

**BOA Meeting Agenda
Peculiar City Board of Aldermen
Worksession Meeting and Public Hearing
City Hall – 250 S. Main St
Tuesday, February 21, 2017 6:30 p.m.**

Notice is hereby given that the Board of Aldermen of the City of Peculiar will hold a regularly scheduled meeting on Tuesday, February 21, 2017 at 6:30 pm, in the Council Chambers at 250 S. Main St. Representatives of the news media may obtain copies of this notice by contacting the City Clerk at City Hall, 250 S. Main St Peculiar, MO 64078 or by calling 816-779-2221. All proposed Ordinances and Resolutions will be available for viewing prior to the meeting in the Council Chambers.

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. City Clerk – Read the Board of Aldermen Statement
5. Proclamation – Micah Floyd – Eagle Scout Acknowledgment
6. Unfinished Business
 - A. Bill No. 2017-03 - AN ORDINANCE AMENDING THE CITY CODE TO COMPLY WITH PROVISIONS OF VARIOUS ACTS OF THE MISSOURI LEGISLATURE.
*2nd Reading
 - B. Bill No. 2017-04 - AN ORDINANCE AMENDING THE CITY CODE TO COMPLY WITH PROVISIONS OF §89.110 RSMo.
*2nd Reading
7. New Business
 - A. Resolution 2017-03 - A RESOLUTION OF THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR, MISSOURI TO RECEIVE AND ACCEPT THE AUDIT FOR FISCAL YEAR 2015-2016, WHICH ENDED SEPTEMBER 30, 2016.
 - B. Bill No. 2017-05 - AN ORDINANCE OF THE CITY OF PECULIAR, MISSOURI DIRECTING CITY STAFF TO ACQUIRE NECESSARY RIGHT OF WAY PERMANENT EASEMENTS TO PERMIT THE ENGINEERING, CONSTRUCTION, AND COMPLETION OF THE SCHOOL ROAD PHASE 3 IMPROVEMENT PROJECT FROM 203RD STREET TO PECULIAR WAY
*1st Reading
 - C. Bill No. 2017-06 - AN ORDINANCE OF THE CITY OF PECULIAR, MISSOURI DIRECTING CITY STAFF TO ACQUIRE NECESSARY TEMPORARY AND PERMANENT EASEMENTS TO PERMIT THE ENGINEERING, CONSTRUCTION, AND COMPLETION OF THE 12-INCH WATER TRANSMISSION MAIN FROM RAYMORE TO PECULIAR PROJECT
*1st Reading
8. City Administrator Report
9. Aldermen Directives
10. Executive Session-

The City Administrator has requested an Executive Session, per RSMo. 610.021(1).
11. Adjournment



PROCLAMATION

WHEREAS, Micah Floyd has achieved the highest advancement in rank in Boy Scouting, Eagle Scout; and

WHEREAS, Micah Floyd has embodied the Scout Oath to do his best, to do his duty to God and his country and to obey the Scout Law; to help other people at all times; to keep himself physically strong, mentally awake, and morally straight; and

WHEREAS, Micah Floyd has shown outstanding civic leadership and involvement in the community through his Eagle Scout Project of designing and building combination clothing and shoe racks for their Church's Project Joy Event; and

WHEREAS, Micah Floyd has shown great compassion and caring for others and his community through his completion of his Eagle Scout Project; and

WHEREAS, The City of Peculiar is pleased to have individuals such as Micah Floyd active in the community.

NOW THEREFORE, I Holly Stark, Mayor of the City of Peculiar, Missouri do hereby congratulate Micah Floyd on his notable achievement to the rank of Eagle Scout.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Peculiar, Missouri to be affixed this 21st day of February, 2017.

Mayor Holly J. Stark

Please find the enclosed ordinance to make the necessary changes to the City Code as required by the legislative changes listed in the Code Watch report.

The changes include: 1) allowance for the municipal court to hear requests for expungement per new statute; 2) changes made to the offense of Unlawful Use of Weapons; 3) changes made to possession of a controlled substance – which modifies penalties based on changes to the felony/misdemeanor schedule and adds a new first for a tiny bit of marijuana offense; and 4) Adds a provision about the placement of local liquor licenses within establishments.

Most of the statute changes did not directly affect ordinances or code sections that the City has on the books. There were some changed state requirements that did not require ordinances changes that departs should be made aware of; for instance, if the City were to change the fluoridation level of the water, they would have to notify customers, DNR, and Health and Senior Services pursuant to changes in 640.136 RSMo, or that additional definitions have been added regarding mobile recording devices under the Sunshine Law.

There are things that the City could do in theory now that they couldn't before, like grant liquor licenses for self-service beer taps under 311.205 RSMo. Ultimately those are legislative decisions to be made in the future and not required changes to bring the existing code into compliance.



LAUBER MUNICIPAL LAW, LLC
Serving those who serve the public

Peter F. Rottgers
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BILL NO. 2017-03

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CITY CODE TO COMPLY WITH PROVISIONS OF VARIOUS ACTS OF THE MISSOURI LEGISLATURE.

WHEREAS, the Missouri State Legislature has made amendments, additions, deletions, and other such changes to the statutes of this state, and

WHEREAS, provisions of the aforesaid changes impact sections of the City Code such that the City Code and the statutes of the State of Missouri are in disharmony, and

WHEREAS, provisions of the City Code of Peculiar, Missouri must be amended to comply with state law, and

WHEREAS, pursuant to §79.110, RSMo., the Mayor and Board of Aldermen of the City “shall have the power to enact and ordain any and all ordinances not repugnant to the constitution and laws of the his state, and such as they shall deem expedient for the good government of the city, the preservation of peace and good order, the benefit of trade and commerce and the health of the inhabitants thereof, and such other ordinances, rules and regulations as may be deemed necessary to carry such powers into effect, and to alter, modify or repeal the same,” and

WHEREAS, it is in the interest of public health, safety and welfare that the City Code of Peculiar, Missouri be consistent with Missouri law.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR, MISSOURI THAT THE FOLLOWING CHAPTERS OF THE CITY CODE BE AMENDED AS FOLLOWS:

SECTION I. Chapter 130 is amended by the addition of the following Section 130.330:

Section 130.330. Expungements. Any person may file a petition for expungement consistent with Section 610.140 RSMo, and such petition shall be heard by the Municipal Judge.

SECTION II. Section 210.260 is amended such that it is removed in its entirety and replaced with the following language:

Section 210.260. Unlawful Use of Weapons- Exceptions

A. A person commits the offense of unlawful use of weapons, except as otherwise provided by Sections 571.101 to 571.121 RSMo, if he or she knowingly:

1. Carries concealed upon or about his or her person a knife, a firearm, a blackjack or any other weapon readily capable of lethal use into any area where firearms are restricted under Section 571.107; or
2. Sets a spring gun; or
3. Discharges or shoots a firearm into a dwelling house, a railroad train, boat, aircraft, or motor vehicle as defined in Section 302.010 RSMo, or any building or structure used for the assembling of people; or
4. Exhibits, in the presence of one or more persons, any weapon readily capable of lethal use in an angry or threatening manner; or
5. Has a firearm or projectile weapon readily capable of lethal use on his or her person, while he or she is intoxicated, and handles or otherwise uses such firearm or projectile weapon in either a negligent or unlawful manner or discharges such firearm or projectile weapon unless acting in self-defense; or
6. Discharges a firearm within one hundred yards of any occupied schoolhouse, courthouse, or church building; or
7. Discharges or shoots a firearm at a mark, at any object, or at random, on, along or across a public highway or discharges or shoots a firearm into any outbuilding; or
8. Carries a firearm or any other weapon readily capable of lethal use into any church or place where people have assembled for worship, or into any election precinct on any election day, or into any building owned or occupied by any agency of the federal government, state government, or political subdivision thereof; or
9. Discharges or shoots a firearm at or from a motor vehicle, as defined in Section 301.010 RSMo, discharges or shoots a firearm at any person, or at any other motor vehicle, or at any building or habitable structure, unless the person was lawfully acting in self-defense; or
10. Carries a firearm, whether loaded or unloaded, or any other weapon readily capable of lethal use into any school, onto any school bus, or onto the premises of any function or activity sponsored or sanctioned by school officials or the district school board; or
11. Possesses a firearm while also knowingly in possession of a controlled substance that is sufficient for a felony violation of Section 579.015 RSMo.

B. Subdivisions (1), (8), and (10) of Subsection A of this section shall not apply to the persons described in this subsection, regardless of whether such uses are reasonably associated with or are necessary to the fulfillment of such person's official duties except as otherwise provided in this subsection. Subdivisions (3), (4), (6), (7), and (9) of Subsection A of this section shall not apply to or affect any of the following persons, when such uses are reasonably associated with or

are necessary to the fulfillment of such person's official duties, except as otherwise provided in this subsection:

1. All state, county and municipal peace officers who have completed the training required by the police officer standards and training commission pursuant to Sections 590.030 to 590.050 RSMo and who possess the duty and power of arrest for violation of the general criminal laws of the state or for violation of ordinances of counties or municipalities of the state, whether such officers are on or off duty, and whether such officers are within or outside of the law enforcement agency's jurisdiction, or all qualified retired peace officers, as defined in subsection 12 of this section, and who carry the identification defined in subsection 13 of this section, or any person summoned by such officers to assist in making arrests or preserving the peace while actually engaged in assisting such officer;
2. Wardens, superintendents and keepers of prisons, penitentiaries, jails and other institutions for the detention of persons accused or convicted of crime;
3. Members of the Armed Forces or National Guard while performing their official duty;
4. Those persons vested by Article V, Section 1 of the Constitution of Missouri with the judicial power of the state and those persons vested by Article III of the Constitution of the United States with the judicial power of the United States, the members of the federal judiciary;
5. Any person whose bona fide duty is to execute process, civil or criminal;
6. Any federal probation officer or federal flight deck officer as defined under the federal flight deck officer program, 49 U.S.C. Section 44921, regardless of whether such officers are on duty, or within the law enforcement agency's jurisdiction;
7. Any state probation or parole officer, including supervisors and members of the board of probation and parole;
8. Any corporate security advisor meeting the definition and fulfilling the requirements of the regulations established by the department of public safety under Section 590.750 RSMo;
9. Any coroner, deputy coroner, medical examiner, or assistant medical examiner;
10. Any municipal or county prosecuting attorney or assistant prosecuting attorney; circuit attorney or assistant circuit attorney; municipal, associate, or circuit judge; or any person appointed by a court to be a special prosecutor who has completed the firearms safety training course required under subsection 2 of Section 571.111 RSMo;
11. Any member of a fire department or fire protection district who is employed on a full-time basis as a fire investigator and who has a valid concealed carry endorsement issued

prior to August 28, 2013, or a valid concealed carry permit under Section 571.111 RSMo when such uses are reasonably associated with or are necessary to the fulfillment of such person's official duties; and

12. Upon the written approval of the governing body of a fire department or fire protection district, any paid fire department or fire protection district member who is employed on a full-time basis and who has a valid concealed carry endorsement issued prior to August 28, 2013, or a valid concealed carry permit, when such uses are reasonably associated with or are necessary to the fulfillment of such person's official duties.

C. Subdivisions (1), (5), (8), and (10) of Subsection A of this section do not apply when the actor is transporting such weapons in a nonfunctioning state or in an unloaded state when ammunition is not readily accessible or when such weapons are not readily accessible. Subdivision (1) of Subsection A of this section does not apply to any person nineteen years of age or older or eighteen years of age or older and a member of the United States Armed Forces, or honorably discharged from the United States Armed Forces, transporting a concealable firearm in the passenger compartment of a motor vehicle, so long as such concealable firearm is otherwise lawfully possessed, nor when the actor is also in possession of an exposed firearm or projectile weapon for the lawful pursuit of game, or is in his or her dwelling unit or upon premises over which the actor has possession, authority or control, or is traveling in a continuous journey peaceably through this state. Subdivision (10) of Subsection A of this section does not apply if the firearm is otherwise lawfully possessed by a person while traversing school premises for the purposes of transporting a student to or from school, or possessed by an adult for the purposes of facilitation of a school-sanctioned firearm-related event or club event.

D. Subdivisions (1), (8), and (10) of Subsection A of this section shall not apply to any person who has a valid concealed carry permit issued pursuant to Sections 571.101 to 571.121 RSMo, a valid concealed carry endorsement issued before August 28, 2013, or a valid permit or endorsement to carry concealed firearms issued by another state or political subdivision of another state.

E. Subdivisions (3), (4), (5), (6), (7), (8), (9), and (10) of Subsection A of this section shall not apply to persons who are engaged in a lawful act of defense pursuant to Section 563.031 RSMo.

F. Notwithstanding any provision of this Section to the contrary, the state shall not prohibit any state employee from having a firearm in the employee's vehicle on the state's property provided that the vehicle is locked and the firearm is not visible. This subsection shall only apply to the state as an employer when the state employee's vehicle is on property owned or leased by the state and the state employee is conducting activities within the scope of his or her employment. For the purposes of this Subsection, "state employee" means an employee of the executive, legislative, or judicial branch of the government of the state of Missouri.

G. Nothing in this Section shall make it unlawful for a student to actually participate in school-sanctioned gun safety courses, student military or ROTC courses, or other school-sponsored or club-sponsored firearm-related events, provided the student does not carry a firearm or other

weapon readily capable of lethal use into any school, onto any school bus, or onto the premises of any other function or activity sponsored or sanctioned by school officials or the district school board.

H. A person who commits the crime of unlawful use of weapons under:

1. Subdivision (2), (3), (4), or (11) of Subsection A of this section shall be guilty of a class E felony;
2. Subdivision (1), (6), (7), or (8) of Subsection A of this section shall be guilty of a class B misdemeanor, except when a concealed weapon is carried onto any private property whose owner has posted the premises as being off-limits to concealed firearms by means of one or more signs displayed in a conspicuous place of a minimum size of eleven inches by fourteen inches with the writing thereon in letters of not less than one inch, in which case the penalties of Subsection 2 of Section 571.107 RSMo shall apply;
3. Subdivision (5) or (10) of Subsection A of this section shall be guilty of a class A misdemeanor if the firearm is unloaded and a class E felony if the firearm is loaded;
4. Subdivision (9) of Subsection A of this Section shall be guilty of a class B felony, except that if the violation of subdivision (9) of subsection 1 of this section results in injury or death to another person, it is a class A felony.

I. Violations of Subdivision (9) of Subsection A of this Section shall be punished as follows:

1. For the first violation a person shall be sentenced to the maximum authorized term of imprisonment for a class B felony;
2. For any violation by a prior offender as defined in Section 558.016 RSMo, a person shall be sentenced to the maximum authorized term of imprisonment for a class B felony without the possibility of parole, probation or conditional release for a term of ten years;
3. For any violation by a persistent offender as defined in section 558.016 RSMo, a person shall be sentenced to the maximum authorized term of imprisonment for a class B felony without the possibility of parole, probation, or conditional release;
4. For any violation which results in injury or death to another person, a person shall be sentenced to an authorized disposition for a class A felony.

J. Any person knowingly aiding or abetting any other person in the violation of Subdivision (9) of Subsection A of this Section shall be subject to the same penalty as that prescribed by this section for violations by other persons.

K. Notwithstanding any other provision of law, no person who pleads guilty to or is found guilty of a felony violation of Subsection A of this Section shall receive a suspended imposition of

sentence if such person has previously received a suspended imposition of sentence for any other firearms- or weapons-related felony offense.

L. As used in this section "qualified retired peace officer" means an individual who:

1. Retired in good standing from service with a public agency as a peace officer, other than for reasons of mental instability;
2. Before such retirement, was authorized by law to engage in or supervise the prevention, detection, investigation, or prosecution of, or the incarceration of any person for, any violation of law, and had statutory powers of arrest;
3. Before such retirement, was regularly employed as a peace officer for an aggregate of fifteen years or more, or retired from service with such agency, after completing any applicable probationary period of such service, due to a service-connected disability, as determined by such agency;
4. Has a nonforfeitable right to benefits under the retirement plan of the agency if such a plan is available;
5. During the most recent twelve-month period, has met, at the expense of the individual, the standards for training and qualification for active peace officers to carry firearms;
6. Is not under the influence of alcohol or another intoxicating or hallucinatory drug or substance; and
7. Is not prohibited by federal law from receiving a firearm.

M. The identification required by Subdivision (1) of Subsection B of this section is:

1. A photographic identification issued by the agency from which the individual retired from service as a peace officer that indicates that the individual has, not less recently than one year before the date the individual is carrying the concealed firearm, been tested or otherwise found by the agency to meet the standards established by the agency for training and qualification for active peace officers to carry a firearm of the same type as the concealed firearm; or
2. A photographic identification issued by the agency from which the individual retired from service as a peace officer; and
3. A certification issued by the state in which the individual resides that indicates that the individual has, not less recently than one year before the date the individual is carrying the concealed firearm, been tested or otherwise found by the state to meet the standards established by the state for training and qualification for active peace officers to carry a firearm of the same type as the concealed firearm.

SECTION III: Section 210.400 is amended such that it is removed in its entirety and replaced with the following language:

Section 210.400. Possession or control of a controlled substance- penalty

A. A person commits the offense of possession of a controlled substance if he or she knowingly possesses a controlled substance, except as authorized by this Section or Chapter 195 RSMo.

B. The offense of possession of any controlled substance except thirty-five grams or less of marijuana or any synthetic cannabinoid is a class D felony.

C. The offense of possession of more than ten grams but thirty-five grams or less of marijuana or any synthetic cannabinoid is a class A misdemeanor.

D. The offense of possession of not more than ten grams of marijuana or any synthetic cannabinoid is a class D misdemeanor. If the defendant has previously been found guilty of any provisions of this Code relating to controlled substances or found guilty of any offense of the laws related to controlled substances of this state, or of the United States, or any state, territory, or district, the offense is a class A misdemeanor. Prior findings of guilt shall be pleaded and proven in the same manner as required by Section 558.021RSMo.

E. In any complaint, information, or indictment, and in any action or proceeding brought for the enforcement of any provision of this Section, it shall not be necessary to include any exception, excuse, proviso, or exemption contained in this Section or Chapter 195 RSMo, and the burden of proof of any such exception, excuse, proviso or exemption shall be upon the defendant.

SECTION IV: Section 600.030 is amended such that it is removed in its entirety and replaced with the following language:

Section 600.030- License Required It shall be unlawful for any person to manufacture, brew, distill, sell or distribute alcoholic beverages without first having a license authorizing such manufacture, brewing, sale or exposing for sale, or distribution in compliance with the terms of this Chapter. Such license shall be exhibited in a conspicuous location on the premises and in plain view of patrons.

SECTION V. That the provisions of this ordinance are severable and if any provision hereof is declared invalid, unconstitutional or unenforceable, such determination shall not affect the validity of the remainder.

SECTION VI. That all other ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION VII. This ordinance shall be effectively immediately upon passage and approval.

BE IT REMEMBERED THE PRECEDING ORDINANCE WAS ADOPTED ON ITS SECOND READING THIS ____ DAY OF _____, 2017, BY THE FOLLOWING VOTE:

Alderman Hammack	_____	Alderman Ray	_____
Alderman Ford	_____	Alderman Roberts	_____
Alderman Dunsworth	_____	Alderman Harlan	_____

APPROVED:

ATTEST:

Holly Stark, Mayor

Nick Jacobs, Acting City Clerk

Please find the enclosed ordinance to change the process whereby a citizen can appeal a Board of Adjustment decision. Previously, SECTION 400.2310 of the City Code directed those aggrieved by a decision of the Board of Adjustment to appeal to the City's municipal court. However, Section 89.110 RSMo gives the county circuit courts jurisdiction over these appeals. The enclosed ordinance changes the City Code to comply with 89.110.

Best,



LAUBER MUNICIPAL LAW, LLC

Serving those who serve the public

Peter F. Rottgers
Lauber Municipal Law, LLC
250 NE Tudor Road
Lee's Summit, Missouri 64086

BILL NO. 2017-04

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CITY CODE TO COMPLY WITH PROVISIONS OF §89.110 RSMo.

WHEREAS, from time to time, provisions of the City Code of Peculiar, Missouri must be amended to comply with state law, and

WHEREAS, pursuant to §79.110, RSMo., the Mayor and Board of Aldermen of the City “shall have the power to enact and ordain any and all ordinances not repugnant to the constitution and laws of the his state, and such as they shall deem expedient for the good government of the city, the preservation of peace and good order, the benefit of trade and commerce and the health of the inhabitants thereof, and such other ordinances, rules and regulations as may be deemed necessary to carry such powers into effect, and to alter, modify or repeal the same,” and

WHEREAS, it is in the interest of public health, safety and welfare that the City Code of Peculiar, Missouri be consistent with Missouri law.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR, MISSOURI THAT SECTION 400.2310 OF THE CITY CODE BE AMENDED AS FOLLOWS:

SECTION I. Section 400.2310 is amended such that it is removed in its entirety and replaced with the following language:

Section 400.2310 Appeal to the Circuit Court

Any person or persons jointly or severally aggrieved by a decision of the Board of Adjustment, or any City entity performing a substantially similar quasi-judicial function from which no further administrative appeal is available, may present to the Circuit Court of Cass County a petition, duly verified, setting forth that such decision is illegal, in whole or in part, specifying the grounds of the illegality. Such petition shall be presented to the court within thirty days after the filing of the decision in the office of the Board of Adjustment or the appropriate counterpart if a different agency, and such petition and accompanying proceedings shall be governed by §89.110 RSMo.

SECTION II. This ordinance shall be effectively immediately upon passage and approval.

BE IT REMEMBERED THE PRECEDING ORDINANCE WAS ADOPTED ON ITS SECOND READING THIS ____ DAY OF _____, 2017, BY THE FOLLOWING VOTE:

Alderman Hammack _____	Alderman Ray _____
Alderman Ford _____	Alderman Roberts _____
Alderman Dunsworth _____	Alderman Harlan _____

APPROVED:

ATTEST:

Holly Stark, Mayor

Nick Jacobs, Acting City Clerk



**DANA F. COLE
& COMPANY_{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Board of Aldermen
City of Peculiar, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peculiar, Missouri, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements 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.

Auditors' Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peculiar, Missouri as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Other Matters

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 supplementary information on pages 44 - 59 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which 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 opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, on our consideration of the City of Peculiar, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Peculiar, Missouri's internal control over financial reporting and compliance.

Dana F Cole + Company, LLP

Overland Park, Kansas
January 31, 2017



**DANA F. COLE
& COMPANY_{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor
and Board of Aldermen
City of Peculiar, Missouri

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peculiar, Missouri, as of and for the year ended September 30, 2016, which collectively comprise the City of Peculiar, Missouri's basic financial statements and issued our report thereon dated January 31, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report disclosed that the City prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

Management of the City of Peculiar, Missouri, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the City of Peculiar, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Peculiar, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Peculiar, Missouri's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material

misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Management's Responsibility for Compliance

Compliance with certain provisions and laws, regulations, contracts, and grant agreements related to the City is the responsibility of the City's management.

Auditors' Responsibility

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana F Cole + Company, LLP

Overland Park, Kansas
January 31, 2017

CITY OF PECULIAR, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2016

None reported.

CITY OF PECULIAR, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
SEPTEMBER 30, 2016

None reported.



City of Peculiar, Missouri Financial Statements

For the Year Ended September 30, 2016

Together with Independent Auditor's Report

CITY OF PECULIAR MISSOURI
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2016
AND
INDEPENDENT AUDITOR'S REPORT

CITY OF PECULIAR, MISSOURI
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2016

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FINANCIAL SECTION



**DANA F. COLE
& COMPANY_{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Board of Aldermen
City of Peculiar, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peculiar, Missouri, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements 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.

Auditors' Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peculiar, Missouri as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Other Matters

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 supplementary information on pages 44 - 59 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which 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 opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, on our consideration of the City of Peculiar, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Peculiar, Missouri's internal control over financial reporting and compliance.

Dana F Cole + Company, LLP

Overland Park, Kansas
January 31, 2017

City of Peculiar, Missouri
Statement of Net Position - Modified Cash Basis
September 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 1,836,066	\$ 447,832	\$ 2,283,898
Restricted cash	703,420	1,549,995	2,253,415
Due from other governments	329,273	-	329,273
Internal balances	30,000	(30,000)	-
Capital assets:			
Land	1,191,800	157,500	1,349,300
Construction in progress	-	330,366	330,366
Infrastructure	19,981,513	-	19,981,513
Water and sewer facilities and transmission lines	-	13,630,754	13,630,754
Vehicles and equipment	1,552,555	748,547	2,301,102
Buildings and improvements	1,849,378	367,030	2,216,408
Less: accumulated depreciation	<u>(5,646,700)</u>	<u>(4,643,387)</u>	<u>(10,290,087)</u>
Total assets	<u>21,827,305</u>	<u>12,558,637</u>	<u>34,385,942</u>
Deferred outflows of resources			
Deferred charge on refunding	<u>-</u>	<u>310,592</u>	<u>310,592</u>
Total deferred outflows of resources	<u>-</u>	<u>310,592</u>	<u>310,592</u>
Liabilities			
Court bonds payable	4,947	-	4,947
Accrued liabilities and other payables	7,103	482	7,585
Meter deposits payable	-	255,225	255,225
Long-term liabilities:			
Due within one year	199,693	652,079	851,772
Due in more than one year	<u>9,622,888</u>	<u>7,931,525</u>	<u>17,554,413</u>
Total liabilities	<u>9,834,631</u>	<u>8,839,311</u>	<u>18,673,942</u>
Deferred inflows of resources			
Deferred revenue	<u>43,572</u>	<u>-</u>	<u>43,572</u>
Total deferred outflows of resources	<u>43,572</u>	<u>-</u>	<u>43,572</u>
Net Position			
Net investment in capital assets	9,633,824	2,528,852	12,162,676
Restricted for:			
Capital projects	2,153,730	-	2,153,730
Debt service	352,464	1,280,888	1,633,352
Other purposes	18,052	269,105	287,157
Unrestricted	<u>(208,967)</u>	<u>(48,927)</u>	<u>(257,894)</u>
Total net position	<u>\$ 11,949,103</u>	<u>\$ 4,029,918</u>	<u>\$ 15,979,021</u>

The accompanying notes are an integral part of the basic financial statements.

City of Peculiar, Missouri
Statement of Activities - Modified Cash Basis
For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
Elected officials	\$ 33,550	\$ -	\$ -	\$ -	\$ (33,550)	\$ -	\$ (33,550)
Administrative/finance	335,535	150,125	6,600	-	(178,810)	-	(178,810)
Law enforcement	1,015,064	152,142	41,568	-	(821,354)	-	(821,354)
Public works	43,370	-	-	-	(43,370)	-	(43,370)
Streets	783,546	-	85,875	869,298	171,627	-	171,627
Parks	229,312	39,742	150	13,041	(176,379)	-	(176,379)
Courts	73,613	-	-	-	(73,613)	-	(73,613)
Planning	192,439	5,572	-	-	(186,867)	-	(186,867)
Facilities	85,570	-	-	-	(85,570)	-	(85,570)
Information Technology	79,057	-	-	-	(79,057)	-	(79,057)
Interest on long-term debt	345,523	-	-	-	(345,523)	-	(345,523)
Total governmental activities	3,216,579	347,581	134,193	882,339	(1,852,466)	-	(1,852,466)
Business-type activities:							
Water	1,499,968	1,524,410	-	-	-	24,442	24,442
Sewer	1,130,124	1,389,398	-	-	-	259,274	259,274
Trash	291,244	291,858	-	-	-	614	614
Total business-type activities	2,921,336	3,205,666	-	-	-	284,330	284,330
Total primary government	\$ 6,137,915	\$ 3,553,247	\$ 134,193	\$ 882,339	(1,852,466)	284,330	(1,568,136)
General revenues:							
Taxes:							
Property taxes					815,903	-	815,903
Franchise and other miscellaneous taxes					632,758	-	632,758
Local sales tax					1,237,173	-	1,237,173
Investment earnings					540	34,143	34,683
Miscellaneous					28,611	23,678	52,289
Transfers					(719,553)	719,553	-
Total general revenues					1,995,432	777,374	2,772,806
Change in net position					142,966	1,061,704	1,204,670
Net position-beginning					11,414,737	2,968,214	14,382,951
Revisions to beginning fund balance					391,400	-	391,400
Net position - beginning (restated)					11,806,137	2,968,214	14,774,351
Net position-ending					\$ 11,949,103	\$ 4,029,918	\$ 15,979,021

The accompanying notes are an integral part of the basic financial statements.

City of Peculiar, Missouri
Statement of Assets, Liabilities, and
Changes in Fund Balance - Modified Cash Basis
September 30, 2016

	General Fund	Park Fund	Debt Service Fund	Capital Improvement Fund	2013 Bonds Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash	\$ 466,583	\$ 17,648	\$ -	\$ -	\$ 693,005	\$ 658,830	\$ 1,836,066
Due from other funds	-	-	140,000	-	-	-	140,000
Due from other governments	-	-	-	-	329,273	-	329,273
Restricted cash	18,025	-	157,536	472,931	-	54,928	703,420
Total Assets	<u>\$ 484,608</u>	<u>\$ 17,648</u>	<u>\$ 297,536</u>	<u>\$ 472,931</u>	<u>\$ 1,022,278</u>	<u>\$ 713,758</u>	<u>\$ 3,008,759</u>
Liabilities:							
Due to other funds	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Other payables	12,144	1	-	1	(35)	(62)	12,049
Total Liabilities	<u>122,144</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>(35)</u>	<u>(62)</u>	<u>122,049</u>
Deferred Inflows of Resources							
Deferred use tax	43,572	-	-	-	-	-	43,572
Total Liabilities	<u>43,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,572</u>
Fund Balances:							
Restricted:							
Capital projects	-	-	-	472,930	1,022,313	658,487	2,153,730
Debt Service	-	-	297,536	-	-	54,928	352,464
Other	-	17,647	-	-	-	405	18,052
Assigned:							
Unassigned	318,892	-	-	-	-	-	318,892
Total fund balances	<u>318,892</u>	<u>17,647</u>	<u>297,536</u>	<u>472,930</u>	<u>1,022,313</u>	<u>713,820</u>	<u>2,843,138</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 484,608</u>	<u>\$ 17,648</u>	<u>\$ 297,536</u>	<u>\$ 472,931</u>	<u>\$ 1,022,278</u>	<u>\$ 713,758</u>	<u>\$ 3,008,759</u>

The accompanying notes are an integral part of the basic financial statements.

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, 2016

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

Fund balance - total governmental funds	\$ 2,843,138
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.	18,928,546
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.	(708,163)
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>(9,114,418)</u>
Total net position - governmental activities	<u>\$ 11,949,103</u>

The accompanying notes are an integral part of the basic financial statements.

City of Peculiar, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Modified Cash Basis - Governmental Funds
For the Year Ended September 30, 2016

	General Fund	Park Fund	Debt Service Fund	Capital Improvement Fund	2013 Bonds Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 843,827	\$ 219,600	\$ 551,280	\$ 219,183	\$ -	\$ 511,707	\$ 2,345,597
Franchise fees	340,236	-	-	-	-	-	340,236
Licenses and permits	93,394	20,186	-	-	-	56,731	170,311
Intergovernmental	41,568	13,041	-	69,298	800,000	85,875	1,009,782
Charges for services	5,572	19,556	-	-	-	-	25,128
Fees and fines	152,142	-	-	-	-	-	152,142
Investment income	215	39	-	-	-	286	540
Other	26,445	1,242	-	-	-	924	28,611
Contributions	6,600	150	-	-	-	-	6,750
Total revenues	1,509,999	273,814	551,280	288,481	800,000	655,523	4,079,097
Expenditures:							
Elected officials	33,550	-	-	-	-	-	33,550
Administrative/finance	298,808	-	-	-	-	-	298,808
Law enforcement	838,211	-	-	-	-	924	839,135
Public works	43,370	-	-	-	-	-	43,370
Streets	-	-	-	-	-	301,747	301,747
Parks	-	216,293	-	-	-	-	216,293
Courts	73,613	-	-	-	-	-	73,613
Planning	192,439	-	-	-	-	-	192,439
Facilities	85,570	-	-	-	-	-	85,570
Information Technology	79,057	-	-	-	-	-	79,057
Capital outlay	-	175,000	-	619,444	6,540,996	15	7,335,455
Debt service:							
Principal	15,575	7,200	55,000	65,825	-	13,500	157,100
Interest and fiscal charges	3,363	5,331	312,866	6,447	-	17,516	345,523
Total expenditures	1,663,556	403,824	367,866	691,716	6,540,996	333,702	10,001,660
Excess (deficiency) of revenues over (under) expenditures	(153,557)	(130,010)	183,414	(403,235)	(5,740,996)	321,821	(5,922,563)
Other financing sources (uses):							
Transfers in	59,292	-	-	99,600	-	30,928	189,820
Transfers out	(51,636)	(16,785)	(137,798)	(9,750)	(682,342)	(11,062)	(909,373)
Total other financing sources (uses)	7,656	(16,785)	(137,798)	89,850	(682,342)	19,866	(719,553)
Net change in fund balances	(145,901)	(146,795)	45,616	(313,385)	(6,423,338)	341,687	(6,642,116)
Fund balances at beginning of year	429,825	174,082	251,920	786,315	7,079,579	372,133	9,093,854
Revisions to beginning fund balance	34,968	(9,640)	-	-	366,072	-	391,400
Fund balances at beginning of year (restated)	464,793	164,442	251,920	786,315	7,445,651	372,133	9,485,254
Fund balances at end of year	\$ 318,892	\$ 17,647	\$ 297,536	\$ 472,930	\$ 1,022,313	\$ 713,820	\$ 2,843,138

The accompanying notes are an integral part of the basic financial statements.

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, 2016

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

Net change in fund balances -- total governmental funds	\$	(6,642,116)
<p>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 amount is the net effect of these differences in the treatment of capital and related items.</p>		
Capital Outlay		7,267,029
Depreciation Expense		(677,611)
<p>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 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.</p>		
Principal Payments		157,100
Amortization of bond premiums and discounts, net		38,564
		142,966
Change in net position of governmental activities	\$	142,966

The accompanying notes are an integral part of the basic financial statements.

City of Peculiar, Missouri
Statement of Net Position - Modified Cash Basis -
Proprietary Funds
September 30, 2016

	Water	Sewer	Trash	Total Proprietary
Assets				
Current assets:				
Cash	\$ 202,561	\$ 70,459	\$ 174,812	\$ 447,832
Due from funds	-	245,022	110,000	355,022
Total current assets	<u>202,561</u>	<u>315,481</u>	<u>284,812</u>	<u>802,854</u>
Non-current assets:				
Restricted cash	1,317,347	232,648	-	1,549,995
Capital assets:				
Land	40,000	117,500	-	157,500
Construction in progress	330,366	-	-	330,366
Water and sewer facilities and transmission lines	6,887,801	6,742,953	-	13,630,754
Vehicles and equipment	502,981	245,566	-	748,547
Buildings and improvements	158,455	208,575	-	367,030
Less: accumulated depreciation	<u>(2,718,188)</u>	<u>(1,925,199)</u>	<u>-</u>	<u>(4,643,387)</u>
Total non-current assets	<u>6,518,762</u>	<u>5,622,043</u>	<u>-</u>	<u>12,140,805</u>
Total assets	<u>6,721,323</u>	<u>5,937,524</u>	<u>284,812</u>	<u>12,943,659</u>
Deferred outflows of resources				
Deferred loss on refunding	-	310,592	-	310,592
Assets and deferred outflows of resources	<u>6,721,323</u>	<u>6,248,116</u>	<u>284,812</u>	<u>13,254,251</u>
Liabilities				
Current liabilities:				
Accrued liabilities and other liabilities	482	-	-	482
Due to funds	245,022	140,000	-	385,022
Meter deposits	232,168	23,057	-	255,225
Current portion of long-term obligations	<u>404,978</u>	<u>247,101</u>	<u>-</u>	<u>652,079</u>
Total current liabilities	882,650	410,158	-	1,292,808
Non-current liabilities				
Bonds and notes payable	<u>4,694,717</u>	<u>3,236,808</u>	<u>-</u>	<u>7,931,525</u>
Total non-current liabilities	<u>4,694,717</u>	<u>3,236,808</u>	<u>-</u>	<u>7,931,525</u>
Total liabilities	<u>5,577,367</u>	<u>3,646,966</u>	<u>-</u>	<u>9,224,333</u>
Net Position				
Net investment in capital assets	101,720	2,427,132	-	2,528,852
Restricted for debt service	1,069,834	211,054	-	1,280,888
Restricted for Meter Deposits	247,511	21,594	-	269,105
Unrestricted	<u>(275,109)</u>	<u>(58,630)</u>	<u>284,812</u>	<u>(48,927)</u>
Total net position	<u>\$ 1,143,956</u>	<u>\$ 2,601,150</u>	<u>\$ 284,812</u>	<u>\$ 4,029,918</u>

The accompanying notes are an integral part of the basic financial statements.

City of Peculiar, Missouri
Statement of Revenues, Expenditures, and Changes in Net Position -
Modified Cash Basis - Proprietary Funds
For the Year Ended September 30, 2016

	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>	<u>Total Proprietary</u>
Operating revenues:				
Charges for services	\$ 1,524,410	\$ 1,389,398	\$ 291,858	\$ 3,205,666
Operating expenses:				
Personnel services	375,461	411,965	28,652	816,078
Contractual and professional services	593,218	143,238	258,210	994,666
Materials and supplies	32,609	40,306	1,763	74,678
Repairs and maintenance	128,703	107,512	-	236,215
Insurance	11,426	12,567	2,619	26,612
Utilities	6,445	84,143	-	90,588
Depreciation and amortization	212,882	192,424	-	405,306
	<u>1,360,744</u>	<u>992,155</u>	<u>291,244</u>	<u>2,644,143</u>
Income from operations	<u>163,666</u>	<u>397,243</u>	<u>614</u>	<u>561,523</u>
Non-operating revenues:				
Interest income	33,920	223	-	34,143
Tower rental	23,678	-	-	23,678
Interest expense	<u>(139,224)</u>	<u>(137,969)</u>	<u>-</u>	<u>(277,193)</u>
Total non-operating revenues (expenses)	<u>(81,626)</u>	<u>(137,746)</u>	<u>-</u>	<u>(219,372)</u>
Net income (loss) before transfers	82,040	259,497	614	342,151
Transfers:				
Transfers in	664,319	176,952	-	841,271
Transfers out	<u>(68,071)</u>	<u>(52,700)</u>	<u>(947)</u>	<u>(121,718)</u>
Net transfers	<u>596,248</u>	<u>124,252</u>	<u>(947)</u>	<u>719,553</u>
Change in net position	678,288	383,749	(333)	1,061,704
Net position, beginning of year	<u>465,668</u>	<u>2,217,401</u>	<u>285,145</u>	<u>2,968,214</u>
Net position, end of year	<u>\$ 1,143,956</u>	<u>\$ 2,601,150</u>	<u>\$ 284,812</u>	<u>\$ 4,029,918</u>

The accompanying notes are an integral part of the basic financial statements.

City of Peculiar, Missouri
Combined Statement of Cash Flows -
Modified Cash Basis - Proprietary Funds
For the Year Ended September 30, 2016

	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>	<u>Total</u>
Cash flows from operating activities:				
Received from customers	\$ 1,524,410	\$ 1,389,398	\$ 291,858	\$ 3,205,666
Payments to employees and fringe benefits	(386,887)	(424,532)	(31,271)	(842,690)
Payments to vendors and suppliers	(763,090)	(380,862)	(260,413)	(1,404,365)
Other receipts	23,678	-	-	23,678
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by operating activities	398,111	584,004	174	982,289
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from noncapital financing activities:				
Operating transfers (to) from other funds	596,248	124,252	(947)	719,553
Operating grants	-	-	-	-
Net advances (to) from other funds	(249,441)	(306,480)	154,678	(401,243)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash (used) provided by noncapital financing activities	346,807	(182,228)	153,731	318,310
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from capital and related financing activities:				
Deferred charge on refunding	-	20,706	-	20,706
Acquisition and construction of capital assets	(1,365,303)	(264,619)	-	(1,629,922)
Principal paid on capital debt and leases	(527,536)	(240,178)	-	(767,714)
Interest and fiscal charges paid on capital debt and leases	(139,224)	(137,969)	-	(277,193)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash (used) by capital and related financing activities	(2,032,063)	(622,060)	-	(2,654,123)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from investing activities				
Investment income	33,920	223	-	34,143
Net cash provided by investing activities	33,920	223	-	34,143
	<hr/>	<hr/>	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(1,253,225)	(220,061)	153,905	(1,319,381)
Cash and cash equivalents, beginning of year	2,773,133	523,168	20,907	3,317,208
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents, end of the year	<u>\$ 1,519,908</u>	<u>\$ 303,107</u>	<u>\$ 174,812</u>	<u>\$ 1,997,827</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ 163,666	\$ 397,243	\$ 614	\$ 561,523
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	212,882	192,424	-	405,306
Miscellaneous nonoperating income	23,678	-	-	23,678
Changes in assets and liabilities:				
Accrued liabilities	(13,601)	(5,401)	(440)	(19,442)
Meter deposits	11,486	(262)	-	11,224
	<hr/>	<hr/>	<hr/>	<hr/>
Total adjustments	234,445	186,761	(440)	420,766
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by operating activities	<u>\$ 398,111</u>	<u>\$ 584,004</u>	<u>\$ 174</u>	<u>\$ 982,289</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. 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. 61, "*The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and 34,*" 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.

Basis of Presentation - 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 non-exchange revenues. Business-type activities are financed in whole or part by fees charged to external parties for goods and services.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Basis of Presentation - 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. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total of all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or designated to expenditures for specific purposes. The City includes the following Special Revenue Funds as major funds: Park, Debt Serve, Capital Improvement and 2013 Construction. The Road & Street, Gasoline Tax, LET, 2012 COP Debt Service, East Growth, and West Growth Funds are reported as non-major funds

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 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 Construction Fund, and 2013 Bonds Construction Fund.

The Debt Service Funds are used for the accumulation of resources for, and payment of, principal, interest, and fiscal charges 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.

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.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

- a. 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 accrued expenses and liabilities) *are not recorded* in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

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.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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.

Budgets

The City follows these procedures in establishing the budgetary data:

1. In July each year, the City Administrator prepares a draft of the budget for the Council to review.
2. In September, the Board of Alderman are responsible for the approval of an annual operating budget for all funds of the City in accordance with Section 67.010 to 67.080, RSMo1987.
3. Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department This constitutes legal level of control.
4. Once approved, the Board may amend the legally adopted budget when unexpected modifications are required. Revisions to the budget may be made throughout the year.

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: 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 equivalents.

Capital Assets: Capital assets, which include capital assets and infrastructure, are expensed when purchased for fund statement presentation in governmental funds. Capital assets purchased in the proprietary fund for fund statement presentation and in all government-wide financial statements are reported as assets and depreciated over their estimated useful lives.

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:

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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

Deferred Outflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, a deferred charge for refunding. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 an employee to accumulate hours related to paid time off (PTO) each year and carry over to the following year. A maximum dollar limit, depending upon years of continuous employment, is paid upon termination for these hours.

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 borrowing 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.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

- c. Unrestricted net position does 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 - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact. The City currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen (City Council). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned

This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the City Clerk through the budgetary process.

Unassigned

This classification includes the residual fund balance for the General Fund.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

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 receive 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.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues, Expenditures, and Expenses (Continued)

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.

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.

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, 2016, 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, 2015, on which the fiscal year 2016 levy was based, is as follows:

Real estate	\$ 46,765,707
Personal property	9,255,406
Total	\$ 56,021,113

The tax levies per \$100 of assessed valuation of tangible real and personal property for the calendar year 2015, were as follows:

General Fund	\$ 0.4556
Debt Service	0.9639
Total	\$ 1.4195

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, 2016, the City had no deficit fund balances.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

At September 30, 2016, the carrying amount of the City's demand deposits in financial institutions was \$1,996,654. 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, 2016, the City's investments consisted of the following:

	Carrying Amount	Fair Value
Money Market	\$ 1,868,701	\$ 1,868,701
State Revolving Fund (Controlled by State)	671,959	671,959
	<u>\$ 2,540,660</u>	<u>\$ 2,540,660</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, 2016, the City had the following investments and maturities:

	Investment maturities (in years)			
	Value	Less than one	1 - 5	Greater than five
Investment type:				
Money Market	\$ 1,868,701	\$ 1,868,701	\$ -	\$ -
State Revolving Fund	671,959	-	671,959	-
	<u>\$ 2,540,660</u>	<u>\$ 1,868,701</u>	<u>\$ 671,959</u>	<u>\$ -</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

2. COMPLIANCE AND ACCOUNTABILITY (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:

Demand Deposits	\$ 1,996,654
State Revolving Fund	671,959
Money Market	<u>1,868,701</u>
Total	<u>\$ 4,537,314</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

3. RESTRICTED CASH

Restricted cash in the governmental funds at September 30, 2016, consisted of the following:

Restricted for court bonds	\$ 18,025
Restricted for capital projects and debt service	<u>685,395</u>
Total	<u>\$ 703,420</u>

Restricted cash in the proprietary funds at September 30, 2016, consisted of the following:

Restricted for meter deposits	\$ 269,105
Restricted for bond covenant requirements	<u>1,280,890</u>
Total	<u>\$ 1,549,995</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Capital asset activity resulting from modified cash basis transactions for the fiscal year ended September 30, 2016, was as follows:

	<u>Balance at 10/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 09/30/2016</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,181,800	\$ 10,000	\$ -	\$ 1,191,800
Construction in Progress	<u>1,005,512</u>	<u>-</u>	<u>1,005,512</u>	<u>-</u>
Total not being depreciated	<u>2,187,312</u>	<u>10,000</u>	<u>1,005,512</u>	<u>1,191,800</u>
Capital assets being depreciated:				
Buildings and improvements	1,873,469	3,304	27,395	1,849,378
Office equipment and furniture	219,059	2,708	62,448	159,319
Machinery and equipment	461,813	15,514	14,257	463,069
Vehicles	1,070,996	-	140,830	930,167
Infrastructure	<u>11,722,857</u>	<u>8,258,656</u>	<u>-</u>	<u>19,981,513</u>
Total being depreciated	<u>15,348,194</u>	<u>8,280,182</u>	<u>244,930</u>	<u>23,383,446</u>
Less accumulated depreciation for:				
Buildings and improvements	476,494	56,046	9,753	522,785
Office equipment and furniture	109,161	21,877	62,448	68,590
Machinery and equipment	167,014	66,579	14,257	219,336
Vehicles	546,936	164,020	140,830	570,127
Infrastructure	<u>3,896,772</u>	<u>369,089</u>	<u>-</u>	<u>4,265,862</u>
Total accumulated depreciation	<u>5,196,377</u>	<u>677,611</u>	<u>227,288</u>	<u>5,646,700</u>
Capital assets being depreciated, net	<u>10,151,817</u>	<u>7,602,571</u>	<u>17,642</u>	<u>17,736,746</u>
Government capital assets, net	<u>\$ 12,339,129</u>	<u>\$ 7,612,571</u>	<u>\$ 1,023,154</u>	<u>\$ 18,928,546</u>

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

Governmental Activities	
General government	\$ 23,638
Police	167,569
Streets	473,385
Parks	<u>13,019</u>
	<u>\$ 677,611</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

	<u>Balance at 10/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 09/30/2016</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 157,500	\$ -	\$ -	\$ 157,500
Construction in Progress	<u>137,678</u>	<u>192,688</u>	<u>-</u>	<u>330,366</u>
Total not being depreciated	<u>295,178</u>	<u>192,688</u>	<u>-</u>	<u>487,866</u>
Capital assets being depreciated:				
Vehicles and equipment	713,214	35,332	-	748,546
Buildings and improvements	319,745	47,285	-	367,030
Water, sewer facilities, and transmission lines	<u>12,293,863</u>	<u>1,336,892</u>	<u>-</u>	<u>13,630,755</u>
Total being depreciated	<u>13,326,822</u>	<u>1,419,509</u>	<u>-</u>	<u>14,746,331</u>
Less accumulated depreciation for:				
Vehicles and equipment	572,817	44,096	-	616,913
Buildings and improvements	25,880	8,452	-	34,332
Water, sewer facilities, and transmission lines	<u>3,657,109</u>	<u>335,034</u>	<u>-</u>	<u>3,992,143</u>
Total accumulated depreciation	<u>4,255,806</u>	<u>387,582</u>	<u>-</u>	<u>4,643,388</u>
Capital assets being depreciated, net	<u>9,071,016</u>	<u>1,031,927</u>	<u>-</u>	<u>10,102,943</u>
Business-type activities capital assets, net	<u>\$ 9,366,194</u>	<u>\$ 1,224,615</u>	<u>\$ -</u>	<u>\$10,590,809</u>

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

Business-type activities	
Sewer	\$ 191,247
Water	<u>196,335</u>
	<u>\$ 387,582</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended September 30, 2016, consisted of the following:

	Balance October 1, 2015	Additions	Retirements	Balance September 30, 2016	Amount Due Within One Year
General Obligation					
Bonds	\$ 7,944,996	\$ -	\$ 55,000	\$ 7,889,996	\$ 55,000
Capital Lease	365,722	-	81,400	284,322	84,229
Certificates of Participation	960,800	-	20,700	940,100	21,900
	9,271,518	-	157,100	9,114,418	161,129
Bond Premiums	746,728	-	38,565	708,163	38,564
	<u>\$ 10,018,246</u>	<u>\$ -</u>	<u>\$ 195,665</u>	<u>\$ 9,822,581</u>	<u>\$ 199,693</u>

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%.

In March 2015, the City issued \$6,959,996 in General Obligation Bonds for the purpose of road improvements to 211th Street Highway Overpass. Payments are due in semi-annual installments of \$50,000 to \$745,000 through 2035; interest at 1.0% to 3.5%.

Future minimum bond payments are as follows:

Years ending September 30	Principal	Interest	Total
2017	\$ 55,000	\$ 404,968	\$ 459,968
2018	54,998	439,970	494,968
2019	79,998	424,556	504,554
2020	95,000	443,731	538,731
2021	310,000	225,218	535,218
2022-2026	1,890,000	1,000,132	2,890,132
2027-2031	2,645,000	694,719	3,339,719
2032-2035	2,760,000	195,070	2,955,070
	<u>\$ 7,889,996</u>	<u>\$ 3,828,364</u>	<u>\$ 11,743,360</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

Certificates 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:

Years ending September 30	Principal	Interest	Total
2017	\$ 21,900	\$ 26,495	\$ 48,395
2018	24,600	26,087	50,687
2019	57,000	25,295	82,295
2020	59,400	24,140	83,540
2021	82,200	22,608	104,808
2022-2026	464,700	78,135	542,835
2027-2031	203,300	21,005	224,305
2032	27,000	1,063	28,063
	\$ 940,100	\$ 224,828	\$ 1,164,928

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

Business-Type Activities

Changes in the debt for the year ended September 30, 2016, consisted of the following:

	Balance October 1, 2015	Additions	Retirements	Balance September 30, 2016	Amount Due Within One Year
Notes Payable	\$ 654,500	\$ -	\$ 140,000	\$ 514,500	\$ -
Certificates of Participation	2,249,200	-	34,300	2,214,900	38,100
Revenue Bonds	5,780,000	-	450,000	5,330,000	465,000
General Obligation Bonds	495,000	-	115,000	380,000	120,000
Neighborhood Improvement District	54,000	-	7,000	47,000	7,000
Capital Lease	61,993	-	18,433	43,560	18,998
Bond Premium	56,625	-	2,981	53,644	2,981
	<u>\$ 9,351,318</u>	<u>\$ -</u>	<u>\$ 767,714</u>	<u>\$ 8,583,604</u>	<u>\$ 652,079</u>

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 assets. 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 is also recorded in the proprietary fund. The capital assets are depreciated annually and the liability reduction paid by the debt service fund results in calculations affecting capital assets net of related debt.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

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>
2017	\$ 7,000	\$ 2,523	\$ 9,523
2018	7,000	2,117	9,117
2019	7,000	1,711	8,711
2020	8,000	1,276	9,276
2021	9,000	783	9,783
2022	9,000	261	9,261
	<u>\$ 47,000</u>	<u>\$ 8,671</u>	<u>\$ 55,671</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.

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>
2017	\$ 120,000	\$ 16,000	\$ 136,000
2018	125,000	9,875	134,875
2019	135,000	3,375	138,375
	<u>\$ 380,000</u>	<u>\$ 29,250</u>	<u>\$ 409,250</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

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.

Revenue Bonds

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 December 5, 2013, the City issued \$1,245,000 in Combined Waterworks and Sewerage System Revenue Bonds. The funds are to be used for the purpose of extending and improving the 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 November 1, 2033. Interest is payable on May 1 and November 1. Interest ranges from 1% to 4.25%.

Advanced Refunding

In October 2014, the City issued Series 2014 Refunding Revenue Bonds of \$3,685,000 to advance refund \$2,840,000 of outstanding 2011 Revenue Bonds as well as provide \$518,000 to be used for improvement of the combined water and sewerage system. This advance refunding was undertaken to reduce the total debt service payments by \$277,691 which resulted in an economic gain of \$227,256. 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 July 1, 2034. Interest is payable on January 1 and July 1. Interest ranges from 2% to 3.5%. Future minimum revenue bond payments are as follows:

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

Years ending September 30,	Principal	Interest	Total
2017	\$ 465,000	\$ 164,670	\$ 629,670
2018	535,000	146,287	681,287
2019	295,000	131,366	426,366
2020	295,000	122,116	417,116
2021	220,000	115,564	335,564
2022-2026	1,175,000	495,079	1,670,079
2027-2031	1,410,000	300,734	1,710,734
2032-2035	935,000	60,516	995,516
	<u>\$ 5,330,000</u>	<u>\$ 1,536,332</u>	<u>\$ 6,866,332</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, 2016.

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 note payable is also recorded. The amount currently outstanding is \$514,500 with no payment due within one year.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. 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.

6. CAPITAL LEASES

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:

<u>Years ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 38,100	\$ 60,341	\$ 98,441
2018	40,400	59,592	99,992
2019	143,000	57,818	200,818
2020	150,600	54,972	205,572
202	222,800	51,014	273,814
2022-2026	1,240,300	162,855	1,403,155
2027-2031	356,700	23,727	380,427
2032	23,000	1,063	24,063
	<u>\$ 2,214,900</u>	<u>\$ 471,382</u>	<u>\$ 2,686,282</u>

The City has entered into lease agreements for financing capital equipment and a building. The lease agreements qualify as capital leases for accounting purposes; therefore, have been recorded at the present value of their future lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Asset</u>	
Police annex building	\$ 116,571
Police, water and sewer vehicles	<u>432,929</u>
Total assets acquired	<u>\$ 549,500</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL LEASES (CONTINUED)

The future minimum lease payments and the present value of the remaining minimum lease payments as of September, 30, 2016, are as follows:

<u>Years Ending September 30,</u>	
2017	\$ 111,427
2018	112,245
2019	73,102
2020	36,441
2021	<u>12,627</u>
	345,842
Less: amount representing interest	<u>17,960</u>
Present value of future minimum lease payments	<u>\$ 327,882</u>
Governmental activities	\$ 284,322
Business-type activities	<u>43,560</u>
	<u>\$ 327,882</u>

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

7. INTERFUND TRANSACTIONS

Interfund due from and due to balances at September 30, 2016, were as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ -	\$ 110,000
Debt Service Fund	140,000	-
Water Fund	-	245,022
Sewer Fund	245,022	140,000
Trash Fund	110,000	-
	<u>\$ 495,022</u>	<u>\$ 495,022</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, 2016, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 59,292	\$ 51,636
Park Fund	-	16,785
Gas Tax Fund	-	11,062
Capital Improvement Fund	99,600	9,750
2013 Construction Fund	-	682,342
Debt Service Fund	-	137,798
2012 Debt Service Fund	30,928	-
Water Fund	645,593	85,511
Sewer Fund	194,392	33,974
Trash Fund	-	947
	<u>\$ 1,029,805</u>	<u>\$ 1,029,805</u>

8. EMPLOYEE PENSION PLAN

Plan Description

The City defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to LAGERS, PO Box 1665, Jefferson City, Missouri 65102 or by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. EMPLOYEE PENSION PLAN (CONTINUED)

Benefit Multiplier:	1.75% for life, plus 0.25% to age 65
Final Average Salary:	Three Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms

At June 30, 2016, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	13	10
Inactive employees entitled to but not yet receiving benefits	14	10
Active employees	18	9
	<u>45</u>	<u>29</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 12.1% (General) and 13.1% (Police) of annual covered payroll.

Net Pension Liability

The employer’s net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

Actuarial Assumptions

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. EMPLOYEE PENSION PLAN (CONTINUED)

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	51.75%	4.81%
Fixed Income	26.75%	0.67%
Real Assets	21.50%	3.42%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. EMPLOYEE PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability

	General Division		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2015	\$ 2,210,777	\$ 2,361,138	\$ (150,361)
Changes for the year:			
Service cost	91,648	--	91,648
Interest	158,903	--	158,903
Difference between expected and actual experience	(21,833)	--	(21,833)
Contributions - employer	--	103,017	(103,017)
Contributions - employee	--	--	--
Net investment income	--	(5,846)	5,846
Change in assumptions	75,657	--	75,657
Benefit payments, including refunds	(130,355)	(130,355)	--
Administrative expense	--	(2,944)	2,944
Other changes	--	12,241	(12,241)
Net changes	<u>174,020</u>	<u>(23,887)</u>	<u>197,907</u>
Balances at 6/30/2016	<u>\$ 2,384,797</u>	<u>\$ 2,337,251</u>	<u>\$ 47,546</u>

	Police Division		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2015	\$ 1,132,532	\$ 1,287,670	\$ (155,138)
Changes for the year:			
Service cost	45,331	--	45,331
Interest	82,899	--	82,899
Difference between expected and actual experience	17,742	--	17,742
Contributions - employer	--	56,108	(56,108)
Contributions - employee	--	--	--
Net investment income	--	(2,095)	2,095
Change in assumptions	30,162	--	30,162
Benefit payments, including refunds	(23,135)	(23,135)	--
Administrative expense	--	(1,850)	1,850
Other changes	--	3,260	(3,260)
Net changes	<u>152,999</u>	<u>32,288</u>	<u>120,711</u>
Balances at 6/30/2016	<u>\$ 1,285,531</u>	<u>\$ 1,319,958</u>	<u>\$ (34,427)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

CITY OF PECULIAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS

8. EMPLOYEE PENSION PLAN (CONTINUED)

	General Division		
	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 2,746,943	\$ 2,384,797	\$ 2,091,265
Plan Fiduciary Net Position	2,337,251	2,337,251	2,337,251
Net Pension Liability/(Asset) (NPL)	<u>\$ 409,692</u>	<u>\$ 47,546</u>	<u>\$ (245,986)</u>

	Police Division		
	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 1,502,892	\$ 1,285,531	\$ 1,110,505
Plan Fiduciary Net Position	1,319,958	1,319,958	1,319,958
Net Pension Liability/(Asset) (NPL)	<u>\$ 182,934</u>	<u>\$ (34,427)</u>	<u>\$ (209,453)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2016 the employer recognized pension expense of \$146,019 for General Division and \$62,581 for Police Division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General Division</u>		<u>Police Division</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ --	\$ 16,535	\$ 11,850	\$ --
Differences in assumptions	57,297	--	20,145	--
Excess (deficit) investment returns	141,109	--	77,341	--
Contributions subsequent to the measurement date*	26,332	--	14,179	--
Total	<u>\$ 224,738</u>	<u>\$ 16,535</u>	<u>\$ 123,515</u>	<u>\$ --</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2016.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. EMPLOYEE PENSION PLAN (CONTINUED)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	General Division	Police Division
Year ended:		
2017	\$ 75,305	\$ 30,342
2018	75,305	34,815
2019	75,170	32,837
2020	36,854	19,336
2021	--	--
Thereafter	--	--
Total	<u>\$ 262,634</u>	<u>\$ 117,330</u>

9. DEFERRED COMPENSATION PLAN

The City provides for a deferred compensation plan for their employees. Funds are paid to and retained by Paychex 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.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

12. COMPLIANCE WITH MISSOURI STATUTES

Missouri House Bill No. 103 amending RSMo Section 302.341.2 became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of "annual general operating revenue" from fines and costs for traffic violations.

Fines and costs for traffic violations	\$127,472
Annual general operating revenue	\$1,468,431
Fines and costs for traffic violations as a percentage of annual general operating revenue	8.7%

13. 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.

14. MAJOR SUPPLIERS

During the year ended September 30, 2016, 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.

15. PLEDGED REVENUES

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay four debt issues totaling \$5,780,000. The 1999, 2007, 2013, and 2014 bonds were issued in the amounts of \$1,365,000, \$605,000, \$1,245,000, and \$3,685,000, 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 2034. The total interest and principal remaining on the bonds is \$5,330,000. Principal and interest paid for the current year is \$631,227.

CITY OF PECULIAR, MISSOURI

NOTES TO FINANCIAL STATEMENTS

16. REVISIONS TO BEGINNING NET POSITION

Various adjustments were made to the beginning net positions and fund balances to correct errors in the prior year financial statements.

For fiscal year 2016, governmental activities beginning net position was \$11.4 million. During the year the City made several adjustments to net position for a total addition of \$391,400 resulting in a restated beginning net position of \$11.8 million. These revisions include a decrease to accounts payable and an increase in net position in the amount of \$25,328 associated with accounts that were paid in the prior year but not cleared from accounts payable, an increase in capital assets and net position in the amount of \$366,072 associated with fixed assets that were expensed and not capitalized in the prior year.

17. SUBSEQUENT EVENTS

The City has evaluated subsequent events through January 31, 2017, the date which the financial statements were available to be issued. There were no subsequent events through this date.

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.

City of Peculiar, Missouri
Missouri Local Government Employees Retirement System
Schedule of Net Pension Liability (Unaudited)
For the Year Ended September 30, 2016

	2016
Total Pension Liability	
Service Cost	\$ 136,979
Interest on Total Pension Liability	241,802
Benefit Changes	-
Difference between expected and actual experience	(4,091)
Assumption Changes	105,819
Benefit payments, including refunds	(153,490)
Net Change in Total Pension Liability	327,019
Total Pension Liability beginning	3,343,309
Total Pension Liability ending	\$ 3,670,328
 Plan fiduciary net position	
Contributions-employer	\$ 159,125
Contributions-employee	-
Net investment income	(7,941)
Benefit payments, including refunds	(153,490)
Pension Plan Administrative Expense	(4,794)
Other (Net Transfer)	15,501
Net change in plan fiduciary net position	8,401
Plan fiduciary net position - beginning	3,648,808
Plan fiduciary net position - ending (b)	\$ 3,657,209
Net pension liability/(asset) - ending (a) - (b)	\$ 13,119
 Plan fiduciary net position as a percentage of the total pension liability	 99.64%
 Covered-employee payroll	 \$ 1,228,371
 Net pension liability as a percentage of covered employee payroll	 1.07%

City of Peculiar, Missouri
 Missouri Local Government Retiree System
 Schedule of Contributions (Unaudited)
 For the Year Ended September 30, 2016

Last 10 Fiscal Years

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION IN RELATION	CONTRIBUTION DEFICIENCY	COVERED EMPLOYEE PAYROLL	CONTRIBUTION AS PERCENTAGE
2006	\$ 109,459.76	\$ 109,086.74	\$ 373.02	\$ 909,816.00	11.99%
2007	\$ 112,265.18	\$ 129,866.33	\$ (17,601.15)	\$ 935,484.57	13.88%
2008	\$ 126,429.20	\$ 164,095.01	\$ (37,665.81)	\$ 1,117,115.15	14.69%
2009	\$ 158,383.71	\$ 174,253.59	\$ (15,869.88)	\$ 1,212,759.47	14.37%
2010	\$ 138,073.55	\$ 138,073.60	\$ (0.05)	\$ 983,932.02	14.03%
2011	\$ 151,357.16	\$ 147,305.21	\$ 4,051.95	\$ 980,519.66	15.02%
2012	\$ 144,295.79	\$ 144,295.98	\$ (0.19)	\$ 951,730.09	15.16%
2013	\$ 168,201.19	\$ 165,749.94	\$ 2,451.25	\$ 1,098,310.63	15.09%
2014	\$ 163,557.31	\$ 163,557.32	\$ (0.01)	\$ 1,170,886.74	13.97%
2015	\$ 165,798.49	\$ 165,798.53	\$ (0.04)	\$ 1,215,087.61	13.64%
2016	\$ 153,041.98	\$ 153,042.00	\$ (0.02)	\$ 1,228,370.79	12.46%

City of Peculiar, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Modified Cash Basis - Governmental Funds - Nonmajor
For the Year Ended September 30, 2016

	Road & Street Fund	Gasoline Tax Fund	LET Fund	2012 COP Debt Service Fund	East Growth Fund	West Growth Fund	Total Nonmajor Governmental Funds
Revenues:							
Taxes	\$ 219,185	\$ 292,522	\$ -	\$ -	\$ -	\$ -	\$ 511,707
Franchise fees	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	15,000	41,731	56,731
Intergovernmental	85,875	-	-	-	-	-	85,875
Charges for services	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-
Investment income	-	-	-	205	34	47	286
Other	-	-	924	-	-	-	924
Contributions	-	-	-	-	-	-	-
Total revenues	305,060	292,522	924	205	15,034	41,778	655,523
Expenditures:							
Elected officials	-	-	-	-	-	-	-
Administrative/finance	-	-	-	-	-	-	-
Law enforcement	-	-	924	-	-	-	924
Public works	-	-	-	-	-	-	-
Streets	175,052	126,695	-	-	-	-	301,747
Parks	-	-	-	-	-	-	-
Courts	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-
Capital outlay	15	-	-	-	-	-	15
Debt service:							
Principal	-	-	-	13,500	-	-	13,500
Interest and fiscal charges	-	-	-	17,516	-	-	17,516
Total expenditures	175,067	126,695	924	31,016	-	-	333,702
Excess (deficiency) of revenues over (under) expenditures	129,993	165,827	-	(30,811)	15,034	41,778	321,821
Other financing sources (uses):							
Transfers in	-	-	-	30,928	-	-	30,928
Transfers out	-	(11,062)	-	-	-	-	(11,062)
Premium from bonds	-	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(11,062)	-	30,928	-	-	19,866
Net change in fund balances	129,993	154,765	-	117	15,034	41,778	341,687
Fund balances at beginning of year	195,533	85,513	405	54,811	13,105	22,766	372,133
Fund balances at end of year	\$ 325,526	\$ 240,278	\$ 405	\$ 54,928	\$ 28,139	\$ 64,544	\$ 713,820

The accompanying notes are an integral part of the basic financial statements.

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
General Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 784,809	\$ 784,809	\$ 843,827	\$ 59,018
Franchise fees	388,105	388,105	340,236	(47,869)
Licenses and permits	37,000	37,000	93,394	56,394
Intergovernmental	48,000	48,000	41,568	(6,432)
Charges for services	3,500	3,500	5,572	2,072
Fees and fines	265,000	177,000	152,142	(24,858)
Investment income	1,000	1,000	215	(785)
Other	73,000	78,500	28,445	(50,055)
Contributions	5,500	5,500	6,600	1,100
Total revenue	<u>1,605,914</u>	<u>1,523,414</u>	<u>1,511,999</u>	<u>(11,415)</u>
Expenditures:				
Current:				
Elected officials	235,126	235,126	33,550	(201,576)
Administrative/finance	277,183	277,183	298,808	21,625
Law enforcement	846,618	846,618	838,211	(8,407)
Public works	69,589	69,589	43,370	(26,219)
Courts	91,908	92,658	73,613	(19,045)
Planning	165,640	167,140	192,439	25,299
Facilities	28,800	28,800	85,570	56,770
Emergency management	1,500	1,500	-	(1,500)
Information & technology	83,284	96,284	79,057	(17,227)
Capital outlay	-	-	-	-
Debt service:				
Principal	18,938	15,575	15,575	-
Interest and fiscal charges	-	3,363	3,363	-
Total expenditures	<u>1,818,586</u>	<u>1,833,836</u>	<u>1,663,556</u>	<u>(170,280)</u>
Revenue over expenditures	<u>(212,672)</u>	<u>(310,422)</u>	<u>(151,557)</u>	<u>158,865</u>
Other financing sources (uses):				
Transfer in	-	-	59,292	59,292
Transfer out	(45,885)	(45,885)	(51,636)	(5,751)
Total other financing sources (uses)	<u>(45,885)</u>	<u>(45,885)</u>	<u>7,656</u>	<u>53,541</u>
Net change in fund balance	<u>\$ (258,557)</u>	<u>\$ (356,307)</u>	<u>(143,901)</u>	<u>\$ 212,406</u>
Fund balance at beginning of year			429,825	
Revisions to beginning balance			34,968	
Fund balance at beginning of year (restated)			<u>464,793</u>	
Fund balance at end of year			<u>\$ 320,892</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
Park Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 220,500	\$ 220,500	\$ 219,600	\$ (900)
Licenses and permits	4,900	4,900	20,186	15,286
Intergovernmental	-	13,000	13,041	41
Charges for services	10,000	10,000	19,556	9,556
Investment income	500	500	39	(461)
Other	8,850	9,850	1,242	(8,608)
Contributions	1,000	1,000	150	(850)
Total revenues	<u>245,750</u>	<u>259,750</u>	<u>273,814</u>	<u>14,064</u>
Expenditures:				
Parks	237,519	224,519	216,293	(8,226)
Capital outlay	230,316	189,000	175,000	(14,000)
Debt service:				
Principal	22,949	7,200	7,200	-
Interest and fiscal charges	-	10,750	5,331	(5,419)
Total expenditures	<u>490,784</u>	<u>431,469</u>	<u>403,824</u>	<u>(27,645)</u>
Revenue over expenditures	<u>(245,034)</u>	<u>(171,719)</u>	<u>(130,010)</u>	<u>41,709</u>
Other financing sources (uses):				
Transfer in		-	0	-
Transfer out	(7,000)	(7,000)	(16,785)	(9,785)
Total other financing sources (uses)	<u>(7,000)</u>	<u>(7,000)</u>	<u>(16,785)</u>	<u>(9,785)</u>
Net change in fund balance	<u>\$ (252,034)</u>	<u>\$ (178,719)</u>	<u>(146,795)</u>	<u>\$ 31,924</u>
Fund balance at beginning of year			174,082	
Revisions to beginning balance			<u>(9,640)</u>	
Fund balance at beginning of year (restated)			<u>164,442</u>	
Fund balance at end of year			<u>\$ 17,647</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
Road and Street Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 235,000	\$ 235,000	\$ 219,185	\$ (15,815)
Licenses and permits	600	600	-	(600)
Intergovernmental	85,000	85,000	85,875	875
Total revenues	<u>320,600</u>	<u>320,600</u>	<u>305,060</u>	<u>(15,540)</u>
Expenditures:				
Streets	237,719	237,719	175,067	(62,652)
Total expenditures	<u>237,719</u>	<u>237,719</u>	<u>175,067</u>	<u>(62,652)</u>
Revenue over expenditures	<u>82,881</u>	<u>82,881</u>	<u>129,993</u>	<u>47,112</u>
Other financing sources (uses):				
Transfer out	(66,000)	(66,000)	-	66,000
Total other financing sources (uses)	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>	<u>66,000</u>
Net change in fund balance	<u>\$ 16,881</u>	<u>\$ 16,881</u>	<u>129,993</u>	<u>\$ 113,112</u>
Fund balance at beginning of year			<u>195,533</u>	
Fund balance at end of year			<u>\$ 325,526</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
Gasoline Tax Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 161,900	\$ 231,900	\$ 292,522	\$ 60,622
Total revenues	161,900	231,900	292,522	60,622
Expenditures:				
Capital outlay	10,000	10,000	-	-
Streets	155,430	225,430	126,695	(98,735)
Total expenditures	165,430	235,430	126,695	(98,735)
Other financing sources (uses):				
Transfer out	-	-	(11,062)	(11,062)
Total other financing sources (uses)	-	-	(11,062)	(11,062)
Net change in fund balance	\$ (3,530)	\$ (3,530)	154,765	\$ 148,295
Fund balance at beginning of year			85,513	
Fund balance at end of year			\$ 240,278	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
LET Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Other	\$ 4,000	\$ 4,000	\$ 924	\$ (3,076)
Total revenues	4,000	4,000	924	(3,076)
Expenditures:				
Administrative/finance	4,000	4,000	924	(3,076)
Total expenditures	4,000	4,000	924	(3,076)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			405	
Fund balance at end of year			<u>\$ 405</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
Capital Improvement Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 216,001	\$ 216,001	\$ 219,183	\$ 3,182
Intergovernmental	160,000	160,000	69,298	\$ (90,702)
Investment income	500	500	-	(500)
Total revenues	<u>376,501</u>	<u>376,501</u>	<u>288,481</u>	<u>(88,020)</u>
Expenditures:				
Capital outlay	546,320	754,320	619,444	(134,876)
Streets	340,780	328,280	-	(328,280)
Debt service:				
Principal	66,000	65,000	65,825	825
Interest and fiscal charges	-	8,000	6,447	(1,553)
Total expenditures	<u>953,100</u>	<u>1,155,600</u>	<u>691,716</u>	<u>(463,884)</u>
Revenue over expenditures	<u>(576,599)</u>	<u>(779,099)</u>	<u>(403,235)</u>	<u>375,864</u>
Other financing sources (uses):				
Transfer in	254,625	254,625	99,600	(155,025)
Transfer out	(5,100)	(17,600)	(9,750)	7,850
Total other financing sources (uses)	<u>249,525</u>	<u>237,025</u>	<u>89,850</u>	<u>(147,175)</u>
Net change in fund balance	<u>\$ (327,074)</u>	<u>\$ (542,074)</u>	<u>(313,385)</u>	<u>\$ 228,689</u>
Fund balance at beginning of year			<u>786,315</u>	
Fund balance at end of year			<u>\$ 472,930</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
East Growth Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Licenses and permits	\$ 4,000	\$ 4,000	\$ 15,000	\$ 11,000
Investment income	-	-	34	34
Total revenues	4,000	4,000	15,034	11,034
Expenditures:				
Capital outlay	15,101	15,101	-	(15,101)
Total expenditures	15,101	15,101	-	(15,101)
Net change in fund balance	\$ (11,101)	\$ (11,101)	15,034	\$ (4,067)
Fund balance at beginning of year			13,105	
Fund balance at end of year			\$ 28,139	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
West Growth Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Licenses and permits	\$ 7,000	\$ 7,000	\$ 41,731	\$ 34,731
Investment income	-	-	47	47
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>41,778</u>	<u>34,778</u>
Expenditures:				
Capital outlay	21,000	21,000	-	(21,000)
Total expenditures	<u>21,000</u>	<u>21,000</u>	<u>-</u>	<u>(21,000)</u>
Net change in fund balance	<u>\$ (14,000)</u>	<u>\$ (14,000)</u>	41,778	<u>\$ 13,778</u>
Fund balance at beginning of year			<u>22,766</u>	
Fund balance at end of year			<u>\$ 64,544</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
2013 Bond Construction Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	5,758,160	5,758,160	800,000	(4,958,160)
Total revenues	<u>5,758,160</u>	<u>5,758,160</u>	<u>800,000</u>	<u>(4,958,160)</u>
Expenditures:				
Capital outlay	12,747,787	12,747,787	6,540,996	(6,206,791)
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>12,747,787</u>	<u>12,747,787</u>	<u>6,540,996</u>	<u>(6,206,791)</u>
Revenue over expenditures	<u>(6,989,627)</u>	<u>(6,989,627)</u>	<u>(5,740,996)</u>	<u>1,248,631</u>
Other financing sources (uses):				
Transfer out	-	-	(682,342)	(682,342)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(682,342)</u>	<u>(682,342)</u>
Net change in fund balance	<u>\$ (6,989,627)</u>	<u>\$ (6,989,627)</u>	<u>\$ (6,423,338)</u>	<u>\$ 566,289</u>
Fund balance at beginning of year			<u>7,079,579</u>	
Revisions to beginning balance			<u>366,072</u>	
Fund balance at beginning of year (restated)			<u>7,445,651</u>	
Fund balance at end of year			<u>\$ 1,022,313</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
Debt Service Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 523,401	\$ 523,401	\$ 551,280	\$ 27,879
Total revenues	<u>523,401</u>	<u>523,401</u>	<u>551,280</u>	<u>27,879</u>
Expenditures:				
Debt Service:				
Principal	37,000	37,000	55,000	18,000
Interest and fiscal charges	347,296	347,296	312,866	(34,430)
Total expenditures	<u>384,296</u>	<u>384,296</u>	<u>367,866</u>	<u>(16,430)</u>
Revenue over expenditures	<u>139,105</u>	<u>139,105</u>	<u>183,414</u>	<u>44,309</u>
Other financing sources (uses):				
Transfer out	(137,019)	(137,019)	(137,798)	(779)
Total other financing sources (uses)	<u>(137,019)</u>	<u>(137,019)</u>	<u>(137,798)</u>	<u>(779)</u>
Net change in fund balance	<u>\$ 2,086</u>	<u>\$ 2,086</u>	<u>\$ 45,616</u>	<u>\$ 43,530</u>
Fund balance at beginning of year			<u>251,920</u>	
Fund balance at end of year			<u>\$ 297,536</u>	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Budget and Actual - Modified Cash Basis
2012 COP Debt Service Fund
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 205	\$ 205
Total revenues	-	-	205	205
Expenditures:				
Debt Service:				
Principal	55,000	55,000	13,500	(41,500)
Interest and fiscal charges	89,748	89,748	17,516	(72,232)
Total expenditures	144,748	144,748	31,016	(113,732)
Revenue over expenditures	(144,748)	(144,748)	(30,811)	113,937
Other financing sources (uses):				
Transfer in	144,078	144,078	30,928	(113,150)
Total other financing sources (uses)	144,078	144,078	30,928	(113,150)
Net change in fund balance	\$ (670)	\$ (670)	\$ 117	\$ 787
Fund balance at beginning of year			54,811	
Fund balance at end of year			\$ 54,928	

City of Peculiar, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Modified Cash Basis
Building Funds
For the Year Ended September 30, 2016

	<u>Administrative</u>	<u>Public Works</u>
Revenues:		
Other	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
Expenditures:		
Supplies	5,865	295
Maintenance	16,862	4,923
Utilities	12,054	6,728
Insurance	-	-
Capital outlay	-	-
Total expenditures	<u>34,781</u>	<u>11,946</u>
Revenue over expenditures	<u>(34,781)</u>	<u>(11,946)</u>
Other financing sources (uses):		
Transfer in	47,346	11,946
Total other financing sources (uses)	<u>47,346</u>	<u>11,946</u>
Net change in fund balance	<u>12,565</u>	<u>-</u>
Fund balance at beginning of year	1	104
Revisions to beginning balance	(34,968)	-
Fund balance at beginning of year (restated)	<u>(34,967)</u>	<u>104</u>
Fund balance at end of year	<u>\$ 12,566</u>	<u>\$ 104</u>



**DANA F. COLE
& COMPANY_{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor
and Board of Aldermen
City of Peculiar, Missouri

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peculiar, Missouri, as of and for the year ended September 30, 2016, which collectively comprise the City of Peculiar, Missouri's basic financial statements and issued our report thereon dated January 31, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report disclosed that the City prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

Management of the City of Peculiar, Missouri, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the City of Peculiar, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Peculiar, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Peculiar, Missouri's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material

misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Management's Responsibility for Compliance

Compliance with certain provisions and laws, regulations, contracts, and grant agreements related to the City is the responsibility of the City's management.

Auditors' Responsibility

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana F Cole + Company, LLP

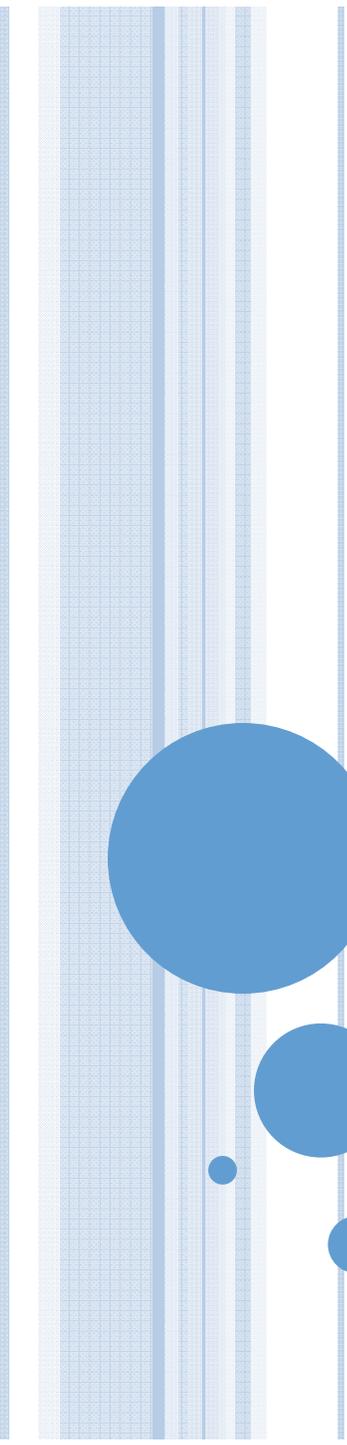
Overland Park, Kansas
January 31, 2017

CITY OF PECULIAR, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2016

None reported.

CITY OF PECULIAR, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
SEPTEMBER 30, 2016

None reported.



CITY OF PECULIAR, MISSOURI

**Audit Presentation For the Year Ended
September 30, 2016**



CITY OF PECULIAR, MISSOURI

- An unmodified opinion on the financial statements
 - Best available opinion as a result of an audit.
 - Means that in our opinion, the financial statements were presented fairly in all material respects in accordance with the modified-cash basis of accounting.
- We encountered no difficulties in dealing with management in performing and completing our audit.
- We noted no unauthorized transactions.
- Interfund transactions and balances reconcile out.



CITY OF PECULIAR, MISSOURI

- The Statement of Net Position on page 3 reports the City-Wide financial position.
- Net Position increased in the Governmental Activities by \$142,966 (after restatement)
- Net Position increased in the Business-Type Activities by \$1,061,704
- This increase in both the Governmental and Business-Type activities is primarily a result of capital assets added within the fiscal year. It is also a result of how the City budgeted for revenues and expenses within the current year.



CITY OF PECULIAR, MISSOURI

- The Statement of Activities, which begins on page 4, reports the different activities of the City. This schedule presents the expenses for each activity and the directly related revenues.
- Program revenues are those revenues directly associated with the expenses of those activities. Other revenues not specific to an activity type are presented as General Revenues. Tax Revenues, Investment income and other certain revenues are required to be presented as general revenues even though they are collected for specific activities.
- Revenues described as general revenues are presented to complete the reconciliation of the increase in net positions.



CITY OF PECULIAR, MISSOURI

GOVERNMENTAL FUND BALANCES (SUMMARY)

	<u>2016</u>	<u>2015</u>	<u>Change</u>
General	318,892	464,793	(145,901)
Capital Improvement	472,930	786,315	(313,385)
2013 Bonds Construction	1,022,313	7,445,651	(6,423,338)
Other	<u>1,029,003</u>	<u>788,495</u>	<u>240,508</u>
Total Governmental Funds	2,843,138	9,485,254	(6,642,116)

Fund Balances in the Governmental Funds include all cash, investments, and other current resources available to pay for expenditures. A reconciliation is provided on pages 6 for the differences between the statement of net position and the governmental funds Statement of Assets, Liabilities, and Changes in Fund Balances.

CITY OF PECULIAR, MISSOURI

PROPRIETARY FUND BALANCES (SUMMARY)

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Water	1,143,956	465,668	678,288
Sewer	2,601,150	2,217,401	383,749
Trash	<u>284,812</u>	<u>285,145</u>	<u>(333)</u>
Total Proprietary Funds	4,029,918	2,968,214	1,061,704

Fund Balances for the Proprietary Funds include all assets and liabilities on the modified cash basis which is the same as the Statement of Net Position.



CITY OF PECULIAR, MISSOURI

GOVERNMENTAL FUND REVENUES & EXPENSES (SUMMARY)

	2016	2015	Change
Support and Revenue			
Taxes	2,345,597	1,926,229	419,368
Franchise Fees	340,236	378,182	(37,946)
Intergovernmental	1,009,782	95,274	914,508
Other	<u>373,482</u>	<u>1,107,956</u>	<u>(734,474)</u>
Total Revenues	4,079,097	3,507,641	561,456
Expenses			
Current	2,163,582	2,134,105	29,277
Debt Service	502,623	335,036	167,587
Capital Outlay	<u>7,335,455</u>	<u>884,915</u>	<u>6,450,540</u>
Total Expenses	10,001,660	3,354,056	6,647,404

CITY OF PECULIAR, MISSOURI

- The prior schedules have factored in restatements of Prior Year Balances to correct errors in the prior year financial statements
 - The 2016 audit restated beginning Net Position to 11.8 million for governmental activities.
 - Total restatement of \$391,400 from the prior year balance
 - Details within Note 16 of the audit report.



CITY OF PECULIAR, MISSOURI

- The details of the City's Capital Assets can be found in Note 4 of the audit report.
- The details of the City's Long Term Debt can be found in Note 5 of the audit report.
- The Combining Schedules for Non-major Governmental Funds can be found on page 47.
- The Schedules of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – Budget to Actual – for major governmental funds can be found on pages 48 to 59 of the audit package.

CITY OF PECULIAR, MISSOURI

- We made various recommendations and management approved our proposed adjusting journal entries. These have been provided to the City for posting to the City's records.



CITY OF PECULIAR, MISSOURI

We would like to thank all of the City staff and Ben Hart for their assistance during the audit process. Their help was greatly appreciated.

We look forward to working with everyone again as a part of the 2017 audit

Any questions?

Thank you for your time.



RESOLUTION 2017-03

A RESOLUTION OF THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR, MISSOURI TO RECEIVE AND ACCEPT THE AUDIT FOR FISCAL YEAR 2015-2016, WHICH ENDED SEPTEMBER 30, 2016.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR, MISSOURI AS FOLLOWS:

Section 1. RESOLVED, that the City of Peculiar is required to have an annual audit completed at the end of each fiscal year; and

Section 2. RESOLVED, that the Board of Aldermen retained the services of Dana F. Cole & Co., to prepare the audit for Fiscal Year 2015-2016 for the City of Peculiar; and

Section 3. RESOLVED, that the Board of Aldermen have reviewed the audit and found it in compliance with regulatory requirements and that it accurately reflects the City's fiscal performance for the FY 2015-2016.

Section 4. RESOLVED, the effective date of this Resolution shall be the ___ day of February, 2017.

Upon a roll call, said Resolution was adopted by the following vote:

Alderman Ford	_____	Alderman Ray	_____
Alderman Hammack	_____	Alderman Roberts	_____
Alderman Harlan	_____	Alderman Dunsworth	_____

APPROVED:

ATTEST:

Holly Stark, Mayor

Nick Jacobs, Acting City Clerk

City Administrator
Brad Ratliff

City Clerk
Vacant

City Engineer
Carl Brooks

Business Office
Trudy Prickett



Chief of Police
Harry Gurin

City Planner
Cliff McDonald

City Attorney
Joe Lauber

Parks Director
Grant Purkey

Municipal Offices – 250 S. Main Street, Peculiar, MO 64078
Phone: (816)779-5212 Facsimile: (816)779-1004

To: Mayor & Board of Aldermen
From: Carl Brooks, City Engineer (cbrooks@cityofpeculiar.com)
Date: February 14, 2017
Re: Ordinance No. 2017-xx, Mayor & Board of Alderman (BOA) to approve Ordinance No. 2017-xx, directing City staff to acquire necessary right-of-way permanent easements to permit the engineering, construction, and completion of the School Road Phase 3 Improvement Project.

GENERAL INFORMATION

Applicant: City Staff
Requested Actions: Acceptance of Ordinance
Purpose: Acceptance of the request to direct City staff to acquire necessary right-of-way permanent easements to permit the engineering, construction, and completion of the School Road/207th/208th Street Improvement Project.
Property Location: Along School Road from 203rd Street to Peculiar Way approximately (1) one mile in length, including 205th, 207th and 208th Streets.

PROPOSAL

In March 2014 (via Intergovernmental Agreement dated March 20, 2014), the Peculiar Board of Aldermen approved the Intergovernmental Agreement of the acceptance of an agreement for the engineering improvements for design, survey, advertise, award, bid and construction phase services for the School Road Phase 3 Improvement Project. To date, the City Engineer has been engaging in good-faith negotiations with the affected property owners in order to obtain the right-of-way permanent easements necessary for the completion of this project. However, these negotiations have not resulted in the City's acquisition of all necessary easements. Therefore, City staff is currently undertaking the necessary prerequisites to enable the City's entry into formal condemnation proceedings to acquire these right-of-way permanent easements. The passage of legislation by this body is another in this process.

PREVIOUS ACTIONS

City staff prepared and submitted to the Mid-America Regional Council (MARC) Surface Transportation Program (STP) grant for the School Road Phase 3 from 203rd Street to Peculiar Way Project, and with the award of the STP grant application of the School Road Phase 3 from 203rd Street to Peculiar Way Project by MARC Board of Director's in an amount of \$850,000 to be shared equally between the City and the County

In addition, the Mayor and BOA approved the Fiscal Year (FY) 2016-2017 CIP budget part of which included the funding the School Road Phase 3 from 203rd Street to Peculiar Way Project by resolution this past September 2016.

The award of the STP grant application of the School Road Phase 3 from 203rd Street to Peculiar Way Project by MARC Board of Director's in an amount of \$850,000 to be shared equally between the City and the County

The City and MoDOT have entered into a MoDOT STP-Urban Agreement for the School Road Phase 3 from 203rd Street to Peculiar Way Project (Cass County), Missouri. The purpose of the agreement is for MoDOT to grant the use of STP funds to the City of Peculiar.

Please note the following changes to our agreement between the City and the County.

- 1) That the City of Peculiar is responsible for all aspects of the construction of the improvement.
- 2) That the City of Peculiar is responsible for all right-of-way in the City and the County.
- 3) That the schedule is flexible and the intent is to start construction on May 15th, and be complete by August 22nd.

The Mayor and BOA have issued a total of \$9.0M in general revenue bonds (the last issue was in April 2015) for the construction of the I-49 & Peculiar Way Interchange; and with ten (10) percent of the bonds established for use on local roads.

County staff has engaged Cook, Flat & Strobel Engineers to design and provide construction phase services of approximately three (3) miles of the School Road street improvements from Hubach Hill Road to Peculiar Way.

KEY ISSUES

The City engineer will continue to negotiate with the affected property owners in order to obtain the necessary right-of-way easements. To date, City staff has acquired seven (7) of the 10 property ROW easements.

The completion of the third and final phase of the School Road Improvements is one of the upmost importances for the County, City and the Ray-Pec School District.

The School Road Phase 3 from 203rd Street to Peculiar Way Project has a total estimated City project/budgeted cost of \$971,000.

City attorney has reviewed the attached ordinance.

STAFF COMMENTS AND SUGGESTIONS

City staff agrees with the recommendations included in the attached ordinance.

STAFF RECOMMENDATION

City staff recommends the approval of the attached ordinance.

ATTACHMENTS

- Ordinance 2017-xx
- Exhibit A

BILL NO. 2017-05
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PECULIAR, MISSOURI DIRECTING CITY STAFF TO ACQUIRE NECESSARY RIGHT OF WAY PERMANENT EASEMENTS TO PERMIT THE ENGINEERING, CONSTRUCTION, AND COMPLETION OF THE SCHOOL ROAD PHASE 3 IMPROVEMENT PROJECT FROM 203RD STREET TO PECULIAR WAY

WHEREAS, pursuant to Rev. Stat. Mo. §§ 79.380 and 88.667, the City is empowered with the authority to condemn property within the city limits (and ten miles therefrom) for certain public uses, including but not limited to the public use of street improvements;

WHEREAS, the School Road Phase 3 Improvement Project from 203rd Street to Peculiar Way including the partial cross and intersecting streets of 205th, 207th and 208th Streets will benefit the majority of the Peculiar population by ensuring the structural validity of Peculiar's transportation system and the continuing development of necessary public infrastructure;

WHEREAS, on March 20, 2014, this Board considered and approved an Intergovernmental Agreement with Cass County initiating the School Road Phase 3 Improvement Project;

WHEREAS, to this end, City Staff has attempted to negotiate with the landowners affected by the project (as depicted in Exhibit A) in order to provide said landowners just compensation for the City's acquisition of the right-of-way permanent easements necessary to complete the School Road Phase 3 Improvement project;

WHEREAS, the good-faith negotiations with these landowners have not resulted in the City's acquisition of all necessary right-of-way permanent easements; and

WHEREAS, it is necessary that City Staff continue to engage in good-faith negotiations and/or initiate the formal condemnation process in order to acquire the remaining right-of-way permanent easements, which are integral for the completion of the School Road Phase 3 Improvement Project from 203rd Street to Peculiar Way.

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR:

Section 1. The Board of Aldermen finds that it is necessary to acquire the necessary right-of-way permanent easements from the affected property owners in order to complete the School Road Phase 3 Improvement Project, a public use under Missouri law.

Section 2. The Board hereby directs City Staff to acquire by eminent domain and condemnation or good-faith negotiations all necessary right-of-way permanent easements for the School Road Phase 3 Improvement Project.

Section 3. The costs of the acquisition of such right-of-way permanent easements, by condemnation or through good-faith negotiations, shall be paid from funds as provided by law.

Read the first time by title only and approved by the Board of Aldermen of the City of Peculiar, Missouri this __th day of _____, 2017.

Read the second time by title only and approved by the Board of Aldermen of the City of Peculiar, Missouri this __th day of _____, 2017.

BE IT REMEMBERED THE PRECEDING ORDINANCE WAS ADOPTED ON ITS SECOND READING THIS _____ DAY OF _____, 2017, BY THE FOLLOWING VOTE:

Alderman Hammack _____
Alderman Ford _____
Alderman Dunsworth _____

Alderman Ray _____
Alderman Roberts _____
Alderman Harlan _____

APPROVED:

ATTEST:

Holly Stark, Mayor

Nick Jacobs, Acting City Clerk

Exhibit A

Mishler Properties, LLC	E. 207th Street	Peculiar, Missouri 64078
Mishler Properties, LLC	E. 208th Street	Peculiar, Missouri 64078
Mishler Properties, LLC	E. 209th Street	Peculiar, Missouri 64078

City Administrator
Brad Ratliff

City Clerk
Vacant

City Engineer
Carl Brooks

Business Office
Trudy Prickett



Chief of Police
Harry Gurin

City Planner
Cliff McDonald

City Attorney
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Parks Director
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Municipal Offices – 250 S. Main Street, Peculiar, MO 64078
Phone: (816)779-5212 Facsimile: (816)779-1004

To: Mayor & Board of Aldermen
From: Carl Brooks, City Engineer (cbrooks@cityofpeculiar.com)
Date: February 14, 2017
Re: Ordinance No. 2017-xx, Mayor & Board of Alderman (BOA) to approve Ordinance No. 2017-xx, directing City staff to acquire necessary temporary and permanent easements to permit the engineering, construction, and completion of the 12-Inch Water Transmission Main from Raymore to Peculiar along J Hwy and 211th Street.

GENERAL INFORMATION

Applicant: City Staff
Requested Actions: Acceptance of Ordinance
Purpose: Acceptance of the request to direct City staff to acquire necessary temporary and permanent easements to permit the engineering, construction, and completion of the 12-Inch Water Transmission Main along Route J and 211th Street.
Property Location: Along five (5) miles of Route J from the Raymore elevated storage tank to Peculiar Way and School Road; and Route J and Branic Drive in accordance with the 2014 Engineering Report and Alignment Study.

PROPOSAL

In July 2014 (via Resolution 2014-40), the Peculiar Board of Aldermen approved the initiation of the acceptance of an agreement for the engineering improvements for design, survey, advertise, award, bid and construction phase services for the transmission main along J Hwy. To date, the City Engineer has been engaging in good-faith negotiations with the affected property owners in order to obtain the temporary and permanent water main easements necessary for the completion of this project. However, these negotiations have not resulted in the City's acquisition of all necessary easements. Therefore, City staff is currently undertaking the necessary prerequisites to enable the City's entry into formal condemnation proceedings to acquire these temporary and permanent easements. The passage of legislation by this body is

another in this process.

PREVIOUS ACTIONS

The Mayor and BOA issued more than \$1.0M in water revenue bonds in the fall of 2013 for water capital improvement projects, namely the re-painting of the 500,000 gallon ground water storage tank; the 12-inch water main improvements along Peculiar Drive and Main Street from Hurley to North Street; and the preliminary engineering, survey, appraisal of easements and acquisition of easements for the 12-inch water transmission main along Route J and 211th Street.

The City has compiled a list of eleven (11) project improvements identified in the Engineering Report prepared by Larkin and approved by MDNR. These improvements have been identified and further explained in the report. However, the above project listed is of the utmost importance and believed to be of the highest urgency as identified in the report.

City Staff has engaged Larkin Lamp Rynearson engineers to design and provide construction phase services of approximately five (5) miles of a transmission main line running parallel to Route J and 211th Street to connect to the KCMO water supply at Raymore's elevated storage tank.

Kansas City, Mo Water Services Department has a 24-inch diameter transmission main that extends south of the intersection of J HWY and Hubach Hill Road to the Raymore elevated storage tank.

The water distribution system shall be connected to the 24-inch diameter transmission main from two locations:

1. At a point on Highway J, just east of I-49 to an existing water main at Branic Road.
2. The second connection point would connect to the existing 12-inch water main that has been constructed as part of the I-49 & Peculiar Way interchange.

The design, survey, advertise, award, bid and construction phase services for the transmission main hydraulic improvements as listed in the 2014 Engineering Report is not to exceed 378,344.50.

KEY ISSUES

The City engineer will continue to negotiate with the affected property owners in order to obtain the necessary temporary and permanent easements. To date, City staff has acquired six (6) of the 64 property easements.

The installation of the 12-inch water main along J Hwy to Peculiar as an alternative water supply from its current supplier is one of the utmost importance for the future of Peculiar's growth.

The 12-inch transmission main has a total estimated project/budgeted cost of \$4.4M; and is identified as the highest priority project to start design in the 2014 Engineering Report.

City attorney has reviewed the attached ordinance.

STAFF COMMENTS AND SUGGESTIONS

City staff agrees with the recommendations included in the attached ordinance.

STAFF RECOMMENDATION

City staff recommends the approval of the attached ordinance.

ATTACHMENTS

- Ordinance 2017-xx
- Exhibit A

BILL NO. 2017-06
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PECULIAR, MISSOURI DIRECTING CITY STAFF TO ACQUIRE NECESSARY TEMPORARY AND PERMANENT EASEMENTS TO PERMIT THE ENGINEERING, CONSTRUCTION, AND COMPLETION OF THE 12-INCH WATER TRANSMISSION MAIN FROM RAYMORE TO PECULIAR PROJECT

WHEREAS, pursuant to Rev. Stat. Mo. §§ 79.380 and 88.667, the City is empowered with the authority to condemn property within the city limits (and ten miles therefrom) for certain public uses, including but not limited to the public use of water transmission main and distribution main improvements;

WHEREAS, the 12-Inch Water Transmission Main from Raymore to Peculiar Improvement Project will benefit the majority of the Peculiar population by ensuring the structural validity of Peculiar's water transmission and distribution system and the continuing development of necessary public infrastructure;

WHEREAS, on July 22, 2014, this Board considered and approved a resolution (2014-40) initiating the 12-Inch Water Transmission Main from Raymore to Peculiar Improvement Project;

WHEREAS, to this end, City Staff has attempted to negotiate with the landowners affected by the project (as depicted in Exhibit A) in order to provide said landowners just compensation for the City's acquisition of the temporary and permanent easements necessary to complete the 12-Inch Water Transmission Main project;

WHEREAS, the good-faith negotiations with these landowners have not resulted in the City's acquisition of all necessary temporary and/or permanent easements; and

WHEREAS, it is necessary that City Staff continue to engage in good-faith negotiations and/or initiate the formal condemnation process in order to acquire the remaining easements, which are integral for the completion of the 12-Inch Water Transmission Main from Raymore to Peculiar Improvement Project.

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR:

Section 1. The Board of Aldermen finds that it is necessary to acquire temporary and permanent easements from the affected property owners in order to complete the 12-Inch Water Transmission Main from Raymore to Peculiar Improvement Project, a public use under Missouri law.

Section 2. The Board hereby directs City Staff to acquire by eminent domain and condemnation or good-faith negotiations all necessary temporary and/or permanent easements for the 12-Inch Water Transmission Main from Raymore to Peculiar Improvement Project.

Section 3. The costs of the acquisition of such easements, by condemnation or through good-faith negotiations, shall be paid from funds as provided by law.

Read the first time by title only and approved by the Board of Aldermen of the City of Peculiar, Missouri this __th day of _____, 2017.

Read the second time by title only and approved by the Board of Aldermen of the City of Peculiar, Missouri this __th day of _____, 2017.

BE IT REMEMBERED THE PRECEDING ORDINANCE WAS ADOPTED ON ITS SECOND READING THIS ____ DAY OF _____, 2017, BY THE FOLLOWING VOTE:

Alderman Hammack _____
Alderman Ford _____
Alderman Dunsworth _____

Alderman Ray _____
Alderman Roberts _____
Alderman Harlan _____

APPROVED:

ATTEST:

Holly Stark, Mayor

Nick Jacobs, Acting City Clerk

Exhibit A

PAXTON, SHAWN G.	PAXTON	21111 S. STATE ROUTE J	Pecu
JONES, JANICE E. & GILBERT F. JR	JONES	991 STATE ROUTE J	Pecu
HART, JAMES E. & VICTORIA I.	HART	971 STATE ROUTE J	Pecu
MORRIS, CHARLES CYRUS	MORRIS	959 STATE ROUTE J	Pecu
PRALLE, GLENN G. & FRANCES E.	PRALLE	937 STATE ROUTE J	Pecu
ROEBUCK, GARY D. & JUANITA M.	ROEBUCK	931 STATE ROUTE J	Pecu
WARD, MICHAEL E. & PATTY S.	WARD	919 STATE ROUTE J	Pecu
HAROLD DON HEGWER & SANDRA LEE SCHOOLING TRUST	SCHOOLING-HEGWER	907 STATE ROUTE J	Pecu
SCHROEDER, DIANA M.	SCHROEDER	895 STATE ROUTE J	Pecu
MITCHELL, BRANDON	MITCHELL	865 STATE ROUTE J	Pecu
PRUITT, GERALD D. & JUDITH P.	PRUITT	841 STATE ROUTE J	Pecu
PENDLETON, TAMMY A.	PENDLETON	847 STATE ROUTE J	Pecu

MORRISON, CHARLES F. & SARAH JANE	MORRISON	811 STATE ROUTE J	Pecu
DODGE, NORA L. & BILLY L.	DODGE	101 CINDY LN.	Pecu
HOWARD-CROTTY, JEFFREY L. & REBECCA J.	HOWARD-CROTTY	787 STATE ROUTE J	Pecu
CROTTY, JEFFREY L.	CROTTY	STATE ROUTE J	Pecu
FRIEDRICH RENTALS LL	FRIEDRICH	775 STATE ROUTE J	Pecu
DEVENNEY, ERIC W. & VIRGINIA C.	DEVENNEY	763 STATE ROUTE J	Pecu
BOURLAND, GERALD W. & CONSTANCE M.	BOURLAND	751 STATE ROUTE J	Pecu
BOURLAND, GERALD W. & CONSTANCE M.	BOURLAND	STATE ROUTE J	Pecu
BUMGARNER, JEFF & BEVERLY	BUMGARNER	739 STATE ROUTE J	Pecu
KELLY, VENITA J.	KELLY	721 J HIGHWAY AND 725	Pecu
SANDERS, JAMES MICHAEL & JOYCE A.	SANDERS	717 STATE ROUTE J	Pecu
SA HOLDINGS INC	SA	TWIN OAKS PKY	Pecu
ALBRIGHT, MISTY R.	ALBRIGHT	13011 E. 211TH ST.	Pecu

WHEELER, SCOTT W. & TERRI	WHEELER	13003 E 211TH ST.	Pecu
CANTRELL, DANIEL B. & KIMBERLY	CANTRELL	12909 EAST 211TH ST.	Pecu
WILD, WILLIAM TY & JEANNE M.	WILD	12905 E. 211TH ST.	Pecu
VASSAR, TRACY D. & KRISTINA A.	VASSAR	997 KENDALL RD.	Pecu
ARREOLA, ABELARDO	ARREOLA	12711 E 211TH ST	Pecu
SAAVEDRA, JOHN ANTHONY & ROBIN R.	SAAVEDRA	996 SICKLEBAR DR.	Pecu
DIANNE L. MCCALE-CLARK & ROBERT D. CLARK JR	CLARK	997 SICKLEBAR DR.	Pecu
VISION Construction PROPERTIES, LLC	VISION	E. 211TH ST.	Pecu
HORTON, BARRY D. US Bank NA	HORTON US Bank	12305 E. 211TH ST.	Pecu
MITCHELL, NELSON L. & DEBORAH D.	MITCHELL	12301 E. 211TH ST.	Pecu

MONTGOMERY, SHAUN R. & ANDREA R.	MONTGOMERY	12205 E. 211TH ST.	Pecu
SLATER, DUSTIN	SLATER	12107 E. 211th ST.	Pecu
RAGAN, RALPH & NANCY	RAGAN	12101 E. 211TH ST.	Pecu
SHERWOOD, STEPHEN A. & ARDITH D.	SHERWOOD	12003 E. 211TH ST.	Pecu
Andrew Stacy	Stacy	11901 E. 211TH ST.	Pecu
MAY, CHARLES H., III & Nancy	MAY	E. 211th Street	Pecu
Carl & Paula Rough	Rough	12601 E. 211th Street	Pecu
LAFFOON, LYNN S., Revocable Trust	Lafoon	20903 S. STATE ROUTE J	Pecu
LAFFOON, DONALD G. & LYNN S.	Lafoon	20901 S. STATE ROUTE J	Pecu
GLIDEWELL, MICHAEL T. & GAYLE L.	GLIDEWELL	20809 S. STATE ROUTE J	Pecu

SCHEAR, HIRAM H. & VICTORIA C. , TRUSTEE	SCHEAR	20619 S. STATE ROUTE J	Pecu
HAUPTMANN, JEFFRY B. & CARRIE L.	HAUPTMANN	13208 E. 203RD ST.	Pecu
SARTIN, CHAD R. & STACY N.	SARTIN	20117 S. STATE ROUTE J	Pecu
TRUE, GLEN R. & F. SHARON	TRUE	19925 S. STATE ROUTE J	Pecu
CALLAHAN, PHYLLIS E.	CALLHAN	13205 EAST 198TH ST.	Pecu
DIME THREE, LLC	DIME	13206 E. 198TH ST.	Pecu
PETERSEN, HANS J. & ROSELLA & JOHN DAVID & DONNA JO	PETERSEN	19615 S. STATE ROUTE J	Pecu
B&M DEAN FAMILY FARM, LP & LLC	B&M DEAN	E. HUBACH HILL RD.	Pecu
Houchen, Herbert F.	Houchen	20910 S. Peculiar Drive	Pecu