

**CITY OF PECULIAR, MISSOURI**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**TOGETHER WITH**  
**INDEPENDENT AUDITOR'S REPORT**

**CITY OF PECULIAR, MISSOURI**

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**CITY OF PECULIAR, MISSOURI**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members  
of the City Council  
City of Peculiar, Missouri

### Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, and each major fund of the City of Peculiar, Missouri (the City), as of and for the year ended September 30, 2013, 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

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the City, as of September 30, 2013, the respective changes in modified cash basis financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Peculiar, Missouri's basic financial statements. The Missouri Local Government Employees Retirement System, budgetary comparison information, and building schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Missouri Local Government Employees Retirement System presented on page 43, budgetary comparison information on pages 44 to 56, and building information on page 57, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

## **Basis of Accounting**

We draw attention on Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.



Harrisonville, Missouri

January 28, 2014

**CITY OF PECULIAR, MISSOURI**

**STATEMENT OF NET POSITION -- MODIFIED CASH BASIS  
SEPTEMBER 30, 2013**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 1,224,519	\$ 36,521	\$ 1,261,040
Restricted cash	1,530,054	2,563,376	4,093,430
Bond costs, net of amortization	79,904	190,945	270,849
Internal balances	49,332	(49,332)	-
Capital assets:			
Land	1,096,800	157,500	1,254,300
Construction in progress	758,512	-	758,512
Infrastructure	11,722,857	11,544,879	23,267,736
Vehicles and equipment	596,704	579,476	1,176,180
Buildings and improvements	1,615,535	319,745	1,935,280
Less: accumulated depreciation	<u>(3,877,602)</u>	<u>(3,495,409)</u>	<u>(7,373,011)</u>
Total capital assets	<u>11,912,806</u>	<u>9,106,191</u>	<u>21,018,997</u>
Total assets	<u>14,796,615</u>	<u>11,847,701</u>	<u>26,644,316</u>
<b>LIABILITIES</b>			
Court bonds payable	5,549	-	5,549
Accrued liabilities	15,194	14,825	30,019
Bond premium, net of amortization	90,488	-	90,488
Meter deposits	-	213,428	213,428
Long-term liabilities:			
Due within one year	66,438	486,784	553,222
Due in more than one year	<u>2,523,247</u>	<u>7,980,962</u>	<u>10,504,209</u>
Total liabilities	<u>2,700,916</u>	<u>8,695,999</u>	<u>11,396,915</u>
<b>NET POSITION</b>			
Net investments in capital assets	9,366,930	2,301,847	11,668,777
Restricted for:			
Debt service	-	408,785	408,785
Municipal court	3,540	-	3,540
Capital projects	53,482	-	53,482
Grants	1,127,185	-	1,127,185
Unrestricted	<u>1,544,562</u>	<u>441,070</u>	<u>1,985,632</u>
Total net position	<u>\$ 12,095,699</u>	<u>\$ 3,151,702</u>	<u>\$ 15,247,401</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position			
	Program Revenues		Governmental	Primary Government-type
	Charges for Services	Operating Grants and Contributions	Activities	Business-type Activities
<b>Primary government:</b>				
Governmental activities:				
Elected officials	\$ 27,145	\$ -	\$ (27,145)	\$ -
Administrative/finance	392,772	-	(356,506)	-
Law enforcement	823,464	51,118	727,857	-
Public works	119,944	-	(119,944)	-
Streets	737,237	-	(647,243)	-
Parks	159,312	89,994	(158,314)	-
Courts	100,530	-	(100,530)	-
Planning	146,528	-	(144,102)	-
Facilities	141,162	-	(141,162)	-
Interest on long-term debt	60,214	-	(60,214)	-
<b>Total governmental activities</b>	<b>2,708,308</b>	<b>141,112</b>	<b>(1,027,303)</b>	<b>-</b>
<b>Business-type activities:</b>				
Water	1,196,673	-	-	(272,671)
Sewer	1,059,462	-	-	123,580
Trash	263,277	-	-	2,453
<b>Total business-type activities</b>	<b>2,519,412</b>	<b>-</b>	<b>-</b>	<b>(146,638)</b>
<b>Total primary government</b>	<b>\$ 5,227,720</b>	<b>\$ 141,112</b>	<b>(1,027,303)</b>	<b>(1,173,941)</b>
<b>General revenues:</b>				
Taxes:				
Property taxes			403,552	-
Franchise and other miscellaneous taxes			532,536	-
Local sales tax			1,002,956	-
Investment earnings			2,399	92,393
Miscellaneous			84,698	21,668
Special item - gain on sale of asset			-	846
Transfers			433	(3,304)
<b>Total general revenues</b>			<b>2,026,574</b>	<b>111,603</b>
Change in net assets			989,271	(35,035)
<b>Net position - beginning</b>			<b>11,096,428</b>	<b>3,186,737</b>
<b>Net position - ending</b>			<b>\$ 12,095,699</b>	<b>\$ 3,151,702</b>

See accompanying notes.

CITY OF PECULJAR, MISSOURI

BALANCE SHEET - MODIFIED CASH BASIS -  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013

	General Fund	Park Fund	Road & Street Fund	Gasoline Tax Fund	LET Fund	FBI Fund	Debt Service Fund	Capital Improvement Fund	East Growth Fund	West Growth Fund	2012 COP Construction Fund	2013 Bonds Construction Fund	2012 COP Bonds Fund	2012 COP Service Fund	Total Governmental Funds
<b>ASSETS</b>															
Cash	\$ 616,895	\$ 315,408	\$ 98,681	\$ 54,562	\$ 1,710	\$ -	\$ -	\$ 270,383	\$ 1,897	\$ 11,746	\$ -	\$ -	\$ -	\$ -	\$ 1,294,519
Due from others funds	632,160	-	-	-	-	-	268,773	27,398	1,000	-	-	-	-	-	1,144,284
Restricted cash	3,540	-	-	-	-	1,127,185	-	-	-	-	-	344,388	-	54,941	1,630,054
Total assets	\$ 1,252,595	\$ 315,408	\$ 98,681	\$ 54,562	\$ 1,710	\$ 1,127,185	\$ 298,773	\$ 305,781	\$ 2,897	\$ 11,746	\$ -	\$ 344,388	\$ -	\$ 54,941	\$ 3,868,857
<b>LIABILITIES AND FUND BALANCES</b>															
LIABILITIES:															
Due to other funds	\$ 812,179	\$ 15,558	\$ 5,627	\$ 2,790	\$ -	\$ -	\$ 140,637	\$ 60,627	\$ -	\$ 1,000	\$ 16,921	\$ 9,638	\$ -	\$ 75	\$ 1,064,952
Other payables	20,743	-	-	-	-	-	-	-	-	-	-	-	-	-	20,743
Total liabilities	832,922	15,558	5,627	2,790	-	-	140,637	60,627	-	1,000	16,921	9,638	-	75	1,085,695
FUND BALANCES:															
Restricted:															
General court	3,540	-	-	-	-	-	-	-	-	-	-	-	-	-	3,540
Road and street	-	-	-	51,772	1,710	-	-	-	-	-	-	-	-	-	53,482
Grants	-	-	-	-	-	1,127,185	-	-	-	-	-	-	-	-	1,127,185
Assigned:															
Capital projects	-	-	-	-	-	-	-	245,154	-	-	-	-	-	-	245,154
Parks and recreation	-	298,850	-	-	-	-	-	-	-	-	-	-	-	-	298,850
Road and street	-	-	93,054	-	-	-	-	-	-	-	-	-	-	-	93,054
Debt service	-	-	-	-	-	-	158,236	-	2,997	10,746	(16,921)	-	-	54,868	244,096
Capital projects	-	-	-	-	-	-	-	-	-	-	-	334,750	-	-	334,750
Unassigned	416,223	-	-	-	-	-	-	-	-	-	-	-	-	-	416,223
Total fund balances	419,763	298,850	93,054	51,772	1,710	1,127,185	158,236	245,154	2,897	10,746	(16,921)	334,750	-	54,868	2,783,162
Total liabilities and fund balances	\$ 1,252,595	\$ 315,408	\$ 98,681	\$ 54,562	\$ 1,710	\$ 1,127,185	\$ 298,773	\$ 305,781	\$ 2,897	\$ 11,746	\$ -	\$ 344,388	\$ -	\$ 54,941	\$ 3,868,857

See accompanying note

CITY OF PECULIAR, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET --  
MODIFIED CASH BASIS -- TO THE STATEMENT OF NET POSITION -- MODIFIED CASH BASIS  
SEPTEMBER 30, 2013

Fund balances - total governmental funds	\$	2,783,162
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		11,912,258
Discounts and issuance costs on bonds payable are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		79,904
Premiums on bonds payable are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(90,488)
Long-term liabilities (such as Notes Payable, Capital Leases, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the government-wide statements.		<u>(2,589,685)</u>
Net Assets of governmental activities in the Statement of Net Position.	\$	<u>12,095,151</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE --  
MODIFIED CASH BASIS -- GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Park Fund	Road & Street Fund	Gasoline Tax Fund	LET Fund	FBI Fund	Debt Service Fund	Capital Improvement Fund	East Growth Fund	West Growth Fund	2012 COP Construction Fund	2013 Bonds Construction Fund	2012 COP Bonds Fund	2012 COP Debt Service Fund	Total
<b>REVENUES:</b>															
Taxes:															
Furniture fees	\$ 769,967	\$ 151,516	\$ 151,516	\$ -	\$ -	\$ -	\$ 180,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,406,598
Furniture permits	367,845	-	300	-	-	-	-	-	-	1,000	-	-	-	-	373,945
Intergovernmental	34,294	672	89,694	164,991	1,197,809	-	-	-	-	-	-	-	-	-	1,503,912
Charges for services	2,426	988	-	-	-	-	-	-	-	-	-	-	-	-	3,414
Fees and fines	302,394	-	-	-	-	-	-	-	-	-	-	-	-	-	302,394
Investment income	989	615	-	-	232	-	125	2	11	11	153	93	-	179	2,369
Other	74,334	7,032	-	-	3,332	-	-	-	-	-	-	-	-	-	84,598
	1,603,067	160,635	241,812	164,991	1,196,041	153,199	180,431	2	1,011	1,011	153	93	-	179	3,707,146
<b>EXPENDITURES:</b>															
Elected officials	27,145	-	-	-	1,622	-	-	-	-	-	-	-	-	-	27,145
Administrative/finance	317,820	-	-	-	-	-	-	-	-	-	-	-	-	-	319,442
Law enforcement	784,240	-	-	-	-	-	-	-	-	-	-	-	-	-	784,240
Public works	119,944	-	184,223	136,244	-	-	-	-	-	-	-	-	-	-	119,944
Streets	-	144,927	-	-	-	-	-	-	-	-	-	-	-	-	144,927
Parks	100,483	-	-	-	-	-	-	-	-	-	-	-	-	-	100,483
Planning	146,528	-	-	-	-	-	-	-	-	-	-	-	-	-	146,528
Facilities	141,162	-	-	-	-	-	-	-	-	-	-	-	-	-	141,162
Capital outlay	10,337	3,238	-	-	-	-	47,454	-	-	-	114,267	759,640	-	-	146,528
Debt service:															
Principal	8,774	635,000	-	-	-	-	-	-	-	-	-	-	-	25,000	668,774
Interest and fiscal charges	11,574	37,914	-	-	-	-	-	-	-	-	-	35,190	-	20,635	106,913
	1,698,407	821,079	184,223	136,244	1,622	70,856	47,454	-	-	-	114,267	795,830	-	45,635	3,865,917
	(65,340)	(660,244)	57,589	28,747	1,710	1,127,185	132,977	2	1,011	(114,114)	(795,737)	-	-	(45,656)	(178,671)
<b>OTHER FINANCING SOURCES (USES):</b>															
Transfers in (out)	112,460	(10,088)	-	-	-	-	-	-	-	-	97,193	90,488	(152,006)	100,522	433
Premium on bonds issued	-	535,000	-	-	-	-	-	-	-	-	-	1,039,599	-	-	1,574,599
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	112,460	524,912	-	-	-	-	-	-	-	-	97,193	1,130,487	(152,006)	100,522	1,769,920
Net change in fund balances	47,140	(65,282)	57,589	28,747	1,710	1,127,185	132,977	2	1,011	(16,921)	334,750	54,866	(152,006)	54,866	1,597,249
<b>FUND BALANCES, October 1, 2012</b>	372,823	335,132	35,465	23,025	-	-	112,177	-	2,995	9,725	-	-	152,006	-	1,195,913
<b>FUND BALANCES, September 30, 2013</b>	419,963	269,850	93,054	51,772	1,710	1,127,185	245,154	2,997	10,746	(16,921)	334,750	54,866	152,006	54,866	3,765,162

See accompanying note

**CITY OF PECULIAR, MISSOURI**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS -- MODIFIED CASH BASIS --  
TO THE STATEMENT OF ACTIVITIES -- MODIFIED CASH BASIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Net change in fund balances - total governmental funds \$ 1,532,381

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. This is the amount by which capital outlays, which are over the capitalization threshold, exceeded depreciation in the current period. 465,185

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Net Position reports repayment as a reduction to long-term liabilities. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (998,843)

Change in Net Position of governmental activities \$ 998,723

See accompanying notes.

CITY OF PECULIAR, MISSOURI

STATEMENT OF NET POSITION -- MODIFIED CASH BASIS --  
 PROPRIETARY FUNDS  
 SEPTEMBER 30, 2013

	Water	Sewer	Trash	Total Proprietary
<b>ASSETS:</b>				
Current assets:				
Cash	\$ 36,521	\$ -	\$ -	\$ 36,521
Due from funds	429,248	289,165	11,242	729,655
Total current assets	<u>465,769</u>	<u>289,165</u>	<u>11,242</u>	<u>766,176</u>
Non-current assets:				
Restricted cash	1,803,328	760,048	-	2,563,376
Bond costs, net of amortization	92,228	98,717	-	190,945
Capital assets:				
Land	40,000	117,500	-	157,500
Infrastructure	7,250,849	4,294,030	-	11,544,879
Vehicles and equipment	379,136	200,340	-	579,476
Buildings and improvements	158,455	161,290	-	319,745
Less accumulated depreciation	<u>(2,185,693)</u>	<u>(1,309,716)</u>	<u>-</u>	<u>(3,495,409)</u>
Construction in progress	-	-	-	-
Net capital assets	<u>5,642,747</u>	<u>3,463,444</u>	<u>-</u>	<u>9,106,191</u>
Total assets	<u>8,004,072</u>	<u>4,611,374</u>	<u>11,242</u>	<u>12,626,688</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accrued expenses	14,825	-	-	14,825
Due to funds	261,302	506,025	11,660	778,987
Meter deposits	191,834	21,594	-	213,428
Current portion of long-term obligations	<u>374,000</u>	<u>112,784</u>	<u>-</u>	<u>486,784</u>
Total current liabilities	841,961	640,403	11,660	1,494,024
Non-current liabilities,				
Bonds and notes payable	<u>4,249,746</u>	<u>3,731,216</u>	<u>-</u>	<u>7,980,962</u>
Total non-current liabilities	<u>4,249,746</u>	<u>3,731,216</u>	<u>-</u>	<u>7,980,962</u>
	<u>5,091,707</u>	<u>4,371,619</u>	<u>11,660</u>	<u>9,474,986</u>
<b>NET POSITION:</b>				
Net investment in capital assets	2,193,747	108,100	-	2,301,847
Restricted for debt service	351,847	56,938	-	408,785
Unrestricted	<u>366,771</u>	<u>74,717</u>	<u>(418)</u>	<u>441,070</u>
	<u>\$ 2,912,365</u>	<u>\$ 239,755</u>	<u>\$ (418)</u>	<u>\$ 3,151,702</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION --  
MODIFIED CASH BASIS -- PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>	<u>Total Proprietary</u>
OPERATING REVENUES, Charges for services	\$ 924,002	\$ 1,183,042	\$ 265,730	\$ 2,372,774
OPERATING EXPENSES:				
Personnel services	253,336	369,712	14,176	637,224
Contractual and professional services	488,250	92,574	246,092	826,916
Materials and supplies	31,854	46,432	3,009	81,295
Repairs and maintenance	59,789	127,691	-	187,480
Insurance	2,100	2,100	-	4,200
Utilities	-	72,422	-	72,422
Depreciation and amortization	230,876	133,184	-	364,060
	<u>1,066,205</u>	<u>844,115</u>	<u>263,277</u>	<u>2,173,597</u>
Income (loss) from operations	<u>(142,203)</u>	<u>338,927</u>	<u>2,453</u>	<u>199,177</u>
NON-OPERATING REVENUES (EXPENSES):				
Gain on sale of capital assets	846	-	-	846
Interest income	62,769	29,624	-	92,393
Tower rental	21,668	-	-	21,668
Interest expense	<u>(130,468)</u>	<u>(215,347)</u>	<u>-</u>	<u>(345,815)</u>
	<u>(45,185)</u>	<u>(185,723)</u>	<u>-</u>	<u>(230,908)</u>
Net income (loss) before transfers	(187,388)	153,204	2,453	(31,731)
Transfers in	51,384	188,187	-	239,571
Transfers out	<u>(216,627)</u>	<u>(23,377)</u>	<u>(2,871)</u>	<u>(242,875)</u>
	(166,243)	164,810	(2,871)	(3,304)
Change in net position	(352,631)	318,014	(418)	(35,035)
TOTAL NET POSITION - beginning	<u>1,236,239</u>	<u>1,665,372</u>	<u>285,126</u>	<u>3,186,737</u>
TOTAL NET POSITION - ending	<u>\$ 883,608</u>	<u>\$ 1,983,386</u>	<u>\$ 284,708</u>	<u>\$ 3,151,702</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI

COMBINED STATEMENT OF CASH FLOWS -- MODIFIED CASH BASIS  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Water	Sewer	Trash	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Received from customers	\$ 924,002	\$ 1,183,042	\$ 265,730	\$ 2,372,774
Payments to employees and fringe benefits	(255,436)	(371,812)	(14,176)	(641,424)
Payments to vendors and suppliers	(589,124)	(339,119)	(249,101)	(1,157,344)
Other receipts	22,514	-	-	22,514
Net cash provided by operating activities	121,956	472,111	2,453	596,520
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers (to) from other funds	(162,372)	164,810	(2,871)	(433)
Net advances (to) from other funds	(143,177)	216,860	418	74,101
Net cash (used) provided by noncapital financing activities	(305,549)	381,670	(2,453)	73,668
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from capital debt	2,005,000	-	-	2,005,000
Payment of bond issuance costs	-	(93,791)	-	(93,791)
Acquisition and construction of capital assets	(6,876)	(722,928)	-	(729,804)
Principal paid on capital debt and leases	(2,250,616)	(556,082)	-	(2,806,698)
Interest and fiscal charges paid on capital debt and leases	(130,468)	(215,347)	-	(345,815)
Net cash used by capital and related financing activities	(382,960)	(1,588,148)	-	(1,971,108)
<b>CASH FLOWS FROM INVESTING ACTIVITIES,</b>				
Investment income	62,769	29,624	-	92,393
Net cash provided by investing activities	62,769	29,624	-	92,393
Net decrease in cash and cash equivalents	(503,784)	(704,743)	-	(1,208,527)
Cash and cash equivalents, October 1, 2012	2,343,633	1,484,791	-	3,808,424
Cash and cash equivalents, September 30, 2013	\$ 1,839,849	\$ 780,048	\$ -	\$ 2,599,897
<b>Reconciliation of operating income to net cash provided by operating activities,</b>				
Operating Income (loss)	\$ (145,074)	\$ 338,927	\$ 2,453	\$ 196,306
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation and amortization expense	230,876	133,184	-	364,060
Miscellaneous nonoperating income	22,514	-	-	22,514
<b>Changes in assets and liabilities:</b>				
Accrued liabilities	6,170	-	-	6,170
Meter deposits	7,470	-	-	7,470
Total adjustments	267,030	133,184	-	400,214
Net cash provided by operating activities	\$ 121,956	\$ 472,111	\$ 2,453	\$ 596,520
<b>Noncash investing, capital, and financing activities:</b>				
Assets acquired through assumption of a liability	\$ 2,005,000	\$ -	\$ -	\$ 2,005,000
Increase in receivables related to nonoperating income	404,479	289,165	11,242	704,886

See accompanying notes.

## CITY OF PECULIAR, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Peculiar, Missouri (the City), have been prepared on a modified cash basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

Reporting Entity: The City of Peculiar, Missouri (the "City"), was incorporated in 1953 and covers an area of approximately four square miles in Cass County, Missouri. Peculiar is a fourth class city and is governed by a Mayor/Board of Aldermen form of government. A board of six aldermen, two from each of the three wards of the City, and a mayor are elected to two-year terms by the residents to administer the City government. The City Administrator is the chief administrative officer of the City. The City provides services to approximately 2,600 residents in the area, including law enforcement, water and sewer services, streets and public works, planning and zoning, community enrichment and development, and various social services. Fire protection services are provided by a fire district which is a separate governmental entity. Primary and secondary education services are provided by the Raymore-Peculiar School District, also a separate governmental entity.

Principles Used to Determine Scope of Entity: In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "*The Financial Reporting Entity*," and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City, including joint agreements, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility, which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters, scope of public service and special financing relationships.

The City has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity which could exercise such oversight which would result in the City being considered a component unit of the entity.

## CITY OF PECULIAR, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Presentation: In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standard Board (FASB) pronouncements issued through November 30, 1989 (when applicable) and Accounting Principles Board (APB) opinions have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The accounting and reporting framework and the more significant accounting policies are discussed in this or subsequent footnotes.

Government-Wide Financial Statements: The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or part by fees charged to external parties for goods and services.

The 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 and are clearly identifiable to a particular function. Program receipts include (a) charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

Fund Financial Statements: The fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The governmental group is further categorized into the general, special revenue, debt service, and capital outlay fund groups. For purposes of major fund determination, each fund group will be considered a major fund. Detailed information supporting the special revenue fund group and capital outlay fund group will be provided in the other supplementary information section.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Fund Financial Statements (Continued):**

The funds of the financial reporting entity are described below:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position.

The following are the City's Governmental fund types:

The General Fund is the principal operating fund of the City and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

The Park & Recreation Fund accounts for revenues received and expenditures paid for recreational services provided by the Park and Recreation Board.

The Road and Street Fund accounts for state and local revenues that are restricted for local street expenditures.

The Gasoline Tax Fund accounts for motor vehicle revenues from the State that are restricted for street expenditures.

The LET Fund accounts for law enforcement monies from the State that are restricted to law enforcement.

The FBI Fund accounts for the Federal forfeiture funds obtained from the Federal Government that are restricted for capital purchases for law enforcement.

The Debt Service Funds are used for the accumulation of resources for, and payment of, principal, interest, and fiscal changes on long-term debt that supports the water improvement project. The City utilizes two of these funds: Debt Service Fund and 2012 COP Debt Service Fund.

The Capital Projects Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by Enterprise funds. The City utilizes six of these funds: Capital Improvement Fund, East Growth Fund, West Growth Fund, 2012 COP Bonds Fund, 2012 COP Construction Fund, and 2013 Bonds Construction Fund.

# CITY OF PECULIAR, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

#### Fund Financial Statements (Continued):

##### Enterprise Funds

The Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income. The City has three of these funds in which the City provides services to the public: Water Fund, Sewer Fund, and Trash Fund.

Measurement Focus: Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. In the government-wide statement of net assets and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus within the limitations of the modified cash basis of accounting as defined in Item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus as applied to the modified cash basis of accounting is used as appropriate.

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting: In the government-wide Statement of Net Position, Statement of Activities, and the fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts

**CITY OF PECULIAR, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Basis of Accounting (Continued):**

payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

In the Modified Accrual Basis, revenues would be recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Expenditures (including capital outlay) would be recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reportable when due.

In the Accrual Basis, revenues would be recognized when earned. Expenses (including depreciation and amortization) would be recorded when the liability was incurred or an economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions would be recognized when the exchange took place.

**Assets, Liabilities, and Equity:**

Cash: For the purpose of financial reporting, cash includes all demand money market and savings accounts.

Restricted Cash and Investments: Certain cash and investment accounts are restricted for capital projects, debt service, and compliance with bond covenants, court bonds held, and customer meter deposits.

Statement of Cash Flows: A statement of cash flows has been presented in accordance with Governmental Accounting Standards Board Statement 9 for the Proprietary Fund. For purposes of the statement of cash flows, demand deposits, and all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalent.

Capitalized Assets - Governmental Funds: Capitalized assets, which include capital assets and infrastructure, are expensed when purchased for fund statement presentation in

# CITY OF PECULIAR, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

#### Assets, Liabilities, and Equity (Continued):

governmental funds. Capitalized assets purchased in the proprietary fund for fund statement presentation and in all government-wide financial statements are reported as an asset and depreciated.

As the City did not include capitalized asset accounting prior to September 30, 2004, a list of capital assets purchased prior to September 30, 2003, was prepared using various sources. Capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

In accordance with GASB 34, the recording of infrastructure for governmental funds could be delayed for four years from the effective date beginning October 1, 2003. After GASB 34 implementation, management decided to utilize this deferral of infrastructure recording and initially recorded infrastructure in year ended September 30, 2008.

#### Capitalized Assets - Proprietary Funds

All capitalized assets in the proprietary fund are recorded at cost and depreciated over their estimated useful life.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Building and building improvements	25-50 years
Machinery and equipment	5-10 years
Land improvements	10-20 years
Vehicles	5-7 years
Office equipment and furniture	3-10 years
Infrastructure	25-50 years
Computer equipment, hard & soft	3-5 years

Long-Term Debt: All long-term debt is recorded in the governmental funds as either a note payable or bonds issued in the government-wide financial statements. In the fund statements, bond issuance proceeds are recorded as revenues and principal payments on debt service are recorded as expenditures of the period.

Compensated Absences: The City's policy allows employees to accumulate paid time off (PTO) hours each year and carryover to the following year. A maximum dollar limit, depending upon years of continuous employment, is paid upon termination for these hours.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Assets, Liabilities, and Equity (Continued):**

In addition, police enforcement officers earn compensation time and are paid for unused time upon termination. As these financial statements are prepared on the modified cash basis of accounting, this possible liability is not recorded.

**Equity Classification:** Government-Wide Statements - Equity is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provision or enabling legislation.
- c. Unrestricted net position do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements - Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

**CITY OF PECULIAR, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

Revenues, Expenditures, and Expenses:

Program Receipts: In the Statement of Activities, modified cash basis receipts that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

Administrative/Finance	Permits and fees
Law Enforcement	Fines and grants
Public Works	Motor vehicle franchise fees
Streets	Intergovernmental revenue
Parks	Permits and fees
Planning	Permits and fees

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Sales Tax: Local sales taxes are collected and remitted monthly by the Department of Revenue, State of Missouri. The City collects an amount equivalent to 1 cent sales tax to the general fund, ½ cent sales tax to the capital improvements fund, ½ cent transportation sales tax to the general fund, and ½ cent sales tax for the park fund.

Property Tax: Each budget year, the City approves a tax rate for the upcoming fiscal year. The general fund and debt service fund receives property tax. Cass County collects property taxes and remits the portion of the City's share to the City.

Gasoline/Vehicle Tax: The City receives a share of the state gasoline and vehicle tax charged and collected by the State. These taxes support the general fund.

Franchise Fees: Franchise fees are collected by the City from utility companies for the use of City right of way. This revenue supports the general fund.

Licenses and Permits: The City requires various businesses to be licensed or obtain permits in order to conduct business within the City. This revenue supports the general fund, special revenue fund, and capital outlay fund.

Charges for Services: The City provides several services for which the charges are collected and support the general fund.

## CITY OF PECULIAR, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

##### Revenues, Expenditures, and Expenses (Continued):

Operating Revenues and Expenses: Operating revenues and expenses for the proprietary fund are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses: In the government-wide financial statements, expenses are reported on the modified cash basis and are classified by function for both governmental and business-type activities. There have been certain allocations of indirect expenses to functions in the statement of activities. In the fund financial statements, expenditures are classified as Governmental Funds - by department and Proprietary Fund - by operating and non-operating. In the fund financial statements, governmental funds report expenditures of financial resources. The proprietary fund reports expenses relating to use of economic resources.

Internal and Interfund Balances and Activities: In the process of aggregating the financial information for the government-wide statement of net assets and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements - Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

Interfund Reimbursements - Repayments from funds responsible for certain expenditures/expenses to funds that initially paid for them are not reported as adjustments to expenditures or revenues but as transfers.

Government-Wide Financial Statements - Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements.

Use of Estimates: The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense). Accordingly, actual results could differ from those estimates.

Differences from GAAP: As discussed under Basis of Accounting, the City reports both the government-wide financial statements and the fund financial statements on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

**CITY OF PECULIAR, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Fund Equity:** In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*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 or ordinances of the Board of Alderman - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Alderman removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*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. The Board of Alderman and the City Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balance 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**2. COMPLIANCE AND ACCOUNTABILITY:**

By its nature as a local government, the City is subject to various federal, state and local laws and regulations. An analysis of the City's compliance with significant laws, regulations, grants, and contracts over City resources is as follows:

Fund Accounting Requirements: The City complies in all material respects with state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

Fund	Required by
Debt Service	State Law
Road and Street	State Law
Capital Improvement	Board Ordinance
East and West Growth	Board Ordinance

Uninsured and Under-Collateralized Deposits: In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. government agency securities and certain state or political subdivision debt obligations. At September 30, 2013, all of the City's deposits were collateralized.

Property Taxes: The assessed valuation of property, including railroad and utility properties, located in the City as of July 31, 2012, on which the fiscal year 2012 levy was based, is as follows:

Real estate	\$ 46,389,582
Personal property	<u>8,034,805</u>
 Total	 <u>\$ 54,424,387</u>

The tax levies per \$100 of assessed valuation of tangible real and personal property for the calendar year 2012, were as follows:

General Fund	\$ .4467
Debt Service	<u>.2627</u>
	<u>\$ .7094</u>

Taxes are levied no later than October 31 and are due and payable at that time. All unpaid taxes levied by October 31 become delinquent January 1 of the following year. Property taxes may attach as an enforceable lien on property as of January 1.

Net Asset/Fund Equity Restriction: State law prohibits the creation of a deficit fund balance in any individual fund. As of September 30, 2013, the City had no deficit fund balances.

**CITY OF PECULIAR, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**3. DEPOSITS AND INVESTMENTS:**

At September 30, 2013, the carrying amount of the City's demand deposits and certificates of deposits in financial institutions were \$2,036,280 and \$392,530, respectively. The bank balances of demand deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the City.

At September 30, 2013, the City's investments consisted of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Money Market	\$ 1,571,267	\$ 1,571,267
State Revolving Fund (Controlled by State)	<u>1,353,107</u>	<u>1,353,107</u>
	<u>\$ 2,924,374</u>	<u>\$ 2,924,374</u>

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City generally intends to buy and hold the securities in its portfolios, and to sell only when a gain is present or when a swap that offers substantial economic gain is available. During the next fiscal year, the City does not intend to sell any securities at a loss in order to meet cash requirements.

At September 30, 2013, the City had the following investments and maturities:

	<u>Investment maturities (in years)</u>			
	<u>Value</u>	<u>Less than one</u>	<u>1-5</u>	<u>Greater than five</u>
Investment type:				
Money Market	\$ 1,571,267	\$ 1,571,267	\$ -	\$ -
State Revolving Fund	<u>1,353,107</u>	<u>-</u>	<u>313,103</u>	<u>1,040,004</u>
	<u>\$ 2,924,374</u>	<u>\$ 1,571,267</u>	<u>\$ 313,103</u>	<u>\$ 1,040,004</u>

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

3. DEPOSITS AND INVESTMENTS (Continued):

Credit Risk(Continued):

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must

be of the kind prescribed by statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The City's general credit risk policy is to apply to prudent person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probability safety of their capital, as well as the probable income to be derived.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk of investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize deposits with securities held by the financial institution's agent and in the City's name.

A reconciliation of cash and cash equivalents is as follows:

Cash on hand	\$	1,286
Demand deposits		2,036,280
State Revolving Fund		1,353,107
Certificates of deposit		392,530
Money markets		<u>1,571,267</u>
 Total	 \$	 <u>5,354,470</u>

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

4. RESTRICTED CASH:

Restricted cash in the governmental funds at September 30, 2013, consisted of the following:

Restricted for municipal bonds	\$ 3,540
Restricted for grants	1,127,185
Restricted for capital projects and debt service	<u>399,329</u>
	<u>\$ 1,530,054</u>

Restricted cash in the proprietary funds at September 30, 2013, consisted of the following:

Restricted for meter deposits	\$ 213,428
Restricted for bond covenant requirements	<u>2,349,948</u>
	<u>\$ 2,563,376</u>

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

5. CAPITAL ASSETS:

Capital asset activity resulting from modified cash basis transactions for the fiscal year ended September 30, 2013, was as follows:

	<u>Balance at</u> <u>10/1/2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> <u>9/30/2013</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,081,800	\$ 15,000	\$ -	\$ 1,096,800
Construction in progress	<u>-</u>	<u>758,512</u>	<u>-</u>	<u>758,512</u>
Total not being depreciated	<u>1,081,800</u>	<u>773,512</u>	<u>-</u>	<u>1,855,312</u>
Capital assets being depreciated:				
Buildings and improvements	1,515,381	100,154	-	1,615,535
Office equipment and furniture	103,608	13,641	-	117,249
Machinery and equipment	80,061	47,859	-	127,920
Vehicles	325,825	25,710	-	351,535
Infrastructure	<u>11,722,858</u>	<u>-</u>	<u>-</u>	<u>11,722,858</u>
Total being depreciated	<u>13,747,733</u>	<u>187,364</u>	<u>-</u>	<u>13,935,097</u>
Less accumulated depreciation for:				
Buildings and improvements	325,916	42,765	-	368,681
Office equipment and furniture	79,917	8,964	-	88,881
Machinery and equipment	34,770	8,417	-	43,187
Vehicles	194,736	44,020	-	238,756
Infrastructure	<u>2,746,573</u>	<u>391,525</u>	<u>-</u>	<u>3,138,098</u>
Total accumulated depreciation	<u>3,381,912</u>	<u>495,691</u>	<u>-</u>	<u>3,877,603</u>
Capital assets being depreciated, net	<u>10,365,821</u>	<u>(308,327)</u>	<u>-</u>	<u>10,057,494</u>
Governmental capital assets, net	<u>\$ 11,447,621</u>	<u>\$ 465,185</u>	<u>\$ -</u>	<u>\$ 11,912,806</u>

Depreciation expense was charged to functions as follows in the Statement of Activities:

Governmental activities:	
General government	\$ 25,265
Police	39,224
Municipal court	47
Streets	416,770
Parks	<u>14,385</u>
	<u>\$ 495,691</u>

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

5. CAPITAL ASSETS (Continued):

	<u>Balance at</u> <u>10/1/2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> <u>9/30/2013</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated,</b>				
Land	\$ 157,500	\$ -	\$ -	\$ 157,500
Total capital assets not being depreciated	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>157,500</u>
<b>Other capital assets:</b>				
Vehicles and equipment	570,755	8,721	-	579,476
Building and improvements	316,910	2,835	-	319,745
Water and sewer facilities and transmission lines	<u>10,826,631</u>	<u>718,248</u>	<u>-</u>	<u>11,544,879</u>
Total other capital assets	<u>11,714,296</u>	<u>729,804</u>	<u>-</u>	<u>12,444,100</u>
<b>Less accumulated depreciation for:</b>				
Machinery and equipment	386,806	65,514	-	452,320
Building and improvements	735	8,240	-	8,975
Water and sewer facilities and transmission lines	<u>2,751,039</u>	<u>283,075</u>	<u>-</u>	<u>3,034,114</u>
Total accumulated depreciation	<u>3,138,580</u>	<u>356,829</u>	<u>-</u>	<u>3,495,409</u>
Other capital assets, net	<u>8,575,716</u>	<u>372,975</u>	<u>-</u>	<u>8,948,691</u>
Business-type capital assets, net	<u>\$ 8,733,216</u>	<u>\$ 372,975</u>	<u>\$ -</u>	<u>\$ 9,106,191</u>

Depreciation expense was charged to functions as follows in the Statement of Activities:

Business-type activities:

Sewer	\$ 127,516
Water	<u>229,313</u>
	<u>\$ 356,829</u>

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT:

Governmental Activities

Changes in the debt for the year ended September 30, 2013, consisted of the following:

	Balance October 1, 2012	Additions	Retirements	Balance September 30, 2013	Amount Due Within One Year
General Obligation Bonds	\$ -	\$ 1,039,999	\$ -	\$ 1,039,999	\$ 24,999
Note Payable	243,460	-	8,774	234,686	9,223
Certificates of Participation	1,340,000	635,000	660,000	1,315,000	32,216
	<u>\$ 1,583,460</u>	<u>\$ 1,674,999</u>	<u>\$ 668,774</u>	<u>\$ 2,589,685</u>	<u>\$ 66,438</u>

Note Payable

In July 2010, the City entered into a note payable agreement in the amount of \$260,000 for the purpose of purchasing a building for the Police Department and Municipal Court. Principal and interest payments are due monthly, with the final payment due on August 1, 2030. The City has not pledged general tax revenues, funds, or money to pay this obligation.

Years ending September 30,	Principal	Interest	Total
2014	\$ 9,223	\$ 11,525	\$ 20,748
2015	9,695	11,053	20,748
2016	10,191	10,557	20,748
2017	10,712	10,036	20,748
2018	11,261	9,487	20,748
2019-2023	65,557	38,183	103,740
2024-2028	84,134	19,606	103,740
2029-2030	33,913	1,537	35,450
	<u>\$ 234,686</u>	<u>\$ 111,984</u>	<u>\$ 346,670</u>

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT (Continued):

Certificate of Participation

In June 2012, \$705,000 of Certificates of Participation were issued for the purpose of acquiring, constructing, installing, furnishing, and equipping City Hall and other capital improvements. Rental payments are due June 1, starting on May 1, 2013, with the final payment due on May 1, 2032. Interest payments are due on November 1 and May 1. Rental payments are payable from funds appropriated by the City through General Fund revenues. The City has not pledged general tax revenues, funds, or money to pay this obligation.

The base lease between the City as a lessor and First Bank of Missouri as lessee and trustee, transfer a leasehold interest in certain real property held by the City to the trustee. The term of the base lease is June 1, 2012, through May 1, 2023, or the date the certificates have been paid in full, whichever is earlier.

Advanced Refunding

In June 2013, the City issued 2013A Tax-Exempt Refunding Certificates of Participation of \$2,445,000 and 2013B Taxable Refunding Certificates of Participation of \$195,000 to advance refund \$2,530,000 of outstanding 2007 Certificates of Participation. This advance refunding was undertaken to reduce the total debt service payments by \$621,200 which resulted in an economic gain of \$426,756.

Future minimum lease payments are as follows:

<u>Years ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 32,200	\$ 40,307	\$ 72,507
2015	32,200	38,406	70,606
2016	32,200	37,931	70,131
2017	33,400	37,368	70,768
2018	38,400	36,710	75,110
2019-2023	450,600	158,242	608,842
2024-2028	506,000	83,044	589,044
2029-2032	<u>190,000</u>	<u>20,500</u>	<u>210,500</u>
	<u>\$ 1,315,000</u>	<u>\$ 452,508</u>	<u>\$ 1,767,508</u>

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

6. **LONG-TERM DEBT (Continued):**

General Obligation Bonds

In October 2012, the City issued \$1,039,999 in General Obligation Bonds for the purpose of road improvements to 211th Street Highway Overpass. Payments are due in semi-annual installments of \$24,999 to \$75,000 through 2032; interest at 1.5% to 3.1%.

Future minimum bond payments are as follows:

<u>Years ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 24,999	\$ 51,014	\$ 76,013
2015	30,000	47,338	77,338
2016	30,000	47,338	77,338
2017	30,000	47,338	77,338
2018	30,000	47,338	77,338
2019-2023	285,000	99,862	384,862
2024-2028	320,000	66,157	386,157
2029-2032	<u>290,000</u>	<u>18,149</u>	<u>308,149</u>
	<u>\$ 1,039,999</u>	<u>\$ 424,534</u>	<u>\$ 1,464,533</u>

Business-Type Activities

Changes in the debt for the year ended September 30, 2013, consisted of the following:

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2013</u>	<u>Amount Due Within One Year</u>
Notes Payable	\$ 1,420,446	\$ -	\$ 245,700	\$ 1,174,746	\$ -
Certificates of Participation	1,895,000	2,005,000	1,895,000	2,005,000	22,784
Revenue Bonds	4,889,000	-	361,000	4,528,000	369,000
General Obligation Bonds	780,000	-	85,000	695,000	90,000
Neighborhood Improvement District	<u>285,000</u>	<u>-</u>	<u>220,000</u>	<u>65,000</u>	<u>5,000</u>
	<u>\$ 9,269,446</u>	<u>\$ 2,005,000</u>	<u>\$ 2,806,700</u>	<u>\$ 8,467,746</u>	<u>\$ 486,784</u>

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT (Continued):

Neighborhood Improvement District (NID)

On April 15, 2002, the City issued \$103,000 in Neighborhood Improvement District-Sallee Estates Sewer Installment Project General Obligation Bonds to finance a sewer project in the Sallee Estates Addition. This issue is to be repaid through a special tax assessment on the citizens of the District benefitted. Bonds are due in annual installments varying from year to year until maturity on March 1, 2022. Interest is due on March 1 and September 1. Interest rates range from 5% to 5.8%.

Neighborhood Improvement District Bonds are general obligation issues even though their purpose is for business activity asset. As special assessment taxes are used to liquidate the debt, the revenue and expense transactions are accounted for in the Debt Service Fund (a governmental fund). In years when special assessment revenues do not meet the required payments, enterprise funds have been required.

The bond proceeds were used to produce capital assets which are recorded in the proprietary fund. The corresponding liability for bonds payable are also recorded in the proprietary fund. The capital asset is depreciated annually and the liability reduction paid by the debt service fund results in calculations affecting capital assets net of related debt.

Future minimum NID general obligation bond payments are as follows:

<u>Years ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 5,000	\$ 3,625	\$ 8,625
2015	6,000	3,306	9,306
2016	7,000	2,929	9,929
2017	7,000	2,523	9,523
2018	7,000	2,117	9,117
2019-2023	<u>33,000</u>	<u>4,031</u>	<u>37,031</u>
	<u>\$ 65,000</u>	<u>\$ 18,531</u>	<u>\$ 83,531</u>

The above NID payments are scheduled to be paid with tax dollars obtained from special assessments unless a tax shortage occurs. Over the life of the NID, tax dollars have been collected to meet all payment obligations.

**CITY OF PECULIAR, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT (Continued):

General Obligation Bonds

On June 1, 1999, the City issued \$1,500,000 of Water Pollution Control General Obligation Bonds (State Revolving Fund Program - Multiple Participant Series). The purpose was for the extension and improvement of the City's combined waterworks and sewerage system. This issue can either be paid by an annual tax levy approved by the Board or by revenues of the proprietary fund. Bonds are due in annual installments varying from year to year until maturity on January 1, 2019. Interest is payable on January 1 and July 1. Interest rate ranges from 3.625% to 5.25%.

Bond proceeds were used to produce capital assets which are recorded in the enterprise fund. The corresponding liability for bonds payable is also recorded in the proprietary fund. Capital assets are depreciated annually and the liability reduction paid by the debt service fund results in calculation affecting capital assets net of related debt. Future minimum general obligation bond payments are as follows:

<u>Years ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 90,000	\$ 33,175	\$ 123,175
2015	110,000	27,925	137,925
2016	115,000	22,019	137,019
2017	120,000	16,000	136,000
2018	125,000	9,875	134,875
2019	135,000	3,375	138,375
	<u>\$ 695,000</u>	<u>\$ 112,369</u>	<u>\$ 807,369</u>

The above general obligation issue payments are scheduled to be paid with tax dollars levied by the Board on an annual basis. If tax dollars are not adequate to make the payments, then proprietary funds will be used.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT (Continued):

Revenue Bonds

On August 1, 1994, the City issued \$2,605,000 in Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series). The funds were used for expansion and improvement of the enterprise fund systems. Bond and interest payments are to be paid with proprietary fund revenues. Bonds are due July 1 from year to year until maturity on July 1, 2015. Interest is payable on January 1 and July 1. Interest rates range from 4.25% to 6.05%.

On June 1, 1999, the City issued \$1,365,000 in Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series). The purpose was for the extension and improvement of the City's combined waterworks and sewerage system. Bonds and interest payments are to be made with proprietary revenues. Bonds are due in annual installments varying from year to year until maturing on January 1, 2020. Interest is payable on January 1 and July 1. Interest rates range from 3.625% to 5.25%.

On November 14, 2007, the City issued \$605,000 in Combined Waterworks and Sewerage System Refunding Revenue Bonds. The funds are to be used for refunding the Series 1993 and 1994B balances and new funds for additional improvements. Bonds and interest payments are to be made with proprietary revenues. Bonds are due in annual installments varying from year to year until maturity on January 1, 2018. Interest is payable on January 1 and July 1. Interest rates range from 4.1% to 4.2%.

On February 24, 2011, the City issued \$3,125,000 in Combined Waterworks and Sewerage System Revenue Bonds. The funds are to be used for improvement of the City's combined waterworks and sewerage system. Bond and interest payments are to be made with proprietary revenues. Bonds are due in annual installments varying from year to year until maturity on January 1, 2013. Interest is payable on January 1 and July 1. Interest ranges from 1% to 5.75%.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT (Continued):

Future minimum revenue bond payments are as follows:

Years ending September 30,	Principal	Interest	Total
2014	\$ 369,000	\$ 216,678	\$ 585,678
2015	379,000	198,731	577,731
2016	370,000	176,111	546,111
2017	385,000	160,667	545,667
2018	460,000	142,951	602,951
2019-2023	900,000	555,582	1,455,582
2024-2028	945,000	340,712	1,285,712
2029-2032	720,000	63,824	783,824
	<u>\$ 4,528,000</u>	<u>\$ 1,855,256</u>	<u>\$ 6,383,256</u>

Revenue bonds are collateralized by the revenue of the water and sewer systems. Ordinances provide that the revenue of the system is to be used to pay operating and maintenance expenses to include debt service. As long as bonds are outstanding, monies derived from operations cannot be directed to the general government or municipal functions of the City.

The City maintains its records and this report has been prepared using the modified cash basis of accounting. Article II, Section 2.2 u (ii) of Series 1994A, Combined Waterworks and Sewage System Refunding and Improvement Bonds, states that the City shall maintain system records in accordance with generally accepted governmental accounting standards defined in the Governmental Accounting, Auditing and Financial Reporting Manual (1988 Ed.) issued by the Government Finance Officers' Association.

Proceeds from the original bond sales were placed in trust to establish reserve and debt servicing accounts. These accounts have been maintained as required.

Rates and fees established and charged were sufficient to satisfy bond covenant responsibilities for the year ended September 30, 2013.

The City, by ordinance, also participates in the State Revolving Fund Program (SRF) Series 1994A and Series 1999A. These programs require the state to place 70% of the total bond issue in an escrow trust for the City. The interest earned on the escrow funds is transferred to the trust debt service fund to help pay the City's required interest payments on the bonds. As principal payments are made, the state reclaims 70% of the principal payment. The state SRF reserve is included in the bond issue trust funds and the City has elected to record the SRF reserve as a restricted investment on their statement of net assets. A corresponding liability is also recorded.

**CITY OF PECULIAR, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT (Continued):

Refunding Certificate of Participation

In June 2013, the City issued \$2,640,000 in Refunding Certificates of Participation. The funds are to be used for refunding the Series 2007 Certificates of Participation. Rental payments are due January 1, starting on January 1, 2019, with the final payment due on January 1, 2027. Interest is payable on January 1 and July 1 ranging from 1% to 5.75%. Rental payments are payable with enterprise operating funds. The City appropriates (budgets) funding for this debt.

The base lease between the City, as lessor, and Southwest Trust Company N.A., as lessee and trustee, transfer a leasehold interest in certain real property held by the City to the trustee. The term of the base lease is November 14, 2007 through January 1, 2027, or the date the certificates have been paid in full, whichever is earlier. Future minimum lease payments are as follows:

Years ending September 30,	Principal	Interest	Total
2014	\$ 22,800	\$ 54,879	\$ 77,679
2015	22,800	50,186	72,986
2016	22,800	49,872	72,672
2017	26,600	49,468	76,068
2018	26,600	48,969	75,569
2019-2023	914,400	202,047	1,116,447
2024-2028	969,000	59,863	1,028,863
	\$ 2,005,000	\$ 515,284	\$ 2,520,284

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**INTERFUND TRANSACTIONS:**

Interfund due from and due to balances at September 30, 2013, were as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 632,160	\$ 812,179
Parks Fund	-	15,558
Street Fund	98,681	5,627
Gasoline Tax Fund	54,562	2,790
LET Fund	1,710	-
Capital Improvement Fund	27,398	60,627
East Growth Fund	1,000	-
West Growth Fund	-	1,000
2012 COP Construction Fund	-	16,921
2013 Bond Construction Fund	-	9,638
Debt Service Fund	298,773	140,537
2012 Debt Service Fund	-	75
Water Fund	429,248	261,302
Sewer Fund	289,165	506,025
Trash Fund	<u>11,242</u>	<u>11,660</u>
	<u>\$ 1,843,939</u>	<u>\$ 1,843,939</u>

Interfund transactions occurred in several areas during the current year.

1. The City's general fund collects property taxes and distributes the appropriate amounts to the debt service fund.
2. Bond payments are made with tax dollars out of the enterprise fund for waterworks improvements. The liability for these bonds is recorded in the enterprise fund. A transfer of tax dollars is made to the enterprise fund to make the payments.
3. Fund transfers were made from the debt service fund to the enterprise fund.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

7. INTERFUND TRANSACTIONS (Continued):

Transfers during the year ended September 30, 2013, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 176,265	\$ 63,785
2012 COP Construction Fund	97,193	-
2012 COP Bonds	-	152,006
Park Fund	-	10,038
Debt Service Fund	-	147,718
2012 COP Debt Service	100,522	-
Water Fund	54,255	216,627
Sewer Fund	188,187	23,377
Trash Fund	-	2,871
Construction Fund	-	-
	<u>\$ 616,422</u>	<u>\$ 616,422</u>

8. EMPLOYEE PENSION PLAN:

Plan Description

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 is a defined benefit pension plan that provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, Section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, PO Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

Funding Status

The City's full-time employees do not contribute to the pension plan. The June 30th statutorily required contribution rates are 14.9% (General) and 15.5% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

8. **EMPLOYEE PENSION PLAN (Continued):**

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 159,826
Interest on net pension obligation	113
Adjustment to annual required contribution	<u>(99)</u>
Annual pension cost	159,840
Actual contributions	<u>159,826</u>
Increase (decrease) in NPO	14
NPO beginning of the year	<u>1,558</u>
NPO end of the year	<u>\$ 1,572</u>

The annual required contribution (ARC) was determined as part of the February 28, 2010, and February 28, 2011, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 29, 2010 was 17 years for the General division and 16 years for the Police division. The amortization period as of February 28, 2011 was 22 years for the General division and 26 years for the Police division.

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 142,040	99%	\$ 1,136
2012	\$ 137,927	9.7%	\$ 1,558
2013	\$ 159,840	100.0%	\$ 1,572

**CITY OF PECULIAR, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**9. DEFERRED COMPENSATION PLAN:**

The City provides for a deferred compensation plan for their employees. Funds are paid to and retained by ING in individual employee accounts. There is no cost to the City in the operation of this plan. The deferred compensation plan is designed to comply with Internal Revenue Code 457.

**10. COUNTY ROAD TAX:**

Road tax is remitted to the county by the state to be distributed to each City for the purpose of road upkeep. The county distributes these funds after the City makes the expenditure and submits the appropriate paperwork.

**11. RISK MANAGEMENT:**

The City is exposed to various risks of loss from torts, theft of, damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage has been purchased by the City to cover all risks.

**12. CONTINGENCIES:**

The City is a defendant in various lawsuits arising from normal business activities. Management has reviewed pending litigation with legal counsel and believes that ultimate liability, if any, resulting from these matters will not materially affect the City's financial position.

Additionally, the City's sewer and water utilities are subject to federal and state regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the City expect such compliance to have, any material effect upon the financial condition of the City. Management of the City believes that its current practices and procedures for the control and disposition of such wastes comply with applicable federal and state requirements.

**13. MAJOR SUPPLIERS:**

During the year ended September 30, 2013, the City relied upon the Public Water Supply District #2 (PWSD #2) for water which was resold to customers. The City has an ongoing contract with PWSD #2 to purchase water. PWSD #2 makes rate adjustments periodically which the City has absorbed.

**CITY OF PECULIAR, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**14. EXPENDITURES IN EXCESS OF BUDGET APPROPRIATION:**

In June 2013, the City issued Certificates of Participation in the amount of \$635,000 for the refunding of Series 2007 Certificates of Participation. While the City Council approved the refunding through an ordinance, the City's FY 2013 budget was not formally amended by the Council to include the financing sources and uses of the bonds in the Park Fund. Therefore, actual expenditures exceeded budgetary appropriations by \$636,716, which is in violation of Missouri state statutes.

In October 2012, the City issued General Obligation Bonds in the amount of \$1,039,999 to finance the costs of a highway overpass and pay certain costs of issuing the bonds. While the City Council approved the refunding through an ordinance, the City's FY 2013 budget was not formally amended by the Council to include the financing sources and uses of the bonds in the 2013 Bond Construction Fund. Therefore, actual expenditures exceeded budgetary appropriations by \$759,640, which is in violation of Missouri state statutes.

In 2013, the City split the 2012 COP Bond Fund into two other funds. To do this, the City transferred monies to the new funds, however the FY 2013 budget was not formally amended by the Council to include the transfer. Therefore, actual expenditures exceeded budgetary appropriations by \$152,006, which is in violation of Missouri state statutes.

**15. PLEDGED REVENUES:**

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay four debt issues totaling \$4,889,000. The 1994, 1999, 2007, and 2011 bonds were issued in the amounts of \$2,605,000, \$1,365,000, \$605,000, and \$3,125,000, respectively. Proceeds from the bonds were used for the expansion and improvement of the waterworks and sewerage system as well as the refunding of prior debt. The bonds are payable from the sewer and water funds net revenues and are payable through 2032. The total interest and principal remaining on the bonds is \$6,383,256. Principal and interest paid for the current year is \$594,844.

**16. EVALUATION OF SUBSEQUENT EVENTS:**

In November 2013, the City issued Series 2013 Water and Sewer Revenue Bonds in the amount of \$1,245,000. The City has evaluated subsequent events through January 28, 2014, the date which the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

## CITY OF PECULIAR, MISSOURI

### NOTES TO SUPPLEMENTARY INFORMATION

#### BUDGETARY ACCOUNTING

The City prepares its budget for all governmental funds on the modified cash basis of accounting. This basis is consistent with the basis of accounting used in preparing and presenting the basic financial statements. All unexpended appropriations lapse at year-end.

- 1) Prior to September 1, management submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is conducted to obtain taxpayer comments. Prior to this hearing, the budget document is made available for public inspection.
- 3) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- 4) Any transfer of budgeted amounts between object levels within any fund or any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
- 5) Budgets are prepared on the modified cash basis of accounting which corresponds to the fund statements.
- 6) Actual expenditures may not legally exceed the budgeted expenditures in any budgeted fund.

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM:

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)
2/28/2011	\$ 1,123,003	\$ 1,536,995	\$ 413,992
2/29/2012	\$ 1,356,968	\$ 1,619,576	\$ 262,608
2/28/2013	\$ 1,556,954	\$ 1,808,822	\$ 251,868

  

Actuarial Valuation Date	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percent of Covered Payroll
2/28/2011	73%	\$ 879,029	47%
2/29/2012	84%	\$ 860,467	31%
2/28/2013	86%	\$ 1,053,519	24%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuation, please contact the LAGERS office in Jefferson City.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 372,623	\$ 372,623	\$ 372,623	\$ -
Resources (Inflows):				
Taxes	749,000	775,286	769,967	(5,319)
Franchise fees	367,000	367,000	367,545	545
Licenses and permits	45,000	36,900	34,294	(2,606)
Intergovernmental	53,000	47,700	51,118	3,418
Charges for services	5,000	2,300	2,426	126
Fees and fines	300,000	299,000	302,394	3,394
Investment income	4,000	1,000	989	(11)
Other	53,000	55,250	74,334	19,084
Transfers from others funds	106,600	126,140	176,265	50,125
	<u>1,682,600</u>	<u>1,710,576</u>	<u>1,779,332</u>	<u>68,756</u>
Amounts available for appropriation	<u>2,055,223</u>	<u>2,083,199</u>	<u>2,151,955</u>	<u>68,756</u>
Charges to appropriations (Outflows):				
Elected officials	115,500	109,473	27,145	82,328
Administrative/finance	285,800	310,604	317,820	(7,216)
Law enforcement	755,000	757,086	784,240	(27,154)
Public works	134,400	133,134	119,944	13,190
Streets	-	-	-	-
Parks	-	-	-	-
Courts	94,500	105,374	100,483	4,891
Planning	116,200	120,485	146,528	(26,043)
Facilities	182,800	205,142	141,162	63,980
Emergency management				
Capital outlay	2,700	2,338	10,338	(8,000)
Debt service:				
Principal	52,300	44,841	8,774	36,067
Interest and fiscal charges	-	-	11,974	(11,974)
Transfers to other funds	-	-	63,785	(63,785)
Total charges to appropriations	<u>1,739,200</u>	<u>1,788,477</u>	<u>1,732,193</u>	<u>56,284</u>
Ending budgetary fund balance	<u>\$ 316,023</u>	<u>\$ 294,722</u>	<u>\$ 419,762</u>	<u>\$ 125,040</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --  
 PARK FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 335,132	\$ 335,132	\$ 335,132	\$ -
Resources (Inflows):				
Taxes	140,000	143,000	151,518	8,518
Licenses and permits	1,100	437	672	235
Charges for services	7,000	620	998	378
Investment income	2,000	650	615	(35)
Other	26,800	25,300	7,032	(18,268)
Proceeds from long-term debt	-	-	635,000	635,000
	<u>176,900</u>	<u>170,007</u>	<u>795,835</u>	<u>625,828</u>
Amounts available for appropriation	<u>512,032</u>	<u>505,139</u>	<u>1,130,967</u>	<u>625,828</u>
Charges to appropriations (Outflows):				
Parks	174,150	164,550	144,927	19,623
Capital outlay	-	-	3,238	(3,238)
Debt service:				
Principal	29,000	29,000	635,000	(606,000)
Interest and fiscal charges	-	9,600	37,914	(28,314)
Transfers to other funds	-	-	10,038	(10,038)
Total charges to appropriations	<u>203,150</u>	<u>203,150</u>	<u>831,117</u>	<u>(627,967)</u>
Ending budgetary fund balance	<u>\$ 308,882</u>	<u>\$ 301,989</u>	<u>\$ 299,850</u>	<u>\$ (2,139)</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI

BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --  
ROAD AND STREET FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 35,465	\$ 35,465	\$ 35,465	\$ -
Resources (Inflows):				
Taxes	140,000	143,000	151,518	8,518
Licenses and permits	800	300	300	-
Intergovernmental	100,000	90,000	89,994	(6)
Transfers from others funds	4,200	4,200	-	(4,200)
	<u>245,000</u>	<u>237,500</u>	<u>241,812</u>	<u>4,312</u>
Amounts available for appropriation	<u>280,465</u>	<u>272,965</u>	<u>277,277</u>	<u>4,312</u>
Charges to appropriations (Outflows), Streets	<u>245,000</u>	<u>237,500</u>	<u>184,223</u>	<u>53,277</u>
Total charges to appropriations	<u>245,000</u>	<u>237,500</u>	<u>184,223</u>	<u>53,277</u>
Ending budgetary fund balance	\$ <u>35,465</u>	\$ <u>35,465</u>	\$ <u>93,054</u>	\$ <u>57,589</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**GASOLINE TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning budgetary fund balance	\$ 23,025	\$ 23,025	\$ 23,025	\$ -
Resources (Inflows), Intergovernmental	<u>158,000</u>	<u>158,000</u>	<u>164,991</u>	<u>6,991</u>
Amounts available for appropriations	<u>158,000</u>	<u>158,000</u>	<u>164,991</u>	<u>6,991</u>
Charges to appropriations (Outflows), Streets	<u>155,500</u>	<u>155,500</u>	<u>136,244</u>	<u>19,256</u>
Total charges to appropriations	<u>155,500</u>	<u>155,500</u>	<u>136,244</u>	<u>19,256</u>
Ending budgetary fund balance	<u>\$ 25,525</u>	<u>\$ 25,525</u>	<u>\$ 51,772</u>	<u>\$ 26,247</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**LET FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows),				
Other	<u>4,000</u>	<u>4,000</u>	<u>3,332</u>	<u>(668)</u>
Amounts available for appropriations	<u>4,000</u>	<u>4,000</u>	<u>3,332</u>	<u>(668)</u>
Charges to appropriations (Outflows),				
Administrative/finance	<u>4,000</u>	<u>4,000</u>	<u>1,622</u>	<u>2,378</u>
Total charges to appropriations	<u>4,000</u>	<u>4,000</u>	<u>1,622</u>	<u>2,378</u>
Ending budgetary fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,710</u>	<u>\$ 1,710</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 112,177	\$ 112,177	\$ 112,177	\$ -
Resources (Inflows):				
Taxes	172,000	173,000	180,306	7,306
Licenses and permits	1,500	-	-	-
Intergovernmental	96,000	96,000	-	(96,000)
Investment income	500	100	125	25
Other	1,000	-	-	-
	<u>271,000</u>	<u>269,100</u>	<u>180,431</u>	<u>(88,669)</u>
Amounts available for appropriations	<u>383,177</u>	<u>381,277</u>	<u>292,608</u>	<u>(88,669)</u>
Charges to appropriations (Outflows),				
Capital outlay	<u>268,000</u>	<u>292,100</u>	<u>47,455</u>	<u>244,645</u>
Total charges to appropriations	<u>268,000</u>	<u>292,100</u>	<u>47,455</u>	<u>244,645</u>
Ending budgetary fund balance	<u>\$ 115,177</u>	<u>\$ 89,177</u>	<u>\$ 245,153</u>	<u>\$ 155,976</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**EAST GROWTH FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 2,995	\$ 2,995	\$ 2,995	\$ -
Resources (Inflows):				
Licenses and permits	5,000	5,000	-	(5,000)
Investment income	500	500	2	(498)
	<u>5,500</u>	<u>5,500</u>	<u>2</u>	<u>(5,498)</u>
Amounts available for appropriations	<u>8,495</u>	<u>8,495</u>	<u>2,997</u>	<u>(5,498)</u>
Charges to appropriations (Outflows),				
Capital outlay	<u>8,500</u>	<u>8,494</u>	-	<u>8,494</u>
Total charges to appropriations	<u>8,500</u>	<u>8,494</u>	-	<u>8,494</u>
Ending budgetary fund balance	<u>\$ (5)</u>	<u>\$ 1</u>	<u>\$ 2,997</u>	<u>\$ 2,996</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**WEST GROWTH FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 9,735	\$ 9,735	\$ 9,735	\$ -
Resources (Inflows):				
Licenses and permits	5,000	5,000	1,000	(4,000)
Investment income	500	500	11	(489)
	<u>5,500</u>	<u>5,500</u>	<u>1,011</u>	<u>(4,489)</u>
Amounts available for appropriations	<u>15,235</u>	<u>15,235</u>	<u>10,746</u>	<u>(4,489)</u>
Charges to appropriations (Outflows),				
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total charges to appropriations	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Ending budgetary fund balance	<u>\$ 235</u>	<u>\$ 235</u>	<u>\$ 10,746</u>	<u>\$ 10,511</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI

BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --  
 2012 COP CONSTRUCTION FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Investment income	653	653	153	(500)
Transfers from others funds	-	-	97,193	97,193
	<u>653</u>	<u>653</u>	<u>97,346</u>	<u>96,693</u>
Amounts available for appropriation	<u>653</u>	<u>653</u>	<u>97,346</u>	<u>96,693</u>
Charges to appropriations (Outflows),				
Capital outlay	<u>168,000</u>	<u>152,658</u>	<u>114,267</u>	<u>38,391</u>
Total charges to appropriations	<u>168,000</u>	<u>152,658</u>	<u>114,267</u>	<u>38,391</u>
Ending budgetary fund balance	<u>\$ (167,347)</u>	<u>\$ (152,005)</u>	<u>\$ (16,921)</u>	<u>\$ 135,084</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**2013 BOND CONSTRUCTION FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Investment income	-	-	93	93
Proceeds from long-term debt	-	-	<u>1,130,487</u>	<u>1,130,487</u>
	-	-	<u>1,130,580</u>	<u>1,130,580</u>
Amounts available for appropriation	-	-	<u>1,130,580</u>	<u>1,130,580</u>
Charges to appropriations (Outflows):				
Capital outlay	-	-	759,640	(759,640)
Debt service, Interest and fiscal charges	-	-	<u>36,190</u>	<u>(36,190)</u>
Total charges to appropriations	-	-	<u>795,830</u>	<u>(795,830)</u>
Ending budgetary fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,750</u>	<u>\$ 334,750</u>

See accompanying notes.

CITY OF PECULIAR, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --  
 DEBT SERVICE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 152,755	\$ 152,755	\$ 152,755	\$ -
Resources (Inflows),				
Taxes	<u>157,000</u>	<u>153,500</u>	<u>153,199</u>	<u>(301)</u>
	<u>157,000</u>	<u>153,500</u>	<u>153,199</u>	<u>(301)</u>
Amounts available for appropriation	<u>309,755</u>	<u>306,255</u>	<u>305,954</u>	<u>(301)</u>
Charges to appropriations (Outflows):				
Debt service:				
Principal	100,000	100,000	-	100,000
Interest and fiscal charges	62,000	58,500	-	58,500
Transfers to other funds	<u>-</u>	<u>-</u>	<u>147,718</u>	<u>(147,718)</u>
Total charges to appropriations	<u>162,000</u>	<u>158,500</u>	<u>147,718</u>	<u>10,782</u>
Ending budgetary fund balance	<u>\$ 147,755</u>	<u>\$ 147,755</u>	<u>\$ 158,236</u>	<u>\$ 10,481</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**2012 COP BONDS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning budgetary fund balance	\$ 152,006	\$ 152,006	\$ 152,006	\$ -
Resources (Inflows)	-	-	-	-
Amounts available for appropriation	<u>152,006</u>	<u>152,006</u>	<u>152,006</u>	-
Charges to appropriations (Outflows), Transfers to other funds	-	-	<u>152,006</u>	<u>(152,006)</u>
Total charges to appropriations	-	-	<u>152,006</u>	<u>(152,006)</u>
Ending budgetary fund balance	<u>\$ 152,006</u>	<u>\$ 152,006</u>	<u>\$ -</u>	<u>\$ (152,006)</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -- MODIFIED CASH BASIS --**  
**2012 DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Investment income	-	-	179	179
Transfers from other funds	<u>48,000</u>	<u>48,000</u>	<u>100,522</u>	<u>52,522</u>
	<u>48,000</u>	<u>48,000</u>	<u>100,701</u>	<u>52,701</u>
Amounts available for appropriation	<u>48,000</u>	<u>48,000</u>	<u>100,701</u>	<u>52,701</u>
Charges to appropriations (Outflows),				
Debt service:				
Principal	25,000	25,000	25,000	-
Interest and fiscal charges	<u>21,000</u>	<u>21,000</u>	<u>20,835</u>	<u>165</u>
Total charges to appropriations	<u>46,000</u>	<u>46,000</u>	<u>45,835</u>	<u>165</u>
Ending budgetary fund balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 54,866</u>	<u>\$ 52,866</u>

See accompanying notes.

**CITY OF PECULIAR, MISSOURI**  
**SUPPLEMENTAL SCHEDULE -- MODIFIED CASH BASIS --**  
**BUILDING FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Administrative	Public Works
Revenues	\$ -	\$ -
Expenditures:		
Supplies	10,671	893
Maintenance	34,180	5,334
Utilities	12,422	6,998
Insurance	2,948	1,690
Capital outlay	6,760	-
Total expenditures	66,981	14,915
Other Financing Sources, Transfers in	66,981	14,915
Net change in fund balance	-	-
	\$ -	\$ -

See accompanying notes.