the utility and condition of the Facilities. The Lessee and the Lessor will cause the Net Proceeds to be applied to the prompt repair, restoration, modification or improvement of the Facilities. Any balance of the Net Proceeds remaining after such work has been completed shall be deposited into the applicable subaccount of the Certificate Fund. If the Net Proceeds exceed $100,000, such Net Proceeds shall be paid to the Lessor and shall be deposited into a separate account to be established in the applicable subaccount of the Project Fund and shall be used and applied in accordance with the disbursement requirements of **Section 504** of the Indenture and such amounts shall be disbursed from time to time in accordance with the Lessee's written instructions for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the applicable subaccount of the Project Fund after completion of such rebuilding, repairing, restoring or replacing shall be deposited into the applicable subaccount of the Certificate Fund which completion shall be evidenced by a certificate signed by an Authorized City Representative and filed with the Lessor. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the Lessee shall nonetheless complete the work thereof and shall, subject to **Sections 3.2** and **5.4** of this Lease, pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(c) If the Lessee shall determine that rebuilding, repairing, restoring or replacing the Facilities is not practicable and desirable, then, in lieu of rebuilding, repairing, restoring or replacing the Facilities, the Lessee shall promptly prepay the Certificates or purchase the Facilities by paying the Option Purchase Price to the Lessor and any Net Proceeds shall be applied to such payment. Any balance of the Net Proceeds remaining after paying the Option Purchase Price to the Lessor shall belong to the Lessee. The Lessee agrees that any acquisition of the Facilities or rights to their use by the Lessee shall be pursuant to and in accordance with this Lease, including payment of Rental Payments and the applicable Option Purchase Price. This paragraph shall survive the termination of this Lease for any reason.

(d) The Lessee shall not, by reason of its inability to use all or any part of the Facilities during any period in which the Facilities are condemned, damaged or destroyed, or are being repaired, rebuilt, restored or replaced, or by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement from the Lessor or the Registered Owners of the Certificates, or any abatement or diminution of the rentals payable by the Lessee under this Lease or of any other obligations of the Lessee under this Lease except as expressly provided in this Section.

Section 8.2. Condemnation or Deficiency of Title.

(a) The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facilities or any part thereof, and shall, to the extent the Lessor may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and on behalf of the Lessor. So long as Lessee shall not be in default under this Lease, in no event will the Lessor voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Facilities or any part thereof without the written consent of the Lessee.

(b) The Lessee hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Certificates remain Outstanding and unpaid, the Lessee will not exercise the power of condemnation with respect to the Facilities. The Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the Lessee should fail or refuse to abide by such covenant and condemns the Facilities, the appraised value of the Facilities shall not be less than the greater of (i) if such Certificates are then subject to prepayment, the Principal Components and Interest Components of the Certificates Outstanding through the date of their prepayment, or (ii) if such Certificates are not then subject to prepayment, the amount necessary to defease such Certificates to the first available prepayment date in accordance with the Indenture.

ARTICLE IX

SPECIAL COVENANTS

Section 9.1. Disclaimer of Warranties. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FACILITIES, OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT THERETO. In no event shall the Lessor be liable for an incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or Lessee's use of any item or products or services provided for in this Lease; provided, however, that nothing herein shall be construed as relieving the Lessor from its covenants and obligations under this Lease.

Section 9.2. Vendor's Warranties. The Lessor hereby irrevocably appoints the Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default under this Lease, to assert from time to time whatever claims and rights including warranties of the equipment which the Lessor may have against the vendor of the equipment which is or becomes a part of the Facilities. The Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the vendor of such equipment, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of the Lessor with respect to this Lease, including the right to receive full and timely payments under this Lease. The Lessee expressly acknowledges that the Lessor has made no representation or warranties whatsoever as to the existence of availability of such warranties of the vendor of such equipment.

Section 9.3. Surrender of Possession. Upon accrual of the Lessor's right of re-entry because of the Lessee's default under this Lease or upon the cancellation or termination of this Lease for any reason other than the Lessee's purchase of the Facilities pursuant to **Article XI** of this Lease, the Lessee shall peacefully surrender possession of the Facilities to the Lessor in good condition and repair, ordinary wear and tear excepted; provided, however, the Lessee shall have the right within 120 days after the termination of this Lease to remove from the Project Site any improvements, furniture, trade fixtures, machinery and equipment owned by the Lessee and not funded with any Certificate proceeds. All repairs to and restorations of the Facilities which are required to be made because of such removal shall be made by and at the sole cost and expense of the Lessee, and during said 120-day period, the Lessee shall bear the sole responsibility for and bear the sole risk of loss for said buildings, improvements, furniture, trade fixtures, machinery and equipment. All buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Lessee and which are not so removed from the Facilities prior to the expiration of said 120-day period shall be and become the separate and absolute property of the Lessor.

Section 9.4. Granting of Easements. If no Event of Default or Event of Nonappropriation under this Lease shall have happened and be continuing, the Lessee may at any time or times (a) grant

easements, licenses, rights-of-way (including the dedication of public streets and highways) and other rights or privileges in the nature of easements with respect to any property included in the Facilities, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as provided in this Section. The Lessor agrees that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the Lessor of: (1) a copy of the instrument of grant or release or of the agreement or other arrangement, (2) a written application signed by the Authorized City Representative requesting such instrument; and (3) a certificate executed by the Authorized City Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Lessee, will be a Permitted Encumbrance, will not impair the effective use or interfere with the efficient and economical operation of the Facilities, and will not materially adversely affect the security intended to be given by or under the Indenture, the Base Lease or this Lease. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the right of the Lessor under this Lease and the Indenture and shall not be affected by any termination of this Lease or by default on the part of the Lessee under this Lease. If no Event of Default or Event of Nonappropriation shall have happened and be continuing, any payments or other consideration received by the Lessee for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Lessee, but, in the event of the termination of this Lease subsequent to an Event of Default or an Event of Nonappropriation, all rights of the Lessee then existing with respect to or under such grant shall inure to the benefit of and be exercisable by the Lessor.

Section 9.5. Authorized City Representative. Whenever under the provisions of this Lease the approval of the Lessee is required to take some action at the request of the Lessor, unless otherwise provided, such approval or such request shall be given for the Lessee by the Authorized City Representative and the Lessor shall be authorized to act on any such approval or request.

ARTICLE X

ASSIGNMENT AND SUBLEASING

Section 10.1. Assignment by Lessor. The Lessee agrees that the Lessor may assign and reassign this Lease and the Facilities to a successor Lessor appointed pursuant to **Section 908** of the Indenture.

Section 10.2. Assignment and Sublease by Lessee. The Lessee may not assign its interest in this Lease for any reason. The Lessee may, however, sublease the Facilities as a whole or in part, without the necessity of obtaining the consent of the Lessor, subject, however, to each of the following conditions:

(a) This Lease and the obligations of the Lessee under this Lease, shall, at all times during the Initial Term and any Renewal Term, remain obligations of the Lessee, and the Lessee shall maintain its direct relationship with the Lessor, notwithstanding any sublease;

(b) Before entering into any sublease of the Facilities or any portion thereof, the Lessee shall obtain and file with the Lessor an Opinion of Special Counsel to the effect that such sublease will not cause the Interest Component on the Rental Payments payable pursuant to the Certificates to be included in gross income for federal or Missouri income tax purposes.

(c) The Lessee shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Lessor a true and complete copy of each such sublease.

The Lessee may grant licenses or other agreements to use all or any of the Facilities in the normal course of business without the consent of the Lessor, subject to compliance with the terms of the Tax Compliance Agreement to maintain the exclusion from gross income of the Interest Component of the Rental Payments payable pursuant to the Certificates.

Section 10.3. Restrictions on Sale or Mortgage of the Facilities by the Lessee. The Lessee agrees that, except as set forth in **Section 10.2** of this Lease or in other provisions of this Lease or the Indenture, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Facilities during the Lease Term, nor otherwise create any encumbrance thereon other than Permitted Encumbrances. Except as expressly provided in this Article, the Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Lessee shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE LESSOR'S INTEREST IN THE FACILITIES

Section 11.1. Option to Purchase the Lessor's Interest in the Facilities. At the option and request of the Lessee, the Lessor's estate and interest in the Facilities will be transferred, conveyed and assigned to the Lessee and this Lease shall terminate:

(a) at any time upon payment, or providing for the payment, by the Lessee of the then applicable Option Purchase Price plus all Rental Payments and Additional Payments payable up to and including the Optional Prepayment Date; or

(b) at any time upon payment or providing for the payment of all Rental Payments represented by the Certificates, all Additional Payments and the Option Purchase Price (assuming the Lessee renews this Lease until the end of the Lease Term or the Renewal Term in which the Optional Prepayment Date occurs).

To exercise such option the Lessee shall give written notice to the Lessor if any of the Certificates shall then be unpaid or provision for their payment shall not have been made in accordance with the provisions of the Indenture, and shall specify therein the date of closing such purchase, which date shall be not less than 20 nor more than 60 days from the date when such notice is mailed, and in case of a prepayment of the Certificates in accordance with the provisions of the Indenture, the Lessee shall make arrangements satisfactory to the Lessor for the giving of the required notice of prepayment.

Payment of the final Rental Payments and Additional Payments shall constitute exercise of the option granted under this Lease without further action by the Lessee.

Section 11.2. Determination of Fair Purchase Price; Acquisition of the Lessor's Interest in the Facilities.

(a) The Lessee hereby agrees and determines that the Rental Payments under this Lease during the Initial Term and any Renewal Term represent the fair value of the use of the Facilities and that the amount required to exercise the Lessee's option to purchase the Lessor's interest in the Facilities pursuant to **Section 11.1** of this Lease represents, as of the purchase date, the fair purchase price of the Facilities. The Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place

the Lessee under an economic practical compulsion to renew this Lease or to exercise its option to purchase the Facilities under this Lease. In making such determinations, the Lessee has given consideration to the Project Costs, the uses and purposes for which the Facilities will be employed by the Lessee, the benefit to the Lessee by reason of the acquisition, construction, equipping and installation of the Project and the use and occupancy of the Facilities pursuant to this Lease and Lessee's option to purchase the Facilities.

(b) The Lessee is entering into this Lease to acquire the use of the Facilities during the Lease Term, and with the current intent of acquiring the Lessor's interest in the Facilities in accordance with **Section 11.1(a)** of this Lease, for its public purposes. Any acquisition of the Lessor's interest in the Facilities or rights to their use by the Lessee (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with this Lease, including payment of Rental Payments and the applicable Option Purchase Price. If the Lessee allows this Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend this Lease for a Renewal Term or failure to cure an Event of Default) prior to the end of the Maximum Lease Term and payment of all Rental Payments due pursuant to this Lease, that action shall constitute an irrevocable determination by the Lessee that the Facilities are not required by it for any public purpose for the term of the Base Lease. This Section shall survive the termination of this Lease for any reason.

Section 11.3. Conveyance of the Lessor's Interest in the Facilities. At the closing of any purchase of the Lessor's interest in the Facilities pursuant to this Article, the Lessor, upon payment by the Lessee and receipt by the Lessor of all amounts payable under this Lease and under the Indenture, shall execute and deliver to the Lessee all necessary documents conveying, transferring and assigning the Lessor's interest in the Facilities to the Lessee in order for the Lessee to have good and marketable legal title to the Facilities, as it then exists, subject to the following: (1) those liens and encumbrances, if any, to which title to the Facilities was subject when leased to the Lessor; (2) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; (3) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained herein; (4) Permitted Encumbrances other than the Base Lease, this Lease and the Indenture; and (5) if the Facilities are being condemned, the rights and title of any condemning authority.

Section 11.4. Relative Position of Option and Indenture. The option granted to the Lessee in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default under this Lease, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.5. Obligation to Purchase the Lessor's Interest in the Facilities. The Lessee hereby agrees to purchase, and the Lessor hereby agrees to sell, the Lessor's interest in Facilities for the sum of $1.00 at the expiration of the Lease Term following full payment of the Certificates or provision for payment thereof having been made in accordance with the provisions of the Indenture.

ARTICLE XII
DEFAULT AND REMEDIES

Section 12.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" under this Lease:

(a) Failure by the Lessee to pay any Rental Payment required to be paid under this Lease at the time specified herein; or

(b) Failure by the Lessee to pay any Additional Payment or to observe or perform any other covenant, agreement, obligation or provision of this Lease on its part to be observed or performed, and such failure shall continue for 30 days after the Lessor has given the Lessee written notice specifying such failure or such longer period (but not to exceed 60 days unless the Lessor shall otherwise consent) as shall be reasonably required to cure such default; provided that (1) the Lessee has commenced such cure within said 30-day period, and (2) the Lessee diligently prosecutes such cure to completion; or

(c) Failure by the Lessee to vacate the Facilities within 30 days after the occurrence of an Event of Nonappropriation; or

(d) An Event of Default under the Indenture shall have occurred and be continuing.

Section 12.2. Remedies on the Occurrence of an Event of Default or an Event of Nonappropriation. If an Event of Default or an Event of Nonappropriation shall have occurred and be continuing, then the Lessor may at the Lessor's election (subject, however, to any restrictions contained in the Indenture against acceleration of the maturity of the Certificates or termination of this Lease), then or at any time thereafter, and while such Event of Default or Event of Nonappropriation shall continue, take any one or more of the following actions:

(a) With or without terminating this Lease take possession of the Facilities, in which event the Lessee shall take all actions necessary to authorize, execute and deliver to the Lessor all documents necessary to vest in the Lessor for the remainder of the Lease Term, all of the Lessee's interest in and to the Facilities, and sell the Lessor's (or its assignee's) interest in this Lease, or lease or sublease the Facilities and collect the rentals therefor, for all or any portion of the remainder of its leasehold term upon such terms and conditions as it may deem satisfactory in its sole discretion, with the Lessee remaining liable, subject to the provisions of **Sections 3.2** and **5.4** of this Lease, for the difference between (i) the Rental Payments and Additional Payments payable by the Lessee under this Lease to the end of the current Lease Term and (ii) the net proceeds or any purchase price, rents or other amounts paid by the new purchaser, lessee or sublessee of such Facilities, and, provided further, that, in such event, if the Lessor shall receive a payment for sale of its interest or total subrentals for sublease that are, after payment of the Lessor's expenses in connection therewith, in excess of the principal amount of Certificates then Outstanding and the interest due and to become due thereon and all other Additional Payments, then such excess shall be paid to the Lessee either by the Lessor, its assigns, or its sublessee; or

(b) By written notice to the Lessee, declare all Rental Payments and Additional Payments payable under this Lease for the remainder of the current Renewal Term to be immediately due and payable and the same shall thereupon become immediately due and payable; or

(c) Give the Lessee written notice of intention to terminate this Lease on a date specified in such notice, which date may be the earlier of 30 days after such notice is given or the end of the Renewal Term, and if all defaults have not then been cured, on the date so specified, the Lessee's rights to possession of the Facilities shall cease and this Lease shall thereupon be terminated, and the Lessor may re-enter and take possession of the Facilities; or

(d) Exercise any of the rights of a secured party under the Uniform Commercial Code of Missouri, as then in effect, with respect to property which is covered by such Code, including without limitation, the right to take possession of any personal property or fixtures subject to the lien granted pursuant to this Lease and to take such other measures as the Lessor may deem as necessary for the care, protection, preservation and marketing of said personal property and fixtures. The Lessor may require the Lessee to assemble any such personal property or fixtures and make the same available to the Lessor at a

place to be designated by the Lessor which is reasonably convenient to the Lessor and the Lessee. It is agreed that a commercially reasonable manner of disposition of personal property includes, without limitation, disposition of the Facilities in the manner provided herein; or

(e) Take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments and Additional Payments then due and thereafter to become due during the Lease Term and to enforce its rights under this Lease and the performance and observance of any obligation, agreement or covenant of the Lessee under this Lease.

If in accordance with any of the foregoing provisions of this Article the Lessor shall have the right to elect to re-enter and take possession of the Facilities, the Lessor may enter and expel the Lessee and those claiming through or under the Lessee and remove the property and effects of both or either without being guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or for breach of covenant. The Lessor may take whatever action at law or in equity which may appear necessary or desirable to collect rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease.

Section 12.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notices as may be expressly required in this Article.

Section 12.4. Attorneys' Fees and Expenses. If the Lessee should default under any of the provisions of this Lease, or if an Event of Nonappropriation shall have occurred, and the Lessor or the Registered Owners should employ attorneys or incur other expenses for the collection of Rental Payments or Additional Payments or the enforcement of performance of any obligation or agreement on the part of the Lessee, then the Lessee will on demand pay to the Lessor or the Registered Owners the reasonable fees and expenses of such attorneys and such other expenses so incurred.

Section 12.5. Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. The Lessee agrees, to the extent permitted by law, that in the case of a termination of the Lease Term by reason of an Event of Nonappropriation or an Event of Default, neither the Lessee nor any one claiming through or under the Lessee, shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Lease; and the Lessee, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws.

ARTICLE XIII

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 13.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the initial execution and sale of Certificates and prior to the payment thereof having been made in accordance with the provisions of the Indenture, this Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the Lessor, given in accordance with the provisions of the Indenture.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.1. Notices. All notices, certificates or other communications required or desired to be given under this Lease shall be in writing and shall be deemed duly given when mailed by first class, registered or certified mail, postage prepaid, addressed as provided in **Section 1304** of the Indenture, provided, however, that any of the foregoing given to the Lessor shall be effective only upon receipt.

All notices given by first class, certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed. The Lessee and the Lessor may from time to time designate, by notice given under this Lease to the other, another address to which subsequent notices, certificates or other communications shall be sent.

Section 14.2. Lessor and Lessee Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the Lessor or the Lessee shall, may or must give its approval or consent, or execute supplemental agreements or schedules, then subject to the Indenture, neither the Lessor nor the Lessee shall unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules.

Section 14.3. Limited Liability of Lessor. No provision, covenant or agreement contained in this Lease, the Indenture, the Base Lease or the Certificates, or any obligation herein or therein imposed upon the Lessor, or the breach thereof, shall constitute or give rise to or impose any personal or pecuniary liability upon any director, officer or employee of the Lessor. Except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Lessor nor any director, officer or employee of the Lessor shall be liable to the Lessee or any other person for any action taken by the Lessor or by its officers, servants, agents or employees, or for any failure to take action under this Lease except for its negligence or willful misconduct.

Section 14.4. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a "triple net lease," (b) the Lessee shall pay absolutely net during the Lease Term, the Rental Payments, Additional Payments and all other payments required under this Lease, free of any deductions, and without abatement, deduction or setoff (other than credits against Rental Payments expressly provided for in this Lease), (c) that the payments of Rental Payments are designed to provide the Lessor funds adequate in amount to pay all Principal Components, premium, if any, and Interest Components of the Rental Payments represented by the Certificates as the same become due and payable, and (d) that if after the Principal Components, premium, if any, and Interest Components of the Rental Payments represented by the Certificates and all costs incident to the payment of the Certificates have been paid in full the Lessor holds unexpended funds received in accordance with the terms of this Lease, such unexpended funds shall, after payment therefrom of all sums then due and owing by the Lessee under the terms of this Lease, and except as otherwise provided herein and in the Indenture, become the absolute property of and be paid over forthwith to the Lessee.

Section 14.5. Reserved.

Section 14.6. No Merger. Subject to **Section 3.3** of this Lease and **Section 5.1** of the Base Lease, no union of the interests of the Lessee and the Lessor herein shall result in a merger of the Base Lease and this Lease or of this Lease and the fee title to the Project Site.

Section 14.7. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a legal holiday or a day on which banking institutions in the Lessee in which the principal business office of the Lessor or the Lessee is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day that is not a legal holiday or a day on which such banking institutions are not authorized by law to remain closed with the same force and effect as if done on the date provided in this Lease.

Section 14.8. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the Lessor and the Lessee and their respective successors and assigns.

Section 14.9. Severability. If for any reason any provision of this Lease shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions of this Lease shall not be affected thereby.

Section 14.10. Execution in Counterparts. This Lease may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 14.11. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 14.12. Electronic Storage of Documents. The Lessor and the Lessee agree that the transaction 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 executed 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.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

UMB BANK, N.A.,
as Lessor

By:_____
(SEAL) Name:
Title:

ATTEST:

_____
Name:
Title:

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2022, before me, the undersigned, a Notary Public, appeared _____, who being before me duly sworn did say that [s]he is a _____ of **UMB BANK, N.A.**, a national banking association, and that said officer being authorized so to do executed the foregoing instrument for the purposes therein contained by signing on behalf of the bank as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

_____
Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires:

CITY OF CARTHAGE, MISSOURI, as Lessee

By:_____
(SEAL) Name: Dan Rife
Title: Mayor

ATTEST:

_____
Name: Miranda Deal
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2022, before me, the undersigned, a Notary Public, appeared **DAN RIFE**, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the **CITY OF CARTHAGE, MISSOURI**, a charter city and political subdivision existing under the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed in behalf of said City by authority of its City Council, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

_____
Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires:

SCHEDULE 1 TO LEASE

THE PROJECT SITE

Tract 1

Parcel #1
All of that tract of land Commencing at a point on the half Section line, said Point being One Hundred and Thirty-four (134.00) feet North of the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence East 763.20 feet, thence North 38.00 feet, thence West 763.20 feet, thence South 38.00 feet to the Point of Beginning.

Except commencing at the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 238.43 feet to the Point of Beginning, thence North 00 Degrees, 22 Minutes, 58 Seconds East 100 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 10.00 feet, thence South 00 Degrees, 22 Minutes, 58 Seconds West 100 feet, thence North 89 Degrees, 37 Minutes, 02 Seconds West 10.00 feet to the Point of Beginning.

Parcel #2
Commencing at the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 427.20 feet to the Point of Beginning, thence continuing South 89 Degrees, 37 Minutes, 02 Seconds East 36.00 feet, thence South 01 Degrees, 17 Minutes, 24 Seconds West 134.00 feet, thence North 89 Degrees, 37 Minutes, 02 Seconds West 36.00 feet, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet to the Point of Beginning.

Parcel #3
Commencing One Hundred and Thirty-four (134.00) Feet North and Four Hundred and Sixty-three and Two Tenths (463.20) feet East of the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence East 300.00 feet, thence South 607.50 feet, thence West 300.00 feet, thence North 607.50 feet to the Point of Beginning.

Tract 2

All of Lots numbered Fifty-Seven (57), Fifty-Eight (58), Fifty-Nine (59) and Sixty (60) in SOUTHERN ADDITION TO CARTHAGE, located in the Northeast Quarter of the Northeast Quarter of Section 16, Township 28, Range 31, in the City of Carthage, Jasper County, Missouri, according to the recorded Plat thereof.

SCHEDULE 2 TO LEASE

THE PROJECT

The Project consists of replacing, upgrading and renovating various pieces of equipment of the utility system, including the relocation and upgrade of several transmission lines and switches. The Project includes four main components:

(1) The transmission lines between the Southwest Power Administration Substation and Substation No. 1 will be replaced. Electricity that is purchased arrives at the utility via the Southwest Power Administration Substation and is then transmitted to the utility's other substations.

(2) The infrastructure utilized in the transmission and transformation of electricity between the Power Plant Substation and Substation No. 1 will be upgraded and improved. Infrastructure upgrades in and near the Power Plant Substation include replacement of physical lines and relocation of five distribution feeder circuit breakers to Substation No. 1. Infrastructure upgrades in and near Substation No. 1 include upgrading and adding distribution feeder circuit breakers that will improve reliability and be easier to maintain.

(3) Infrastructure in and near Substation No. 2 will be replaced and upgraded. A transformer and switch gear will be replaced, and the improvements will be moved to an outdoor structure to provide for easier maintenance and operation.

(4) Feeder lines from Substation No. 2 will be upgraded and extended. The feeder line connects the substation to the distribution system. The extension will connect with neighborhoods and improve flexibility in electric distribution.

SCHEDULE 3 TO LEASE

(FORM OF REQUISITION CERTIFICATE)

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: UMB BANK, N.A., AS TRUSTEE UNDER THE TRUST INDENTURE DATED AS OF DECEMBER 15, 2022, BETWEEN THE CITY OF CARTHAGE, MISSOURI AND THE TRUSTEE.

The undersigned hereby request that a total of $_____ be paid for Project Costs (as defined in the Trust Indenture) in such amounts, to such payees and for such purposes as set forth on **Exhibit A** attached hereto.

We hereby state and certify that:

(i) the amounts requested are or were necessary and appropriate in connection with the purchase, construction and installation of the Project, have been properly incurred and are a proper charge against the Project Fund, and have been paid, or are justly due to the persons whose names and addresses are stated above, and have not been the basis of any previous requisition from the Project Fund,

(ii) as of this date, except for the amounts specified above, there are no outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the purchase, construction and installation of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Facilities, or any part thereof;

(iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Fund in any previous or pending application for payment made pursuant to the Lease;

(iv) all work has been performed in a good and workmanlike manner;

(v) no defaults have occurred and are continuing under the Lease; and

(vi) with respect to this disbursement, (i) it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek recourse from Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

CITY OF CARTHAGE, MISSOURI

By: _____
Title:

EXHIBIT A TO REQUISITION CERTIFICATE

Amount	Payee and Address	Description

SCHEDULE 4 TO LEASE
FORM OF RENTAL PAYMENT SCHEDULE

Period Ending	Principal	Interest	Debt Service
05/01/2023	-	$265,491.06	$265,491.06
11/01/2023	-	364,796.88	364,796.88
05/01/2024	$455,000	364,796.88	819,796.88
11/01/2024	-	353,421.88	353,421.88
05/01/2025	475,000	353,421.88	828,421.88
11/01/2025	-	341,546.88	341,546.88
05/01/2026	500,000	341,546.88	841,546.88
11/01/2026	-	329,046.88	329,046.88
05/01/2027	525,000	329,046.88	854,046.88
11/01/2027	-	315,921.88	315,921.88
05/01/2028	555,000	315,921.88	870,921.88
11/01/2028	-	302,046.88	302,046.88
05/01/2029	580,000	302,046.88	882,046.88
11/01/2029	-	287,546.88	287,546.88
05/01/2030	610,000	287,546.88	897,546.88
11/01/2030	-	272,296.88	272,296.88
05/01/2031	640,000	272,296.88	912,296.88
11/01/2031	-	256,296.88	256,296.88
05/01/2032	670,000	256,296.88	926,296.88
11/01/2032	-	239,546.88	239,546.88
05/01/2033	705,000	239,546.88	944,546.88
11/01/2033	-	221,921.88	221,921.88
05/01/2034	740,000	221,921.88	961,921.88
11/01/2034	-	203,421.88	203,421.88
05/01/2035	775,000	203,421.88	978,421.88
11/01/2035	-	184,046.88	184,046.88
05/01/2036	815,000	184,046.88	999,046.88
11/01/2036	-	163,671.88	163,671.88
05/01/2037	855,000	163,671.88	1,018,671.88
11/01/2037	-	142,296.88	142,296.88
05/01/2038	900,000	142,296.88	1,042,296.88
11/01/2038	-	119,796.88	119,796.88
05/01/2039	945,000	119,796.88	1,064,796.88
11/01/2039	-	96,171.88	96,171.88
05/01/2040	990,000	96,171.88	1,086,171.88
11/01/2040	-	71,421.88	71,421.88
05/01/2041	1,040,000	71,421.88	1,111,421.88

11/01/2041	-	48,671.88	48,671.88
05/01/2042	1,090,000	48,671.88	1,138,671.88
11/01/2042	-	24,828.13	24,828.13
05/01/2043	1,135,000	24,828.13	1,159,828.13

*The Option Purchase Price in the event of optional prepayment pursuant to **Section 302** of the Indenture shall be determined as follows:

Rental Payment Date	Option Purchase Price on Rental Payment Date through but excluding next Rental Payment Date*
05/01/2023	N/A
11/01/2023	N/A
05/01/2024	N/A
11/01/2024	N/A
05/01/2025	N/A
11/01/2025	N/A
05/01/2026	N/A
11/01/2026	N/A
05/01/2027	N/A
11/01/2027	N/A
05/01/2028	N/A
11/01/2028	N/A
05/01/2029	N/A
11/01/2029	N/A
05/01/2030	$11,300,000.00
11/01/2030	11,300,000.00
05/01/2031	10,660,000.00
11/01/2031	10,660,000.00
05/01/2032	9,990,000.00
11/01/2032	9,990,000.00
05/01/2033	9,285,000.00
11/01/2033	9,285,000.00
05/01/2034	8,545,000.00
11/01/2034	8,545,000.00
05/01/2035	7,770,000.00
11/01/2035	7,770,000.00
05/01/2036	6,955,000.00
11/01/2036	6,955,000.00
05/01/2037	6,100,000.00
11/01/2037	6,100,000.00
05/01/2038	5,200,000.00
11/01/2038	5,200,000.00
05/01/2039	4,225,000.00
11/01/2039	4,255,000.00
05/01/2040	3,265,000.00
11/01/2040	3,265,000.00
05/01/2041	2,225,000.00
11/01/2041	2,225,000.00
05/01/2042	1,135,000.00
11/01/2042	1,135,000.00
05/01/2043	1.00

*The Option Purchase Price in the event of damage, casualty, condemnation or deficiency of title shall be determined as follows:

Rental Payment Date	Option Purchase Price on Rental Payment Date through but excluding next Rental Payment Date*
05/01/2023	$15,000,000.00
11/01/2023	15,000,000.00
05/01/2024	14,545,000.00
11/01/2024	14,545,000.00
05/01/2025	14,070,000.00
11/01/2025	14,070,000.00
05/01/2026	13,570,000.00
11/01/2026	13,570,000.00
05/01/2027	13,045,000.00
11/01/2027	13,045,000.00
05/01/2028	12,490,000.00
11/01/2028	12,490,000.00
05/01/2029	11,910,000.00
11/01/2029	11,910,000.00
05/01/2030	11,300,000.00
11/01/2030	11,300,000.00
05/01/2031	10,660,000.00
11/01/2031	10,660,000.00
05/01/2032	9,990,000.00
11/01/2032	9,990,000.00
05/01/2033	9,285,000.00
11/01/2033	9,285,000.00
05/01/2034	8,545,000.00
11/01/2034	8,545,000.00
05/01/2035	7,770,000.00
11/01/2035	7,770,000.00
05/01/2036	6,955,000.00
11/01/2036	6,955,000.00
05/01/2037	6,100,000.00
11/01/2037	6,100,000.00
05/01/2038	5,200,000.00
11/01/2038	5,200,000.00
05/01/2039	4,225,000.00
11/01/2039	4,255,000.00
05/01/2040	3,265,000.00
11/01/2040	3,265,000.00
05/01/2041	2,225,000.00
11/01/2041	2,225,000.00
05/01/2042	1,135,000.00
11/01/2042	1,135,000.00
05/01/2043	1.00

BASE LEASE

Grantor:	**City of Carthage, Missouri** **326 Grant Street** **Carthage, Missouri 64836** **Attention: City Administrator**
Grantee:	**UMB Bank, N.A.** **928 Grand Boulevard, 12th Floor** **Kansas City, Missouri 64106** **Attention: Corporate Trust Department**
Real Property Legal Description:	**See Schedule 1**
Dated as of:	**December 15, 2022**

BASE LEASE

THIS BASE LEASE (the **"Base Lease"**) dated as of December 15, 2022, by and between **CITY OF CARTHAGE, MISSOURI**, a constitutional charter city and political subdivision duly organized and existing under the laws of the State of Missouri, as Site Lessor (the **"City"**), and the **UMB BANK, N.A.**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America with a corporate trust office located in Kansas City, Missouri, in its capacity as Trustee (together with its successors, the **"Trustee"**) under the Trust Indenture dated as of December 15, 2022 (the **"Indenture"**), between the City and the Trustee, as Site Lessee.

WITNESSETH:

WHEREAS, the City owns fee simple title to the real estate described on **Schedule 1** attached hereto and all buildings and improvements thereon (the **"Project Site"**), and desires to finance or be reimbursed for the costs of projects (the **"Project"**) more specifically described in **Schedule 2** attached hereto (the Project Site and all additions, modifications, improvements, replacements and substitutions made thereon and thereto and any additional facilities financed with the Certificates being collectively referred to as the **"Facilities"**); and

WHEREAS, the City desires to lease the Project Site to the Trustee upon the terms and conditions herein set forth in order to provide for the financing of the Project; and

WHEREAS, the City proposes (a) to enter into a Trust Indenture of even date herewith (the **"Indenture"**), between the City and the Trustee, under which the Trustee will execute and deliver $15,000,000 principal amount of City of Carthage, Missouri Certificates of Participation (Carthage Water and Electric Plant), Series 2022 (the "**Series 2022 Certificates**"), evidencing proportionate interests of the owners thereof in Rental Payments to be made by the City, as Lessee, pursuant to a Lease Agreement of even date herewith (the **"Lease"**), with the Trustee, as Lessor, to provide funds for the purposes described therein, and (b) to lease the Facilities from the Trustee pursuant to the Lease;

WHEREAS, the City and the Trustee may amend the Indenture in connection with the execution and delivery of Additional Certificates (as hereinafter defined; the Series 2022 Certificates and the Additional Certificates being collectively referred to as the **"Certificates"**) to provide additional funds for capital projects of the City;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the City and the Trustee do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. In addition to words and terms defined herein or the Lease, capitalized words and terms as used in this Base Lease shall have the meanings given to such words and terms in the Indenture (which definitions are hereby incorporated by reference).

Section 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing

person shall include firms, associations and corporations, including public bodies, as well as natural persons. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed such terms by accounting principles generally accepted in the United States of America as from time to time in effect. The table of contents hereto and the headings and captions herein are not a part of this document. Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations of the City. The City represents, warrants and covenants to the Trustee as follows:

(a) The City is a constitutional charter city and political subdivision duly organized and existing under the laws of the State of Missouri.

(b) The City has full power and authority to enter into this Base Lease and the transactions contemplated by this Base Lease, the Lease and the Indenture and to carry out its obligations hereunder and thereunder, and by proper action has duly authorized the execution and delivery of this Base Lease, the Indenture and the Lease by its duly authorized officers.

(c) The execution and delivery of this Base Lease, the Indenture and the Lease, the consummation of the transactions contemplated hereby and thereby, and the performance of or compliance with the terms and conditions of this Base Lease, the Indenture and the Lease by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City or any of its property of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party.

(d) The City has good and marketable fee simple title to the Project Site at the time of execution and delivery of the Series 2022 Certificates free and clear of any liens or encumbrances, except for Permitted Encumbrances, and such real estate will thereby be exempt from property and any other taxes levied by the State of Missouri or any political subdivision thereof or by the City.

(e) The lease of the Project Site by the City to the Trustee, as provided in this Base Lease, will enhance and expand the use of public facilities owned by the City and as a result thereof will serve all of the aforesaid purposes and is therefore necessary, desirable and in the public interest.

(f) The Facilities will comply in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

ARTICLE III

LEASE OF THE PROJECT SITE

Section 3.1. Lease of Project Site. The City hereby demises and leases the Project Site to the Trustee, and the Trustee hereby leases the Project Site from the City, subject to Permitted Encumbrances, on the terms and conditions herein set forth.

Section 3.2. Base Lease Term. The term of this Base Lease shall commence as of the date of the delivery hereof and shall end on June 30, 2073, unless such term is sooner terminated as hereinafter provided. Upon the payment in full of the Certificates, all of the Trustee's right, title and interest in the Facilities under this Base Lease shall revert back to the City without the requirement of any action by the City or the Trustee.

Section 3.3. Quiet Enjoyment.

(a) Subject to the Lease, the Trustee at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the Project Site, subject to Permitted Encumbrances. The Trustee shall use the Project Site solely for the purpose of financing the costs of acquiring, constructing, improving, furnishing and equipping the Project for the City; provided, that in the event of default by the City under the Lease, the Trustee may exercise the remedies provided in the Lease and this Base Lease.

(b) In the event that title to, or the temporary use of, all or a portion of the Facilities is challenged or threatened by means of competent legal or equitable action, the City covenants that it shall cooperate with the Trustee and shall take all reasonable actions, including where appropriate the lawful exercise of the City's power of eminent domain, in order to quiet title to the Facilities in the City.

Section 3.4. No Merger. Subject to **Section 5.1** hereof, no union of the interests of the City and the Trustee herein shall result in a merger of this Base Lease and the Lease or of this Base Lease and the fee title to the Project Site.

Section 3.5. Assignments, Subleases and Mortgage.

(a) Simultaneously with the delivery of this Base Lease, the Trustee is subleasing the Facilities to the City pursuant to the Lease, but subject to the Indenture and the reservation of certain rights under this Base Lease.

(b) The Trustee may not mortgage or otherwise assign its rights under this Base Lease or sublet the Facilities without the written consent of the City except (a) the sublease and lease of the Facilities pursuant to the Lease, (b) the assignment pursuant to the Indenture of its rights under this Base Lease and the Lease, (c) if the Lease is terminated for any reason and this Base Lease is not otherwise terminated as provided herein, or (d) if an Event of Default or an Event of Nonappropriation under the Lease has occurred.

(c) Except with respect to Permitted Encumbrances and as otherwise provided herein, in the Lease or in the Indenture, neither the Trustee nor the City shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facilities. Whenever and as often as any mechanics' or other lien is filed against the Facilities, or any part thereof, the City shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that the Trustee shall not be liable for any labor or materials furnished to the City or to anyone claiming by, through or under the City upon credit, and that no mechanics' or other lien shall attach to or affect the reversionary or other estate of the Trustee in and to the Facilities, or any part thereof.

Section 3.6. Eminent Domain. In the event the whole or any part of the Project Site or the Project is taken by eminent domain proceedings, the interest of the Trustee shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article VIII** of the Lease. The Trustee and the City have reached an agreement on the terms of the acquisition of the Facilities at City's option, and to the use of the Facilities, all as set forth in the Lease. Any acquisition of the Facilities or rights to their use by the City (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price as set forth in the Lease. If the City allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default under the Lease), that action shall constitute an irrevocable determination by the City that the Facilities are not required by it for any public purpose for the term of this Base Lease.

Section 3.7. Title Insurance. The City shall concurrently with the execution of this Base Lease obtain title insurance on the Project Site in the form of an extended ALTA owner's policy. All encumbrances, and endorsements and restrictions to the policies must be acceptable to the Purchaser. The policies may not permit the title insurer to purchase any Certificates in lieu of providing payment under the policy unless, upon purchase, such Certificates are canceled, or to settle claims with any person other than the Trustee. The Net Proceeds of such title insurance policy shall be applied in accordance with the provisions of the Indenture and the Lease.

ARTICLE IV

RENTAL PROVISIONS

Section 4.1. Rent and Other Considerations. As and for rental hereunder and in consideration for the leasing of the Facilities to the Trustee hereunder, the Trustee shall:

(a) Cause the Series 2022 Certificates and any Additional Certificates to be delivered to the purchasers thereof having such terms as set forth in the Indenture; and

(b) Cause the proceeds of the sale of the Series 2022 Certificates and any Additional Certificates to be deposited as provided in the Indenture.

Section 4.2. Disbursement from Project Fund. The City will authorize and direct the Trustee to disburse moneys in the Project Fund for the payment, or for reimbursement to the City for payment, of the Project Costs, upon the terms and conditions specified in the Indenture and in the Lease.

Section 4.3. Additional Certificates. The Trustee may deliver Additional Certificates for the purposes and upon the terms and conditions provided in the Indenture. If the City is not in default hereunder, the Trustee agrees, on request of the City, from time to time, to use its best efforts to deliver the amount of Additional Certificates specified by the City (within the limits and under the conditions specified herein and in the Indenture), provided that (a) the terms, purchase price and disposition of proceeds of the sale of such Additional Certificates have been approved in writing by the City; (b) the Trustee and the City shall have entered into an amendment to the Lease, if necessary, and this Base Lease, if necessary, to provide for the lease of any additional improvements and extensions to the property of the City and the payment by the City of Rental Payments necessary to pay the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Additional Certificates; and (c) the City shall have otherwise complied with the provisions of the Indenture with respect to the issuance of such Additional Certificates.

ARTICLE V

TERMINATION

Section 5.1. Termination. This Base Lease shall terminate upon the completion of the Base Lease term specified in **Section 3.2** hereof; provided, however, in the event (i) the City pays all Rental Payments and Additional Payments required by the Lease during the Maximum Lease Term, or exercises the option to purchase the remaining Base Lease term of the Trustee hereunder and pays the then applicable Purchase Price as provided in the Lease, and (ii) the Indenture has been discharged in accordance with its terms, then this Base Lease shall be considered assigned to the City and terminated through merger of the leasehold interest with the fee interest if the City is the owner of the fee interest and elects to terminate the leasehold interest so acquired from the Trustee. The Trustee agrees, upon such assignment and termination of the Base Lease term, to quit and surrender the Facilities as they then exist to the City free and clear of encumbrances, except Permitted Encumbrances.

Section 5.2. Default by the City. If an Event of Default or an Event of Nonappropriation under the Lease occurs for any reason, or if the City terminates the Lease and fails to purchase the Trustee's interest in the Facilities as provided in the Lease, the Trustee, or its assignee, shall have the right to possession of the Facilities for the remainder of the Base Lease term and shall have the right to sublease the same or sell its interest in this Base Lease upon whatever terms and conditions it deems prudent. In the event the Trustee takes possession of the Facilities, the Trustee shall obtain, but solely to the extent of funds available to it for such use under the Indenture, the same insurance coverage with respect to the Facilities as the City is required to obtain under the Lease for the remainder of the Base Lease term and will furnish the City with evidence thereof. In the event that the Trustee shall receive a payment for the sale of its interest or total rental payments for subleasing that are, after the payment of the Trustee's expenses in connection therewith including fees and expenses of the Trustee, in excess of the purchase price applicable at the time of termination or default plus interest thereon at the interest rate per annum borne by the Certificates (which must be an amount sufficient to pay the Principal Component, premium, if any, and Interest Component with respect to the Certificates, or to provide for the payment thereof as provided in **Article XIII** of the Indenture, with amounts so received to be credited first to such Interest Component and then to Principal Component), then such excess shall be paid to the City by the Trustee, its assigns or its sublessee.

Section 5.3. Default by the Trustee. Notwithstanding any default by the Trustee hereunder, the City shall not have the right to exclude the Trustee from the Facilities or to take possession thereof (except pursuant to the Lease) or to terminate this Base Lease prior to the termination of the Base Lease term; except that if, upon exercise of the option to purchase the Trustee's interest in the Facilities under the Lease granted to the City in the Lease and after the payment of the purchase price specified therein and the other sums payable under the Lease, the Trustee fails to convey its interest therein to the City pursuant to said option, then the City shall have the right to terminate this Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Trustee. However, in the event of any default by the Trustee hereunder resulting from the Trustee's negligence or willful misconduct, the City may maintain an action for damages or, if permitted in equity, for specific performance. In no event shall the Trustee be liable for consequential or punitive damages.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Amendments, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated, except as provided in the Indenture.

Section 6.2. Notices. Any notice, request, complaint, demand or other communication required by this Base Lease to be given to or filed with the City or the Trustee shall be in writing and shall be given or filed in the manner and at the addresses specified in the Indenture.

Section 6.3. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Trustee are corporate liabilities of the Trustee, and, to the extent permitted by law, the City hereby releases each and every incorporator, member, director and officer of the Trustee of and from any personal or individual liability under this Base Lease. No incorporator, member, director or officer of the Trustee shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Trustee hereunder.

Section 6.4. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the City, the Trustee and their respective successors and assigns.

Section 6.5. Severability. In the event any provision of this Base Lease shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 6.6. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 6.7. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 6.8. Electronic Storage of Documents. The Trustee and the City agree that the transaction 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 or original executed 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.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Base Lease to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

CITY OF CARTHAGE, MISSOURI, as Site Lessor

By:_____
Name: Dan Rife
Title: Mayor

(SEAL)

ATTEST:

_____
Name: Miranda Deal
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF _____)

On this _____ day of _____ 2022, before me, the undersigned, a Notary Public, appeared **DAN RIFE**, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the **CITY OF CARTHAGE, MISSOURI**, a constitutional charter city and political subdivision duly organized and existing under the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed in behalf of said City by authority of its City Council, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

_____
Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

UMB BANK, N.A.,
as Site Lessee

By:_____
(SEAL) Name:
Title:

ATTEST:

_____
Name:
Title:

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2022, before me, the undersigned, a Notary Public, appeared _____, who being before me duly sworn did say that [s]he is a _____ of **UMB BANK, N.A.**, a national banking association, and that said officer being authorized so to do executed the foregoing instrument for the purposes therein contained by signing on behalf of the bank as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

_____
Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

SCHEDULE 1 TO BASE LEASE
THE PROJECT SITE

Tract 1

Parcel #1
All of that tract of land Commencing at a point on the half Section line, said Point being One Hundred and Thirty-four (134.00) feet North of the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence East 763.20 feet, thence North 38.00 feet, thence West 763.20 feet, thence South 38.00 feet to the Point of Beginning.

Except commencing at the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 238.43 feet to the Point of Beginning, thence North 00 Degrees, 22 Minutes, 58 Seconds East 100 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 10.00 feet, thence South 00 Degrees, 22 Minutes, 58 Seconds West 100 feet, thence North 89 Degrees, 37 Minutes, 02 Seconds West 10.00 feet to the Point of Beginning.

Parcel #2
Commencing at the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet, thence South 89 Degrees, 37 Minutes, 02 Seconds East 427.20 feet to the Point of Beginning, thence continuing South 89 Degrees, 37 Minutes, 02 Seconds East 36.00 feet, thence South 01 Degrees, 17 Minutes, 24 Seconds West 134.00 feet, thence North 89 Degrees, 37 Minutes, 02 Seconds West 36.00 feet, thence North 01 Degrees, 17 Minutes, 24 Seconds East 134.00 feet to the Point of Beginning.

Parcel #3
Commencing One Hundred and Thirty-four (134.00) Feet North and Four Hundred and Sixty-three and Two Tenths (463.20) feet East of the Center of Section 3, Township 28, Range 31, Jasper County, Missouri, thence East 300.00 feet, thence South 607.50 feet, thence West 300.00 feet, thence North 607.50 feet to the Point of Beginning.

Tract 2

All of Lots numbered Fifty-Seven (57), Fifty-Eight (58), Fifty-Nine (59) and Sixty (60) in SOUTHERN ADDITION TO CARTHAGE, located in the Northeast Quarter of the Northeast Quarter of Section 16, Township 28, Range 31, in the City of Carthage, Jasper County, Missouri, according to the recorded Plat thereof.

SCHEDULE 2
TO BASE LEASE

THE PROJECT

The Project consists of replacing, upgrading and renovating various pieces of equipment of the utility system, including the relocation and upgrade of several transmission lines and switches. The Project includes four main components:

(1) The transmission lines between the Southwest Power Administration Substation and Substation No. 1 will be replaced. Electricity that is purchased arrives at the utility via the Southwest Power Administration Substation and is then transmitted to the utility's other substations.

(2) The infrastructure utilized in the transmission and transformation of electricity between the Power Plant Substation and Substation No. 1 will be upgraded and improved. Infrastructure upgrades in and near the Power Plant Substation include replacement of physical lines and relocation of five distribution feeder circuit breakers to Substation No. 1. Infrastructure upgrades in and near Substation No. 1 include upgrading and adding distribution feeder circuit breakers that will improve reliability and be easier to maintain.

(3) Infrastructure in and near Substation No. 2 will be replaced and upgraded. A transformer and switch gear will be replaced, and the improvements will be moved to an outdoor structure to provide for easier maintenance and operation.

(4) Feeder lines from Substation No. 2 will be upgraded and extended. The feeder line connects the substation to the distribution system. The extension will connect with neighborhoods and improve flexibility in electric distribution.

APPENDIX E

CONTINUING DISCLOSURE CERTIFICATE

Dated as of December 20, 2022

By

CITY OF CARTHAGE, MISSOURI

relating to

$15,000,000
CERTIFICATES OF PARTICIPATION
(CARTHAGE WATER AND ELECTRIC PLANT)
SERIES 2022

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of December 20, 2022 (the **"Continuing Disclosure Certificate"**), is executed and delivered by **CITY OF CARTHAGE, MISSOURI** (the **"Issuer"**).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the Issuer in connection with the issuance by the Issuer of $15,000,000 original principal amount of Certificates of Participation (Carthage Water and Electric Plant), Series 2022 (the **"Certificates"**), pursuant to a Trust Indenture (the **"Indenture"**) executed by the Issuer and UMB Bank, N.A., as trustee (the **"Trustee"**), in connection with the delivery of the Certificates.

2. The Issuer is entering into this Continuing Disclosure Certificate 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 (the **"Rule"**). The Issuer is the only **"obligated person"** (as defined by the Rule) with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

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

"Annual Report" means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Certificate.

"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.

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

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

"Material Events" means any of the events listed in **Section 3(a)** of this Continuing Disclosure Certificate.

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

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than **six months** after the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ending June 30, 2022, provide to the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"):

(1) The audited financial statements of the Issuer for the prior Fiscal Year. If audited financial statements are not available by the time the Annual Report is required to be filed 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 filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the Issuer are currently prepared in conformity with accounting principles generally accepted in the United States of America. If the Issuer changes the basis of accounting principles used in its financial statements pursuant to **Section 6**, (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.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A,** in substantially the same format contained in the final Official Statement.

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

In each case, the Annual Report may be filed as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be filed separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year

changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

Section 3. Reporting of Material Events. No later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Certificates ("**Material Events**"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
(7) modifications to rights of Certificateholders, 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 Issuer;
(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 Issuer, if material, or agreement to covenants, events of defaults, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, 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 Issuer, any of which reflect financial difficulties.

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

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If the Issuer's obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the Issuer, and the Issuer shall have no further

responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Designated Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Certificate. If the Issuer shall ever fail to comply with its obligations to file an Annual Report or to report the occurrence of a Material Event, the Issuer shall appoint and retain a Dissemination Agent.

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

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

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

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Certificate, 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 Issuer to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the Indenture or the Certificates, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the Issuer to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter, and 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 Certificate, the Indenture 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 and 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 Certificate shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 13. Counterparts. This Continuing Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CITY OF CARTHAGE, MISSOURI

By: _____
Title: Mayor

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The tables located under the following sections of Appendix A to the final Official Statement:

DEBT STRUCTURE OF THE CITY
- Current General Obligation Indebtedness of the City
- Other Obligations
- Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE CITY
- Sources of Revenue
- Property Valuations
  - *Current Assessed Valuation*
  - *History of Property Valuation*
- Tax Rates – *The table showing tax levies*
- Tax Collection Record

CARTHAGE WATER AND ELECTRIC PLANT
- Sources of Revenue
- Long Term Debt Obligations