

Agenda

Basehor City Council Work Session

May 5, 2014 7:00 p.m.
Basehor City Hall



1. Mize Houser & Company Audit Review
2. Annual City Official Appointments
3. City Attorney Appointment (contract amendment)
4. Health, Vision & Dental Insurance Review for renewal
5. 2015 Operating Budget Preparation Calendar
6. Planning Commission Opening

Per K.S.A. 75-438 the City Council Meeting agenda is available for review at Basehor City Hall, 2620 North 155th

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 1

Topic: Fiscal Year 2013 Independent Audit

Action Requested: Approve the FY 2013 External Independent Audit

Narrative: K.S.A. 75-1122 Requirements for Annual Audits of Municipalities

Presented by: Lloyd Martley, Chief of Police/City Administrator

Administration Recommendation: Approve the FY 2013 Independent Audit

Committee Recommendation: N/A

Attachments: 2013 External Independent Audit, Staff memo

Projector needed for this item?

No



The City of Basehor

MEMO

Date: May 5, 2014

To: Mayor and City Council

From: Lloyd Martley, Chief of Police/City Administrator

Ref: Fiscal Year 2013 External Independent Audit

K.S.A. 75-1122 requires municipalities to have annual audits by licensed municipal public accountants or certified public accountants if the municipality has annual gross receipts over \$275,000 or has bonds outstanding of over \$275,000. The City of Basehor meets both of these criteria. The City has engaged Mize, Houser & Company, P.A. to perform our independent external audit.

An opinion is said to be unqualified when the auditor concludes that the financial statements give a true and fair representation in accordance with the financial reporting framework used for the preparation and presentation of the financial statements. An auditor gives an unqualified or clean opinion when they do not have any significant reservations in respect to matters contained in the financial statements. This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which means the City's financial condition, position, and operations are fairly presented in the financial statements.

An unqualified audit is the best type of report a municipality is able to receive from an external auditor.

An unqualified opinion indicates the following:

1. The financial statements have been prepared using GAAP which have been consistently applied;
2. The financial statements comply with relevant statutory requirements and regulations;
3. There is adequate disclosure of all material matters relevant to the proper presentation of the financial information subject to statutory requirement, where applicable;
4. Any changes in the accounting principles or in the method of their application and the effects thereof have been properly determined and disclosed in the financial statements.



MIZE HOUSER
COMPANY P.A.

AUDITOR'S COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

Mayor and City Council
City of Basehor, Kansas

We have audited the financial statements of the City of Basehor, Kansas for the year ended December 31, 2013, and have issued our report thereon dated April 21, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated, October 23, 2013, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and to express an opinion about whether the financial statements are fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report as whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will communicate our significant findings at the conclusion of the audit.

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on February 21, 2014.

Significant Accounting Policies

Qualitative Aspects of Accounting Practices

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 21, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Basehor, Kansas's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting policies used by the City as described in Note 1 to the financial statements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the mayor, city council and management of the City of Basehor, Kansas, and is not intended to be and should not be used by anyone other than these specified parties.

Mig Houser : Company PA

Certified Public Accountants

Lawrence, Kansas
April 21, 2014

CITY OF BASEHOR, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2013

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CITY OF BASEHOR, KANSAS
Financial Statements
Year ending December 31, 2013

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CITY OF BASEHOR, KANSAS

Financial Statements
Year ending December 31, 2013

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MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mayor and City Council
City of Basehor, Kansas

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 Basehor, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Accounting and Audit Guide." These 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Basehor, Kansas, as of December 31, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the schedule of funding progress on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mize Houser & Company PA

Certified Public Accountants
Lawrence, Kansas

April 21, 2014

CITY OF BASEHOR, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2013 Unaudited

Our discussion and analysis of the City of Basehor, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2013.

Financial Highlights

- The Government-wide net position totaled \$18.3 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$6.5 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2013 totaled \$29.4 million.
- During the year ended December 31, 2013, the City's total revenues (which include charges for services, local taxes, and state and federal aid) exceeded total expenses by \$2.2 million.
- The City's total indebtedness decreased by \$1.1 million.
- The City's net capital assets increased \$.9 million in the current fiscal year.

Using This Financial Report

This annual report consists of two distinct series of financial statements: government-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds.

Reporting on the City as a Whole (Government Wide)

Statement of Net Position and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in those net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013
Unaudited

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, public works, and culture and recreation.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's sewer utility and the solid waste utility are reported as business-type activities.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal yearend available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds - Proprietary funds (Solid Waste Utility and Sewer Utility) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013
Unaudited

The City as a Whole

Government-Wide Position

The Statement of Net Position provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Position as of December 31, 2013:

City of Basehor
Condensed Statement of Net Position
December 31, 2013 and 2012

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current assets	\$ 6,727,807	\$ 6,761,551	\$ 1,249,560	\$ 999,104	\$ 7,977,367	\$ 7,760,655
Non current assets	<u>12,113,063</u>	<u>10,473,260</u>	<u>17,279,312</u>	<u>18,070,308</u>	<u>29,392,375</u>	<u>28,543,568</u>
 Total assets	 <u>\$ 18,840,870</u>	 <u>\$ 17,234,811</u>	 <u>\$ 18,528,872</u>	 <u>\$ 19,069,412</u>	 <u>\$ 37,369,742</u>	 <u>\$ 36,304,223</u>
 Current liabilities	 \$ 870,159	 \$ 2,064,516	 \$ 638,515	 \$ 875,639	 \$ 1,508,674	 \$ 2,940,155
Noncurrent liabilities	<u>8,977,135</u>	<u>7,629,461</u>	<u>8,615,240</u>	<u>9,658,113</u>	<u>17,592,375</u>	<u>17,287,574</u>
 Total liabilities	 <u>\$ 9,847,294</u>	 <u>\$ 9,693,977</u>	 <u>\$ 9,253,755</u>	 <u>\$ 10,533,752</u>	 <u>\$ 19,101,049</u>	 <u>\$ 20,227,729</u>
 Net Position:						
Invested in capital assets, net of debt	\$ 3,919,579	\$ 2,474,893	\$ 8,147,326	\$ 7,689,150	\$ 12,066,905	\$ 10,164,043
Restricted for:						
Debt Service	586,415	659,198	-	-	586,415	659,198
Unrestricted	<u>4,487,582</u>	<u>4,406,743</u>	<u>1,127,791</u>	<u>846,510</u>	<u>5,615,373</u>	<u>5,253,253</u>
 Total net position	 <u>\$ 8,993,576</u>	 <u>\$ 7,540,834</u>	 <u>\$ 9,275,117</u>	 <u>\$ 8,535,660</u>	 <u>\$ 18,268,693</u>	 <u>\$ 16,076,494</u>

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City. These assets include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, and current portion of long-term obligations. Current assets exceed current liabilities by \$6.5 million, representing the City's ability to meet current obligations when due.

The City has \$17.3 million in long-term debt, consisting of general obligation bonds, loans, and capital leases payable, of which \$1.2 million is due within the next fiscal year.

The City had total assets at December 31, 2013, totaling \$37.4 million. The total assets of the City exceeded the total liabilities by \$18.3 million. Net position invested in capital assets, net of related debt, totaled \$12.1 million, restricted net position totaled \$.6 million and unrestricted net position totaled \$5.6 million.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013
Unaudited

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2013. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net position of the City by \$2.2 million for the year ended December 31, 2013. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of bonds, temporary notes, and leases in the current fiscal year of \$3.4 million which are treated as an expenditure in the fund statements and a reduction of long term debt payable in the Government wide financial statements. Also, issuance of bonds are recorded as revenue in the fund statements in the amount of \$3.5 million, however this amount is recorded as an addition to long term debt payable in the Government wide financial statements. In addition, the capital outlays of \$2.6 million are treated as expenditures in the fund statements, but are treated as capital assets in the Government wide financial statements.

City of Basehor
Condensed Statement of Changes in Net Position
For the Years Ending December 31, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 370,742	\$ 302,275	\$ 1,771,838	\$ 1,503,236	\$ 2,142,580	\$ 1,805,511
Operating grants	1,731,445	14,278	92,918	90,268	1,824,363	104,546
General revenues:						
Taxes	3,427,357	3,477,067	-	-	3,427,357	3,477,067
Transfers [net]	122,513	107,256	[122,513]	[107,256]	-	-
Other	<u>50,396</u>	<u>58,079</u>	<u>633,241</u>	<u>121,387</u>	<u>683,637</u>	<u>179,466</u>
Total revenues	<u>5,702,453</u>	<u>3,958,955</u>	<u>2,375,484</u>	<u>1,607,635</u>	<u>8,077,937</u>	<u>5,566,590</u>
Program expenses:						
General government	1,185,996	1,153,936	-	-	1,185,996	1,153,936
Public safety	708,660	770,870	-	-	708,660	770,870
Public works	564,865	696,331	-	-	564,865	696,331
Culture and recreation	40,750	46,499	-	-	40,750	46,499
Infrastructure depreciation	762,017	762,390	-	-	762,017	762,390
Sewer utility	-	-	1,351,370	1,439,115	1,351,370	1,439,115
Solid waste utility	-	-	263,510	235,900	263,510	235,900
Interest on long term debt	<u>987,423</u>	<u>441,216</u>	<u>-</u>	<u>-</u>	<u>987,423</u>	<u>441,216</u>
Total expenses	<u>4,249,711</u>	<u>3,871,242</u>	<u>1,614,880</u>	<u>1,675,015</u>	<u>5,864,591</u>	<u>5,546,257</u>
Increase [decrease] in net position	<u>\$ 1,452,742</u>	<u>\$ 87,713</u>	<u>\$ 760,604</u>	<u>\$ [67,380]</u>	<u>\$ 2,213,346</u>	<u>\$ 20,333</u>

CITY OF BASEHOR, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013
Unaudited

Governmental Activities increase the net position by \$1.4 million. Business-type activities increased the net position by \$.8 million. The primary increases in Governmental Activities can be attributed to many factors in addition to conservative spending. In 2013, the City received a \$1.9 million transportation grant from the State of Kansas. Key elements in the Business-type activities increase is due to additional utility customers (both sewer and solid waste) and capital contributed from Governmental Activities based off of the 2013-A General Obligation Refunding bond issue.

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources.

Total fund balances at December 31, 2013, for the governmental funds totaled \$5.2 million. Total unassigned fund balances at December 31, 2013, totaled nearly \$.8 million, which was attributable to the General Fund. The remainder of fund balance includes: \$.6 million of restricted fund balance to indicate that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations; \$3.8 million of assigned fund balance to indicate amounts that are constrained by the City management to be used for specific purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$.8 million, which represents all of the total fund balance. The increase in the General Fund's fund balance was \$.2 million.

The Consolidated Highway Fund is used to account for road and highway projects. At the end of the current fiscal year, assigned fund balance of the consolidated highway fund was \$1.7 million, which represents all of the total fund balance. The decrease in the fund's fund balance was \$.2 million.

The Capital Improvements Reserve Fund is used to account for capital improvement projects. At the end of the current fiscal year, assigned fund balance of the capital improvements reserve fund was \$1.5 million, which represents all of the total fund balance. The increase in the fund's fund balance was \$83,613.

The Employee Benefit Fund is used to account for employee benefits. At the end of the current fiscal year, assigned fund balance of the employee benefit fund was \$167,931, which represents all of the total fund balance. The increase in the Fund's fund balance was \$32,900.

The Debt Service Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general long-term debt.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Solid Waste Utility Fund at the end of the year amounted to \$95,325 and the unrestricted net position of the Sewer Fund at the end of the year amounted to \$1 million. The total change in the two funds was [\$8,693] and \$769,297, respectively.

General Fund Budgeting Highlights

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013
Unaudited

The City's final General Fund budget was \$2,494,272, the same as the original published budget. The revenues were more than budgetary estimates by \$23,004 and the expenditures were less than budgetary estimates by \$718,819.

Fixed Assets and Debt Administration

The City's investment in fixed assets for its governmental and business-type activities totaled \$29.4 million (net of accumulated depreciation) as of December 31, 2013.

Major fixed asset events during the current fiscal year included the following:

The City spent \$2.5 million on the Wolf Creek Parkway extension project and purchased two new police cars for \$47,738.

At December 31, 2013, the City had total debt outstanding of \$17.3 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2013, in the amount of \$1.1 million. This was a result of the gradual pay down of current outstanding debt and the refinancing.

Additional information on the City's general long term debt can be found in Note III to the financial statements.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City Clerk/Finance Department at 2620 North 155th Street, Basehor, Kansas 66007 or (913) 724-1370.

CITY OF BASEHOR, KANSAS

STATEMENT OF NET POSITION
December 31, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Primary Government Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,256,840	\$ 1,117,646	\$ 6,374,486
Receivables:			
Taxes	1,425,385	-	1,425,385
Municipal court	45,582	-	45,582
Other	-	131,914	131,914
Total current assets	<u>6,727,807</u>	<u>1,249,560</u>	<u>7,977,367</u>
Noncurrent assets:			
Nondepreciable capital assets:			
Construction in process	2,642,629	-	2,642,629
Depreciable capital assets:	18,972,786	28,616,789	47,589,575
Less: accumulated depreciation	<u>[9,502,352]</u>	<u>[11,337,477]</u>	<u>[20,839,829]</u>
Total noncurrent assets	<u>12,113,063</u>	<u>17,279,312</u>	<u>29,392,375</u>
Total assets	<u>\$ 18,840,870</u>	<u>\$ 18,528,872</u>	<u>\$ 37,369,742</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 12,658	\$ 25,073	\$ 37,731
Accrued liabilities	44,425	5,110	49,535
Accrued interest payable	62,390	76,168	138,558
Deferred revenue			
Compensated absences payable	41,807	15,418	57,225
Current portion of general obligation bonds payable	708,879	281,121	990,000
Current portion of loans payable	-	235,625	235,625
Total current liabilities (payable from current assets)	<u>870,159</u>	<u>638,515</u>	<u>1,508,674</u>
Noncurrent liabilities:			
Net other post employment benefit obligation	23,745	-	23,745
Capital lease payable	43,400	-	43,400
General obligation bonds payable	7,484,605	4,014,612	11,499,217
Loans payable	-	4,600,628	4,600,628
Total noncurrent liabilities	<u>7,551,750</u>	<u>8,615,240</u>	<u>16,166,990</u>
Total liabilities	<u>8,421,909</u>	<u>9,253,755</u>	<u>17,675,664</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	<u>1,425,385</u>	<u>-</u>	<u>1,425,385</u>
Total deferred inflows of resources	<u>1,425,385</u>	<u>-</u>	<u>1,425,385</u>
Total liabilities and deferred inflows of resources	<u>\$ 9,847,294</u>	<u>\$ 9,253,755</u>	<u>\$ 19,101,049</u>
Net Position			
Invested in fixed assets, net of related debt	\$ 3,919,579	\$ 8,147,326	\$ 12,066,905
Restricted for:			
Debt service	586,415	-	586,415
Unrestricted	<u>4,487,582</u>	<u>1,127,791</u>	<u>5,615,373</u>
Total net position	<u>\$ 8,993,576</u>	<u>\$ 9,275,117</u>	<u>\$ 18,268,693</u>

The notes to the financial statements are an integral part of this statement

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CITY OF BASEHOR, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

	Program Revenues			Net [Expenses] Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 1,185,996	\$ -	\$ -	\$ [1,185,996]	\$ -	\$ [1,185,996]
Public safety	708,660	104,937	-	[603,723]	-	[603,723]
Public works	564,865	265,805	1,731,445	1,432,385	-	1,432,385
Culture and recreation	40,750	-	-	[40,750]	-	[40,750]
Infrastructure depreciation	762,017	-	-	[762,017]	-	[762,017]
Interest on long-term debt	987,423	-	-	[987,423]	-	[987,423]
Total governmental activities	<u>4,249,711</u>	<u>370,742</u>	<u>1,731,445</u>	<u>[2,147,524]</u>	<u>-</u>	<u>[2,147,524]</u>
Business-type activities:						
Sewer Utility	1,351,370	1,490,048	92,918	-	231,596	231,596
Solid Waste Utility	263,510	281,790	-	-	18,280	18,280
Total business-type activities	<u>1,614,880</u>	<u>1,771,838</u>	<u>92,918</u>	<u>-</u>	<u>249,876</u>	<u>249,876</u>
Total primary government	<u>\$ 5,864,591</u>	<u>\$ 2,142,580</u>	<u>\$ 1,824,363</u>	<u>[2,147,524]</u>	<u>249,876</u>	<u>[1,897,648]</u>
General Revenues:						
Property taxes levied for						
General purposes				1,437,613	-	1,437,613
Debt service				707,685	-	707,685
Franchise tax				219,570	-	219,570
Liquor tax				18,923	-	18,923
Sales tax				699,923	-	699,923
Motor vehicle tax				162,235	-	162,235
Excise tax				58,760	-	58,760
Miscellaneous tax				122,648	-	122,648
Investments earnings				11,627	1,757	13,384
Miscellaneous				38,769	631,484	670,253
Transfers, net				122,513	[122,513]	-
Total general revenues				<u>3,600,266</u>	<u>510,728</u>	<u>4,110,994</u>
Change in net position				<u>1,452,742</u>	<u>760,604</u>	<u>2,213,346</u>
Net position - beginning				7,540,834	8,535,660	16,076,494
Prior period adjustment				-	[21,147]	[21,147]
Net position - beginning, restated				<u>7,540,834</u>	<u>8,514,513</u>	<u>16,055,347</u>
Net position - ending				<u>\$ 8,993,576</u>	<u>\$ 9,275,117</u>	<u>\$ 18,268,693</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	<u>General</u>	<u>Consolidated Highway</u>	<u>Capital Improvements Reserve</u>
ASSETS			
Cash and cash equivalents	\$ 792,016	\$ 1,729,270	\$ 1,507,880
Receivables			
Taxes	1,034,646	-	-
Municipal court	45,582	-	-
Total assets	<u>\$ 1,872,244</u>	<u>\$ 1,729,270</u>	<u>\$ 1,507,880</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 10,384	\$ 264	\$ -
Accrued liabilities	44,425	-	-
Total liabilities	<u>54,809</u>	<u>264</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	1,034,646	-	-
Total deferred inflows of resources	<u>1,034,646</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,089,455</u>	<u>264</u>	<u>-</u>
Fund balance:			
Restricted	-	-	-
Assigned	-	1,729,006	1,507,880
Unassigned	782,789	-	-
Total fund balance [deficit]	<u>782,789</u>	<u>1,729,006</u>	<u>1,507,880</u>
Total liabilities and fund balances	<u>\$ 1,872,244</u>	<u>\$ 1,729,270</u>	<u>\$ 1,507,880</u>

Employee Benefit	Bond and Interest	Other Governmental Funds	Total Governmental Funds
\$ 167,931	\$ 586,415	\$ 473,328	\$ 5,256,840
372,325	18,414	-	1,425,385
-	-	-	45,582
\$ 540,256	\$ 604,829	\$ 473,328	\$ 6,727,807
\$ -	\$ -	\$ 2,010	\$ 12,658
-	-	-	44,425
-	-	2,010	57,083
372,325	18,414	-	1,425,385
372,325	18,414	-	1,425,385
372,325	18,414	2,010	1,482,468
-	586,415	-	586,415
167,931	-	471,318	3,876,135
-	-	-	782,789
167,931	586,415	471,318	5,245,339
\$ 540,256	\$ 604,829	\$ 473,328	\$ 6,727,807

The notes to the financial statements are an integral part of this statement

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CITY OF BASEHOR, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2013

Total Governmental Fund Balances \$ 5,245,339

Amounts reported for governmental activities in the
statement of net position are different because

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

The cost of capital assets is	21,615,415	
Accumulated depreciation is	<u>[9,502,352]</u>	12,113,063

Long-term liabilities, including bonds payable, are not due and payable in
the current period and therefore are not reported as liabilities in the funds.

Long term liabilities at year end consist of:

General obligation bonds payable	8,193,484	
Lease payable	43,400	
Net other post employment benefit obligation	23,745	
Interest payable	62,390	
Compensated absences payable	<u>41,807</u>	<u>[8,364,826]</u>

Net Position of Governmental Activities \$ 8,993,576

CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

	<u>General</u>	<u>Consolidated Highway</u>	<u>Capital Improvements Reserve</u>
REVENUES:			
Taxes	\$ 1,586,768	\$ 629,724	\$ 81,408
Intergovernmental	-	1,708,169	-
Special assessments	-	-	-
Licenses, permits and fees	174,005	-	-
Fines, forfeitures and penalties	104,937	-	-
Use of money and property	1,471	3,032	2,205
Miscellaneous	38,769	-	-
Total revenues	<u>1,905,950</u>	<u>2,340,925</u>	<u>83,613</u>
EXPENDITURES:			
Current			
General government	681,086	46,391	-
Public works	234,614	-	-
Culture and recreation	31,332	-	-
Public safety	743,520	-	-
Capital outlay	-	2,531,104	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>1,690,552</u>	<u>2,577,495</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>215,398</u>	<u>[236,570]</u>	<u>83,613</u>
OTHER FINANCING SOURCES [USES]			
Sales of bonds	-	-	-
Bond premium	-	-	-
Transfers in	58,684	-	-
Transfers [out]	[84,901]	-	-
Total other financing sources [uses]	<u>[26,217]</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	189,181	[236,570]	83,613
Fund balance - Beginning of year	<u>593,608</u>	<u>1,965,576</u>	<u>1,424,267</u>
Fund balance - End of year	<u>\$ 782,789</u>	<u>\$ 1,729,006</u>	<u>\$ 1,507,880</u>

Employee <u>Benefit</u>	Bond and <u>Interest</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
\$ 412,310	\$ 93,182	\$ 9,462	\$ 2,812,854
-	23,276	-	1,731,445
-	614,503	-	614,503
-	-	91,800	265,805
-	-	-	104,937
328	3,987	604	11,627
-	-	-	38,769
<u>412,638</u>	<u>734,948</u>	<u>101,866</u>	<u>5,579,940</u>
443,567	-	-	1,171,044
-	-	-	234,614
-	-	-	31,332
-	-	-	743,520
-	-	190,874	2,721,978
-	3,432,822	-	3,432,822
-	1,008,788	-	1,008,788
<u>443,567</u>	<u>4,441,610</u>	<u>190,874</u>	<u>9,344,098</u>
<u>[30,929]</u>	<u>[3,706,662]</u>	<u>[89,008]</u>	<u>[3,764,158]</u>
-	3,480,000	-	3,480,000
-	153,879	-	153,879
63,829	-	84,901	207,414
-	-	-	[84,901]
<u>63,829</u>	<u>3,633,879</u>	<u>84,901</u>	<u>3,756,392</u>
32,900	[72,783]	[4,107]	[7,766]
<u>135,031</u>	<u>659,198</u>	<u>475,425</u>	<u>5,253,105</u>
<u>\$ 167,931</u>	<u>\$ 586,415</u>	<u>\$ 471,318</u>	<u>\$ 5,245,339</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Total Net Change In Fund Balances - Governmental Funds \$ [7,766]

Amounts reported for governmental activities in the statement of activities are different because

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	2,598,174	
Loss on sale of asset	[137,824]	
Depreciation expense	<u>[820,546]</u>	1,639,804

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.

21,365

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	[565]
Net other post employment benefits	[11,578]

Bond issuance costs are recorded as expenditures in the fund financial statements. However, for the statement of net position, these costs are shown as assets and amortized over the life of the bonds.

[147,025]

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

[41,493]

Changes In Net position of Governmental Activities

\$ 1,452,742

CITY OF BASEHOR, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 1,586,768	\$ -	\$ 1,586,768	\$ 1,630,297	\$ 1,630,297	\$ [43,529]
Licenses and permits	174,005	4,206	178,211	64,550	64,550	113,661
Fines, forfeitures and penalties	104,937	2,445	107,382	151,000	151,000	[43,618]
Use of money and property	1,471	-	1,471	1,250	1,250	221
Miscellaneous	38,769	-	38,769	42,500	42,500	[3,731]
Total Revenues	1,905,950	6,651	1,912,601	1,889,597	1,889,597	23,004
Expenditures:						
General Administration:						
Personal services	354,727	-	354,727	409,420	409,420	54,693
Contractual services	252,621	-	252,621	308,847	308,847	56,226
Commodities	11,874	-	11,874	70,050	70,050	58,176
Capital outlay	61,864	-	61,864	561,500	561,500	499,636
	681,086	-	681,086	1,349,817	1,349,817	668,731
Public Safety						
Personal services	626,199	-	626,199	678,682	678,682	52,483
Contractual services	61,764	-	61,764	93,050	93,050	31,286
Commodities	37,544	-	37,544	54,700	54,700	17,156
Capital outlay	18,013	-	18,013	8,000	8,000	[10,013]
	743,520	-	743,520	834,432	834,432	90,912
Highways and Streets						
Personal services	182,855	-	182,855	173,192	173,192	[9,663]
Contractual services	16,427	-	16,427	11,300	11,300	[5,127]
Commodities	16,462	-	16,462	13,023	13,023	[3,439]
Capital outlay	18,870	-	18,870	10,000	10,000	[8,870]
	234,614	-	234,614	207,515	207,515	[27,099]
Culture and recreation						
Personal services	7,617	-	7,617	4,825	4,825	[2,792]
Contractual services	7,480	-	7,480	8,900	8,900	1,420
Commodities	855	-	855	1,500	1,500	645
Capital outlay	15,380	-	15,380	15,000	15,000	[380]
	31,332	-	31,332	30,225	30,225	[1,107]

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

GENERAL FUND - (Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Expenditures (Continued):						
Total Expenditures	\$ 1,690,552	\$ -	\$ 1,690,552	\$ 2,421,989	\$ 2,421,989	\$ 731,437
Excess [Deficiency] of Revenues Over [Under] Expenditures	215,398	6,651	222,049	[532,392]	[532,392]	754,441
Other Financing Sources [Uses]:						
Transfers in	58,684	-	58,684	88,684	88,684	[30,000]
Transfers [out]	[84,901]	-	[84,901]	[72,283]	[72,283]	[12,618]
Total Other Financing Sources [Uses]	[26,217]	-	[26,217]	16,401	16,401	[42,618]
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	189,181	6,651	195,832	\$ [515,991]	\$ [515,991]	\$ 711,823
Fund Balance, January 1	593,608	[52,233]	541,375			
Fund Balance, December 31	\$ 782,789	\$ [45,582]	\$ 737,207			

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

CONSOLIDATED HIGHWAY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 629,724	\$ -	\$ 629,724	\$ 289,000	\$ 289,000	\$ 340,724
Intergovernmental	1,708,169	[1,708,169]	-	134,520	134,520	[134,520]
Use of money and property	3,032	-	3,032	2,500	-	3,032
Total Revenues	<u>2,340,925</u>	<u>[1,708,169]</u>	<u>632,756</u>	<u>426,020</u>	<u>423,520</u>	<u>209,236</u>
Expenditures:						
Commodities	38,209	-	38,209	50,000	50,000	11,791
Capital outlay	2,520,083	[1,708,169]	811,914	830,000	1,230,000	418,086
Contractual	11,021	-	11,021	10,000	10,000	[1,021]
Reimbursements	8,182	-	8,182	-	-	[8,182]
Total Expenditures	<u>2,577,495</u>	<u>[1,708,169]</u>	<u>869,326</u>	<u>890,000</u>	<u>1,290,000</u>	<u>420,674</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	[236,570]	-	[236,570]	\$ [463,980]	\$ [866,480]	\$ 629,910
Fund Balance, January 1	<u>1,965,576</u>	-	<u>1,965,576</u>			
Fund Balance, December 31	<u>\$ 1,729,006</u>	<u>\$ -</u>	<u>\$ 1,729,006</u>			

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

CAPITAL IMPROVEMENTS RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 81,408	\$ -	\$ 81,408	\$ 62,000	\$ 62,000	\$ 19,408
Use of money and property	2,205	-	2,205	-	-	2,205
Total Revenues	<u>83,613</u>	<u>-</u>	<u>83,613</u>	<u>62,000</u>	<u>62,000</u>	<u>21,613</u>
Expenditures:						
Capital outlay	-	-	-	20,000	20,000	20,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	83,613	-	83,613	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 41,613</u>
Fund Balance, January 1	<u>1,424,267</u>	<u>-</u>	<u>1,424,267</u>			
Fund Balance, December 31	<u>\$ 1,507,880</u>	<u>\$ -</u>	<u>\$ 1,507,880</u>			

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

EMPLOYEE BENEFIT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 412,310	\$ -	\$ 412,310	\$ 395,619	\$ 395,619	\$ 16,691
Use of money and property	328	-	328	-	-	328
Total Revenues	<u>412,638</u>	<u>-</u>	<u>412,638</u>	<u>395,619</u>	<u>395,619</u>	<u>17,019</u>
Expenditures:						
Personal services	<u>443,567</u>	<u>-</u>	<u>443,567</u>	<u>554,382</u>	<u>554,382</u>	<u>110,815</u>
Total Expenditures	<u>443,567</u>	<u>-</u>	<u>443,567</u>	<u>554,382</u>	<u>554,382</u>	<u>110,815</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>[30,929]</u>	<u>-</u>	<u>[30,929]</u>	<u>[158,763]</u>	<u>[158,763]</u>	<u>127,834</u>
Other Financing Sources [Uses]:						
Transfers in	<u>63,829</u>	<u>-</u>	<u>63,829</u>	<u>66,429</u>	<u>66,429</u>	<u>[2,600]</u>
Total Other Financing Sources [Uses]	<u>63,829</u>	<u>-</u>	<u>63,829</u>	<u>66,429</u>	<u>66,429</u>	<u>[2,600]</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	<u>32,900</u>	<u>-</u>	<u>32,900</u>	<u>\$ [92,334]</u>	<u>\$ [92,334]</u>	<u>\$ 125,234</u>
Fund Balance, January 1	<u>135,031</u>	<u>-</u>	<u>135,031</u>			
Fund Balance, December 31	<u>\$ 167,931</u>	<u>\$ -</u>	<u>\$ 167,931</u>			

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,029,871	\$ 87,775	\$ 1,117,646
Receivables:			
Accounts	<u>104,211</u>	<u>27,703</u>	<u>131,914</u>
Total current assets	<u>1,134,082</u>	<u>115,478</u>	<u>1,249,560</u>
Capital assets:			
Capital assets, depreciable	28,616,789	-	28,616,789
Less: accumulated depreciation	<u>[11,337,477]</u>	<u>-</u>	<u>[11,337,477]</u>
Total capital assets	<u>17,279,312</u>	<u>-</u>	<u>17,279,312</u>
Total Assets	<u>\$ 18,413,394</u>	<u>\$ 115,478</u>	<u>\$ 18,528,872</u>
LIABILITIES AND NET POSITION			
Current liabilities (payable from current assets):			
Accounts payable	\$ 4,920	\$ 20,153	\$ 25,073
Accrued interest	76,168	-	76,168
Accrued compensation	15,418	-	15,418
Accrued payroll	5,110	-	5,110
Current portion of general obligation payable	281,121	-	281,121
Current portion of KDHE loan payable	<u>235,625</u>	<u>-</u>	<u>235,625</u>
Total current liabilities (payable from current assets):	<u>618,362</u>	<u>20,153</u>	<u>638,515</u>
Noncurrent liabilities:			
General obligation bond payable	4,014,612	-	4,014,612
KDHE loan payable	<u>4,600,628</u>	<u>-</u>	<u>4,600,628</u>
Total noncurrent liabilities:	<u>8,615,240</u>	<u>-</u>	<u>8,615,240</u>
Total Liabilities	<u>\$ 9,233,602</u>	<u>\$ 20,153</u>	<u>\$ 9,253,755</u>
Net Position:			
Invested in capital assets, net of related debt	\$ 8,147,326	\$ -	\$ 8,147,326
Unrestricted	<u>1,032,466</u>	<u>95,325</u>	<u>1,127,791</u>
Total Net Position	<u>\$ 9,179,792</u>	<u>\$ 95,325</u>	<u>\$ 9,275,117</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Operating revenues:			
Charges for services	\$ 1,490,048	\$ 281,790	\$ 1,771,838
Special assessments	92,918	-	92,918
Total operating revenues	<u>1,582,966</u>	<u>281,790</u>	<u>1,864,756</u>
Operating expenses:			
Personnel	85,452	-	85,452
Contractual	202,140	259,816	461,956
Commodities	30,181	3,439	33,620
Capital outlay	20,304	255	20,559
Depreciation	751,158	-	751,158
Total operating expenses	<u>1,089,235</u>	<u>263,510</u>	<u>1,352,745</u>
Operating income [loss]	<u>493,731</u>	<u>18,280</u>	<u>512,011</u>
Nonoperating revenues [expenses]:			
Interest on long term debt	[262,135]	-	[262,135]
Capital contribution	631,484	-	631,484
Interest earned	1,562	195	1,757
Total nonoperating revenues [expenses]	<u>370,911</u>	<u>195</u>	<u>371,106</u>
Income [loss] before transfers	<u>864,642</u>	<u>18,475</u>	<u>883,117</u>
Transfers from [to] other funds			
Transfers out	[95,345]	[27,168]	[122,513]
Total transfers	<u>[95,345]</u>	<u>[27,168]</u>	<u>[122,513]</u>
Change in net position	<u>769,297</u>	<u>[8,693]</u>	<u>760,604</u>
Net position, January 1	8,431,642	104,018	8,535,660
Prior period adjustment	[21,147]	-	[21,147]
Net position, January 1, restated	<u>8,410,495</u>	<u>104,018</u>	<u>8,514,513</u>
Net position, December 31	<u>\$ 9,179,792</u>	<u>\$ 95,325</u>	<u>\$ 9,275,117</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 1,582,067	\$ 281,550	\$ 1,863,617
Cash paid to suppliers and employees	<u>[348,395]</u>	<u>[263,140]</u>	<u>[611,535]</u>
Net Cash Provided by [Used in] Operating Activities	<u>1,233,672</u>	<u>18,410</u>	<u>1,252,082</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers [in] out	<u>[95,345]</u>	<u>[27,168]</u>	<u>[122,513]</u>
Net Cash Provided by [Used in] Non-Capital Financing Activities	<u>[95,345]</u>	<u>[27,168]</u>	<u>[122,513]</u>
Cash Flows from Capital and Related Financing Activities			
Capital contributions	631,484	-	631,484
Principal paid on bonds, notes and loans	[1,230,482]	-	[1,230,482]
Interest expense and fiscal charges	<u>[283,011]</u>	<u>-</u>	<u>[283,011]</u>
Net Cash Provided by [Used in] Capital and Related Financing Activities	<u>[882,009]</u>	<u>-</u>	<u>[882,009]</u>
Cash Flows from Investing Activities:			
Interest income	<u>1,562</u>	<u>195</u>	<u>1,757</u>
Net Cash Provided by [Used in] Investing Activities	<u>1,562</u>	<u>195</u>	<u>1,757</u>
Net Increase [Decrease] in Cash and Cash Equivalents	257,880	[8,563]	249,317
Cash and Equivalents, January 1	<u>771,991</u>	<u>96,338</u>	<u>868,329</u>
Cash and Equivalents, December 31	<u>\$ 1,029,871</u>	<u>\$ 87,775</u>	<u>\$ 1,117,646</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Reconciliation of Operating Net Income to Net Cash Provided by Operating Activities:			
Operating income [loss]	\$ 493,731	\$ 18,280	\$ 512,011
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	751,158	-	751,158
Change in assets and liabilities:			
[Increase] decrease in accounts receivable	[899]	[240]	[1,139]
Increase [decrease] in accounts payable	[13,004]	370	[12,634]
Increase [decrease] in compensated absences/accrued payroll	2,686	-	2,686
Total Adjustments	<u>739,941</u>	<u>130</u>	<u>740,071</u>
Net Cash Provided by [Used in] Operating Activities	<u>\$ 1,233,672</u>	<u>\$ 18,410</u>	<u>\$ 1,252,082</u>

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The City of Basehor, Kansas (the City), is a municipal corporation governed by an elected six-member council. The City has no component units.

B. *Government-wide and Fund Financial Statements*

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. The City has no fiduciary funds.

C. *Measurement Focus, Basis of Accounting and Basis of Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)*

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City has elected to report all funds as major and reports the following major governmental funds:

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The consolidated highway fund is used to account for road and highway projects.

The capital improvements reserve fund is used to account for capital improvement projects.

The employee benefit fund is used to account for employee benefits.

The bond and interest fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental.

The City reports the following major proprietary funds:

The sewer utility fund is used to account for the activities of the City's wastewater operations.

The solid waste utility fund is used to account for the activities of the City's refuse operations.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity*

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments (including certificates of deposit) with original maturities of six months or less from the date of acquisition.

Kansas statutes authorize the City to invest in U.S. Treasury bills and notes, repurchase agreements, the Kansas Municipal Investment Pool, and certain other types of federal and Kansas municipal obligations.

Investments are stated at fair market value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles, if any.

Property taxes receivable - The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2014.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the City, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 - 100
Other equipment	5 - 20
Vehicles	6 - 10
Infrastructure	30 - 75

4. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off. Paid time off earned but unused at termination (if a two-week notice is given) is paid to the employees at their current rate of pay.

Vested or accumulated paid time off that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the government fund financial statements that will pay it. Vested or accumulated paid time off of the business-type funds and government wide financial statements are recorded as an expense and liability of those funds as the benefits accrue to employees.

The General Fund and Sewer Utility Fund have been used in prior years to liquidate the liability for compensated absences.

5. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

5. Long-term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

7. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. The government funds report unavailable revenues from one source: property taxes. The government-wide statements of net position report only the unavailable revenue for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

9. Fund Balance Reserves

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds						Total Governmental Funds
	General	Consolidated Highway	Capital Improvements Reserve	Employee Benefit	Bond and Interest	Other Governmental Funds	
Fund Balances:							
Restricted for:							
Debt retirement	\$ -	\$ -	\$ -	\$ -	\$ 586,415	\$ -	\$ 586,415
Assigned for:							
Street project construction	-	1,729,006	-	-	-	-	1,729,006
Capital improvements	-	-	1,507,880	-	-	36,414	1,544,294
Employee benefits	-	-	-	167,931	-	-	167,931
Culture and recreation	-	-	-	-	-	121,633	121,633
Equipment outlay	-	-	-	-	-	313,271	313,271
Unassigned:	<u>782,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>782,789</u>
Total Fund Balances	<u>\$ 782,789</u>	<u>\$ 1,729,006</u>	<u>\$ 1,507,880</u>	<u>\$ 167,931</u>	<u>\$ 586,415</u>	<u>\$ 471,318</u>	<u>\$ 5,245,339</u>

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2013 budget was amended for the Consolidated Highway and Solid Waste Utility funds.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

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

A legal operating budget is not required for capital project funds and certain special revenue funds. Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds						
	General Fund	Consolidated Highway Fund	Capital Improvements Reserve Fund	Employee Benefit Fund	Bond and Interest Fund	Other Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE							
December 31, 2013	\$ 782,789	\$ 1,729,006	\$ 1,507,880	\$ 167,931	\$ 586,415	\$ 471,318	\$ 5,245,339
Unreserved fund balances not subject to the Kansas budget law:							
Special Police Fund	-	-	-	-	-	[542]	[542]
Municipal Equipment Reserve Fund	-	-	-	-	-	[312,729]	[312,729]
Glenwood Sewer Maintenance Fund	-	-	-	-	-	[22,787]	[22,787]
Adjustments:							
Municipal court receivable	[45,582]	-	-	-	-	-	[45,582]
Total deductions	[45,582]	-	-	-	-	[336,058]	[381,640]
BUDGETARY FUND BALANCE							
December 31, 2013	\$ 737,207	\$ 1,729,006	\$ 1,507,880	\$ 167,931	\$ 586,415	\$ 135,260	\$ 4,863,699

CITY OF BASEHOR, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

	<u>Major Business-Type Funds</u>		
	Sewer Utility Fund	Solid Waste Utility Fund	Total Business-Type Funds
NET POSITION			
December 31, 2013	<u>\$ 9,179,792</u>	<u>\$ 95,325</u>	<u>\$ 9,275,117</u>
Adjustments:			
Capital assets, net	[17,279,312]	-	[17,279,312]
Receivables	[104,211]	[27,703]	[131,914]
Accrued interest	76,168	-	76,168
Accrued compensation	15,418	-	15,418
General obligation payable	4,295,733	-	4,295,733
KDHE loan payable	<u>4,836,253</u>	<u>-</u>	<u>4,836,253</u>
Total deductions	<u>[8,159,951]</u>	<u>[27,703]</u>	<u>[8,187,654]</u>
BUDGETARY NET POSITION			
December 31, 2013	<u>\$ 1,019,841</u>	<u>\$ 67,622</u>	<u>\$ 1,087,463</u>

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

III. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjoining county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statutes require that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. *Deposits and Investments (Continued)*

The City does not have a formal investment policy that further limits concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402.

B. *Receivables*

Receivables at year end are as follows:

	<u>General</u>	<u>Employee Benefit</u>	<u>Bond and Interest</u>	<u>Sewer Utility</u>	<u>Solid Waste Utility</u>	<u>Total</u>
Receivables:						
Accounts	\$ -	\$ -	\$ -	\$ 104,211	\$ 27,703	\$ 131,914
Taxes	1,034,646	372,325	18,414	-	-	1,425,385
Municipal court	<u>45,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,582</u>
Total	<u>\$ 1,080,228</u>	<u>\$ 372,325</u>	<u>\$ 18,414</u>	<u>\$ 104,211</u>	<u>\$ 27,703</u>	<u>\$ 1,602,881</u>

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. *Capital Assets*

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance <u>12/31/12</u>	Additions	Retirements	Balance <u>12/31/13</u>
City governmental activities:				
Capital assets, not being depreciated				
Land	\$ 135,837	\$ -	\$ 135,837	\$ -
Construction in progress	165,301	2,477,328	-	2,642,629
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>18,936,346</u>	<u>120,846</u>	<u>84,406</u>	<u>18,972,786</u>
Total capital assets	<u>19,237,485</u>	<u>2,598,174</u>	<u>220,243</u>	<u>21,615,415</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>8,764,225</u>	<u>820,546</u>	<u>82,419</u>	<u>9,502,352</u>
Total accumulated depreciation	<u>8,764,225</u>	<u>820,546</u>	<u>82,419</u>	<u>9,502,352</u>
Governmental activities capital assets, net	<u>\$ 10,473,260</u>	<u>\$ 1,777,628</u>	<u>\$ 137,824</u>	<u>\$ 12,113,063</u>
Business-type activities:				
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>\$ 28,616,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,616,789</u>
Total capital assets	<u>28,616,789</u>	<u>-</u>	<u>-</u>	<u>28,616,789</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>10,567,628</u>	<u>769,849</u>	<u>-</u>	<u>11,337,477</u>
Total accumulated depreciation	<u>10,567,628</u>	<u>769,849</u>	<u>-</u>	<u>11,337,477</u>
Business-type activities capital assets, net	<u>\$ 18,049,161</u>	<u>\$ [769,849]</u>	<u>\$ -</u>	<u>\$ 17,279,312</u>

CITY OF BASEHOR, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. *Capital Assets (Continued)*

The City's depreciation expense was charged as follows:

Governmental Activities:	
General government	\$ 9,663
Public safety	31,868
Public works	3,567
Culture and recreation	13,431
Infrastructure	<u>762,017</u>
 Total depreciation expense	 <u>\$ 820,546</u>
 Business-type Activities:	
Sewer utility	<u>\$ 769,849</u>
 Total depreciation expense	 <u>\$ 769,849</u>

D. *Long-term Debt*

During the year ended December 31, 2013, the following changes occurred in long term liabilities:

Government Fund Activities

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013
General obligation bonds	\$ 7,861,300	\$ 3,480,000	\$ 3,431,907	\$ 7,909,393
General obligation bonds premium	<u>137,067</u>	<u>153,877</u>	<u>6,853</u>	<u>284,091</u>
Total general obligation bonds	7,998,367	3,633,877	3,438,760	8,193,484
Capital lease	<u>50,000</u>	-	<u>6,600</u>	<u>43,400</u>
	<u>\$ 8,048,367</u>	<u>\$ 3,633,877</u>	<u>\$ 3,445,360</u>	<u>\$ 8,236,884</u>

Enterprise Fund Activities

General obligation bonds	\$ 4,943,700	\$ -	\$ 1,003,093	\$ 3,940,607
General obligation bonds premium	<u>373,817</u>	<u>-</u>	<u>18,691</u>	<u>355,126</u>
Total general obligation bonds	5,317,517	-	1,021,784	4,295,733
KDHE revolving loan	<u>5,063,641</u>	<u>-</u>	<u>227,389</u>	<u>4,836,253</u>
	<u>\$ 10,381,158</u>	<u>\$ -</u>	<u>\$ 1,249,173</u>	<u>\$ 9,131,986</u>

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities</u>	<u>Date of Issuance</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
Improvements, Series 2004	01/15/04	09/01/19	3.25-4.35%	\$ 3,415,000	\$ 62,100
Refunding and improvements, Series 2012	08/08/12	09/01/32	2.00-3.00%	9,345,884	4,367,293
Refunding, Series 2013	01/15/13	09/01/25	2.00%	<u>3,480,000</u>	<u>3,480,000</u>
				<u>\$ 16,240,884</u>	<u>\$ 7,909,393</u>
 <u>Business-type Activities</u>					
Improvements, Series 2004	01/15/04	09/01/19	3.25-4.35%	\$ 1,058,650	\$ 27,900
Refunding and improvements, Series 2012	08/08/12	09/01/32	2.00-3.00%	<u>4,175,000</u>	<u>3,912,707</u>
				<u>\$ 5,233,650</u>	<u>\$ 3,940,607</u>
				<u>\$ 21,474,534</u>	<u>\$ 11,850,000</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$ 708,879	\$ 187,169	\$ 281,121	\$ 104,211	\$ 1,281,380
2015	777,167	172,805	337,833	98,505	1,386,310
2016	853,092	153,337	396,908	88,323	1,491,660
2017	883,914	131,680	411,086	76,365	1,503,045
2018	887,099	109,239	422,901	63,976	1,483,215
2019-2023	2,273,541	275,233	1,051,459	172,685	3,772,918
2024-2028	1,063,805	112,548	626,195	90,907	1,893,455
2029-2032	<u>461,896</u>	<u>27,387</u>	<u>413,104</u>	<u>24,541</u>	<u>926,928</u>
Total	<u>\$ 7,909,393</u>	<u>\$ 1,169,397</u>	<u>\$ 3,940,607</u>	<u>\$ 719,513</u>	<u>\$ 13,738,910</u>

During 2013, the City issued \$3,480,000 in general obligation refunding bonds with an interest rate of 2.00% to refund Series 2004 General Obligation and Series 2005 General Obligation bonds. As a result, the 2004 and 2005 bonds are considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic gain of \$441,465 and a reduction of \$402,014 in future debt payments.

CITY OF BASEHOR, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

The Kansas Department of Health and Environment and the City has entered into an agreement for an additional loan. The City intends to make principal and interest payments on the loans from revenue derived from wastewater and water charges to the consumer. The original loan amount was \$5,663,682 with a stated interest rate of 2.82%. This loan had an outstanding balance of \$4,836,253 at December 31, 2013. The City will retire this loan with semi-annual payments through September 2030. The following displays annual debt service requirements to maturity for this KDHE loan for the full proceeds amount:

The following displays annual debt service requirements to maturity for this KDHE loan for the full proceeds amount:

<u>Year Ending</u> <u>December 31,</u>	<u>State Agency</u> <u>Loan</u>
2014	\$ 371,395
2015	371,395
2016	371,395
2017	371,395
2018	371,395
2019-2023	1,856,974
2024-2028	1,856,974
2029-2030	<u>520,313</u>
Total principal and interest	6,091,234
Less: interest	<u>1,254,982</u>
Total principal	<u>\$ 4,836,253</u>

Special Assessments. As provided by Kansas Statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Restatement of Equity

In 2013, it was determined that an adjustment to beginning net position in the Sewer Utility Fund was needed to eliminate prior periods unamortized balance of deferred bond costs. The effect is as follows:

	<u>Sewer Utility Fund</u>
Net position, January 1	\$ 8,431,642
Prior period adjustment	<u>[21,147]</u>
Net position, January 1, restated	<u>\$ 8,410,495</u>

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City carries commercial insurance for these risks of loss including related lost revenue. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of additional expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

IV. OTHER INFORMATION (Continued)

C. Retirement Plans

All employees employed by the City are entitled to enroll at the City Council's discretion, in a Deferred Compensation Plan, offered by Hartford or such other insurance company as may offer a plan approved by the Kansas Legislature pursuant to K.S.A. 75-5522 et seq. and K.S.A. 75-5529 et seq. For an employee who is employed full time, the City shall contribute to the Plan an amount as specified according to the current maximum contribution to old age Social Security benefits. The payroll for employees covered by the Plan was \$550,195. Total gross payroll was \$1,229,412. The contribution for the year ending December 31, 2013, was \$8,676 from employees and \$60,521 from employer representing 11% of covered payroll, respectively.

The City participates in the Kansas Police and Firemen's Retirement System (KP&F) which is part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KP&F provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KP&F issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to Kansas Public Employees Retirement System (KPERs); 611 South Kansas Avenue, Topeka, KS 66603.

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KP&F is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KP&F uniform participating employer rate established for fiscal years beginning in 2013 is 17.26%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City contributions to KP&F for the years ending December 31, 2013, 2012 and 2011 were \$97,798, \$89,377, and \$73,019, respectively equal to the required contribution for each year.

D. Interfund Transfers

A reconciliation of all operating transfers by fund type for 2013 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory Authority</u>
Sewer Utility	General	\$ 47,810	K.S.A. 12-825d
Solid Waste Utility	General	10,874	K.S.A. 12-825d
General	Municipal Equipment Reserve	84,901	K.S.A. 12-1,117
Sewer Utility	Employee Benefit	47,535	K.S.A. 12-16,102
Solid Waste Utility	Employee Benefit	<u>16,294</u>	K.S.A. 12-16,102
	Total	<u>\$ 207,414</u>	

The City uses interfund transfers to share administrative costs between funds.

CITY OF BASEHOR, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2013

IV. OTHER INFORMATION (Continued)

E. Restricted Cash

In an agreement with the developer of the Falcon Lakes subdivision dated February 20, 2001, the City agreed to restrict the use of the \$2,405 per lot impact fee. This restriction limited the use of these funds to improvements to the perimeter roads (Donohoo Road, Hollingsworth Road and 147th Street). Of the \$1,729,270 of cash in the Consolidated Highway Fund as of December 31, 2013, \$107,469 was subject to this restriction.

F. Postemployment Healthcare Plan

Plan Description. The City provides for a continuation of medical, pharmacy and dental insurance benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Plan participants contributed approximately 100% of the total premiums to the Plan, through their required contribution of \$390 per month for retiree-only coverage and \$839, per month, for retiree and spouse coverage.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the Plan:

Annual required contribution	\$ 11,796
Interest on Net OPEB Obligation	486
Adjustment to Annual Required Contribution	<u>[704]</u>
Annual OPEB cost (expense)	11,578
Benefit payments	<u>-</u>
Change in Net OPEB obligation	11,578
Net OPEB Obligation - beginning of year	<u>12,167</u>
Net OPEB Obligation - end of year	<u>\$ 23,745</u>

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

IV. OTHER INFORMATION (Continued)

F. *Postemployment Healthcare Plan (Continued)*

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2013 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
December 31, 2011	\$ 3,099	\$ -	\$ 8,931
December 31, 2012	3,236	-	12,167
December 31, 2013	11,578	-	23,745

Funding Status and Funding Progress. As of January 1, 2013, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$45,720 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$45,720.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of January 1, 2013, the most recent actuarial valuation date, the entry age normal actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 9% initially, reduced by decrements to an ultimate rate of 5% after nine years. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF BASEHOR, KANSAS
 OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 Year ended December 31, 2013

Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as Percent of Payroll (b)-(a)/(c)
1/1/2010	\$ -	\$ 11,407	\$ 11,407	\$ -	\$ 1,020,641	1.1%
1/1/2013	-	45,720	45,720	-	1,020,641	4.5%

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and cash equivalents	\$ 434,951	\$ 38,377	\$ 473,328
Total assets	\$ 434,951	\$ 38,377	\$ 473,328
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 47	\$ 1,963	\$ 2,010
Total liabilities	47	1,963	2,010
 Fund balance:			
Assigned	434,904	36,414	471,318
Total fund balance [deficit]	434,904	36,414	471,318
 Total liabilities and fund balances	 \$ 434,951	 \$ 38,377	 \$ 473,328

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013

	Special Revenue	Capital Projects	Total
REVENUES:			
Taxes	\$ 9,462	\$ -	\$ 9,462
Licenses, permits and fees	18,800	73,000	91,800
Use of money and property	<u>560</u>	<u>44</u>	<u>604</u>
Total revenues	<u>28,822</u>	<u>73,044</u>	<u>101,866</u>
EXPENDITURES:			
Capital outlay	<u>130,847</u>	<u>60,027</u>	<u>190,874</u>
Total expenditures	<u>130,847</u>	<u>60,027</u>	<u>190,874</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[102,025]</u>	<u>13,017</u>	<u>[89,008]</u>
OTHER FINANCING SOURCES [USES]:			
Transfers in	<u>84,901</u>	<u>-</u>	<u>84,901</u>
Total other financing sources [uses]	<u>84,901</u>	<u>-</u>	<u>84,901</u>
Excess [Deficiency] of Revenues and Other Financing Sources Over [Under] Expenditures and Other [Uses]	[17,124]	13,017	[4,107]
Fund balance - Beginning of year	<u>452,028</u>	<u>23,397</u>	<u>475,425</u>
Fund balance - End of year	<u>\$ 434,904</u>	<u>\$ 36,414</u>	<u>\$ 471,318</u>

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2013

	Special Parks and Recreation	Municipal Equipment Reserve	Special Police	Totals
ASSETS				
Cash and cash equivalents	\$ 121,680	\$ 312,729	\$ 542	\$ 434,951
Total assets	\$ 121,680	\$ 312,729	\$ 542	\$ 434,951
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 47	\$ -	\$ -	\$ 47
Total liabilities	47	-	-	47
 Fund balance:				
Assigned	121,633	312,729	542	434,904
Total fund balance [deficit]	121,633	312,729	542	434,904
 Total liabilities and fund balances	\$ 121,680	\$ 312,729	\$ 542	\$ 434,951

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013

	Special Parks and Recreation	Municipal Equipment Reserve	Special Police	Totals
REVENUES:				
Taxes	\$ 9,462	\$ -	\$ -	\$ 9,462
Licenses, permits and fees	18,800	-	-	18,800
Use of money and property	187	373	-	560
Total revenues	<u>28,449</u>	<u>373</u>	<u>-</u>	<u>28,822</u>
EXPENDITURES:				
Capital outlay	16,581	114,266	-	130,847
Total expenditures	<u>16,581</u>	<u>114,266</u>	<u>-</u>	<u>130,847</u>
Excess [deficiency] of revenues over [under] expenditures	<u>11,868</u>	<u>[113,893]</u>	<u>-</u>	<u>[102,025]</u>
OTHER FINANCING SOURCES [USES]:				
Transfers in	-	84,901	-	84,901
Total other financing sources [uses]	<u>-</u>	<u>84,901</u>	<u>-</u>	<u>84,901</u>
Excess [Deficiency] of Revenues and Other Financing Sources Over [Under] Expenditures and Other [Uses]	11,868	[28,992]	-	[17,124]
Fund balance - Beginning of year	<u>109,765</u>	<u>341,721</u>	<u>542</u>	<u>452,028</u>
Fund balance - End of year	<u>\$ 121,633</u>	<u>\$ 312,729</u>	<u>\$ 542</u>	<u>\$ 434,904</u>

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2013

	Cedar Lakes Maintenance	Basehor Town Center Project	Glenwood Sewer Maintenance	Totals
ASSETS				
Cash and cash equivalents	\$ 15,328	\$ -	\$ 23,049	\$ 38,377
Total assets	<u>\$ 15,328</u>	<u>\$ -</u>	<u>\$ 23,049</u>	<u>\$ 38,377</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,701	\$ -	\$ 262	\$ 1,963
Total liabilities	<u>1,701</u>	<u>-</u>	<u>262</u>	<u>1,963</u>
 Fund balance:				
Assigned	<u>13,627</u>	<u>-</u>	<u>22,787</u>	<u>36,414</u>
Total fund balance [deficit]	<u>13,627</u>	<u>-</u>	<u>22,787</u>	<u>36,414</u>
Total liabilities and fund balances	<u>\$ 15,328</u>	<u>\$ -</u>	<u>\$ 23,049</u>	<u>\$ 38,377</u>

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended December 31, 2013

	Cedar Lakes Maintenance	Basehor Town Center Project	Glenwood Sewer Maintenance	Totals
REVENUES:				
Licenses, permits and fees	\$ 40,000	\$ -	\$ 33,000	\$ 73,000
Use of money and property	<u>16</u>	<u>-</u>	<u>28</u>	<u>44</u>
Total revenues	<u>40,016</u>	<u>-</u>	<u>33,028</u>	<u>73,044</u>
EXPENDITURES:				
Capital outlay	<u>30,102</u>	<u>-</u>	<u>29,925</u>	<u>60,027</u>
Total expenditures	<u>30,102</u>	<u>-</u>	<u>29,925</u>	<u>60,027</u>
Excess [deficiency] of revenues over [under] expenditures	<u>9,914</u>	<u>-</u>	<u>3,103</u>	<u>13,017</u>
OTHER FINANCING SOURCES [USES]				
Transfer [out]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	9,914	-	3,103	13,017
Fund balance - Beginning of year	<u>3,713</u>	<u>-</u>	<u>19,684</u>	<u>23,397</u>
Fund balance - End of year	<u>\$ 13,627</u>	<u>\$ -</u>	<u>\$ 22,787</u>	<u>\$ 36,414</u>

CITY OF BASEHOR, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 9,462	\$ -	\$ 9,462	\$ 8,839	\$ 8,839	\$ 623
Licenses, permits and fees	18,800	-	18,800	3,500	3,500	15,300
Use of money and property	187	-	187	200	200	[13]
Total Revenues	<u>28,449</u>	<u>-</u>	<u>28,449</u>	<u>12,539</u>	<u>12,539</u>	<u>15,910</u>
Expenditures:						
Capital outlay	<u>16,581</u>	<u>-</u>	<u>16,581</u>	<u>47,500</u>	<u>47,500</u>	<u>30,919</u>
Total Expenditures	<u>16,581</u>	<u>-</u>	<u>16,581</u>	<u>47,500</u>	<u>47,500</u>	<u>30,919</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	11,868	-	11,868	\$ [34,961]	\$ [34,961]	\$ 46,829
Fund Balance, January 1	<u>109,765</u>	<u>-</u>	<u>109,765</u>			
Fund Balance, December 31	<u>\$ 121,633</u>	<u>\$ -</u>	<u>\$ 121,633</u>			

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

CEDAR LAKES MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Licenses, permits and fees	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Use of money and property	16	-	16	-	-	16
Total Revenues	<u>40,016</u>	<u>-</u>	<u>40,016</u>	<u>40,000</u>	<u>40,000</u>	<u>16</u>
Expenditures:						
Capital outlay	<u>30,102</u>	<u>-</u>	<u>30,102</u>	<u>40,000</u>	<u>40,000</u>	<u>9,898</u>
Total Expenditures	<u>30,102</u>	<u>-</u>	<u>30,102</u>	<u>40,000</u>	<u>40,000</u>	<u>9,898</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	9,914	-	9,914	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,914</u>
Fund Balance, January 1	<u>3,713</u>	<u>-</u>	<u>3,713</u>			
Fund Balance, December 31	<u>\$ 13,627</u>	<u>\$ -</u>	<u>\$ 13,627</u>			

CITY OF BASEHOR, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 93,182	\$ -	\$ 93,182	\$ 82,536	\$ 82,536	\$ 10,646
Intergovernmental	23,276	-	23,276	40,000	40,000	[16,724]
Special assessments	614,503	-	614,503	757,000	757,000	[142,497]
Use of money and property	3,987	-	3,987	1,500	1,500	2,487
Total Revenues	<u>734,948</u>	<u>-</u>	<u>734,948</u>	<u>881,036</u>	<u>881,036</u>	<u>[146,088]</u>
Expenditures:						
Debt service:						
Principal	3,432,822	[2,856,400]	576,422	1,525,497	1,525,497	949,075
Interest	925,703	[694,394]	231,309	3,500	3,500	[227,809]
Cost of issuance	83,085	[83,085]	-	-	-	-
Total Expenditures	<u>4,441,610</u>	<u>[3,633,879]</u>	<u>807,731</u>	<u>1,528,997</u>	<u>1,528,997</u>	<u>721,266</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>[3,706,662]</u>	<u>3,633,879</u>	<u>[72,783]</u>	<u>[647,961]</u>	<u>[647,961]</u>	<u>575,178</u>
Other Financing Sources [Uses]:						
Sale of bonds	3,480,000	[3,480,000]	-	-	-	-
Bond premium	153,879	[153,879]	-	-	-	-
Total Other Financing Sources [Uses]	<u>3,633,879</u>	<u>[3,633,879]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	<u>[72,783]</u>	<u>-</u>	<u>[72,783]</u>	<u>\$ [647,961]</u>	<u>\$ [647,961]</u>	<u>\$ 575,178</u>
Fund Balances, January 1	<u>659,198</u>	<u>-</u>	<u>659,198</u>			
Fund Balances, December 31	<u>\$ 586,415</u>	<u>\$ -</u>	<u>\$ 586,415</u>			

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

SEWER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Charges for services	\$ 1,490,048	\$ [898]	\$ 1,489,150	\$ 1,203,568	\$ 1,203,568	\$ 285,582
Special assessments	92,918	-	92,918	72,162	72,162	20,756
Use of money and property	<u>1,562</u>	<u>-</u>	<u>1,562</u>	<u>1,100</u>	<u>1,100</u>	<u>462</u>
Total revenues	<u>1,584,528</u>	<u>[898]</u>	<u>1,583,630</u>	<u>1,276,830</u>	<u>1,276,830</u>	<u>306,800</u>
Expenditures						
Personnel	85,452	[2,887]	82,565	84,110	84,110	1,545
Contractual	202,140	-	202,140	185,318	185,318	[16,822]
Commodities	30,181	-	30,181	26,700	26,700	[3,481]
Capital outlay	20,304	-	20,304	123,500	123,500	103,196
Depreciation	<u>751,158</u>	<u>[751,158]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,089,235</u>	<u>[754,045]</u>	<u>335,190</u>	<u>419,628</u>	<u>419,628</u>	<u>84,438</u>
Operating income [loss]	<u>495,293</u>	<u>753,147</u>	<u>1,248,440</u>	<u>857,202</u>	<u>857,202</u>	<u>391,238</u>
Other Financing Sources [Uses]:						
Debt principal	-	[576,882]	[576,882]	[882,098]	[882,098]	305,216
Debt interest and fees	[262,135]	[20,877]	[283,012]	-	-	[283,012]
Capital contribution	631,484	[653,600]	[22,116]	-	-	[22,116]
Transfers out	<u>[95,345]</u>	<u>-</u>	<u>[95,345]</u>	<u>[95,345]</u>	<u>[95,345]</u>	<u>-</u>
Total Other Financing Sources [Uses]	<u>274,004</u>	<u>[1,251,359]</u>	<u>[977,355]</u>	<u>[977,443]</u>	<u>[977,443]</u>	<u>88</u>
Change in net position	<u>769,297</u>	<u>[498,212]</u>	<u>271,085</u>	<u>\$ [120,241]</u>	<u>\$ [120,241]</u>	<u>\$ 391,326</u>
Net position, January 1	8,431,642	[7,661,739]	769,903			
Prior period adjustment	<u>[21,147]</u>	<u>-</u>	<u>[21,147]</u>			
Net position, January 1, restated	<u>8,410,495</u>	<u>[7,661,739]</u>	<u>748,756</u>			
Net position, December 31	<u>\$ 9,179,792</u>	<u>\$ [8,159,951]</u>	<u>\$ 1,019,841</u>			

CITY OF BASEHOR, KANSAS

SOLID WASTE UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - ACTUAL AND BUDGET
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Charges for services	\$ 281,790	\$ [240]	\$ 281,550	\$ 293,363	\$ 294,363	\$ [12,813]
Use of money and property	195	-	195	150	150	45
Total revenues	<u>281,985</u>	<u>[240]</u>	<u>281,745</u>	<u>293,513</u>	<u>294,513</u>	<u>[12,768]</u>
Expenditures						
Contractual	259,816	-	259,816	233,340	266,082	6,266
Commodities	3,439	-	3,439	1,750	1,750	[1,689]
Total expenditures	<u>263,510</u>	<u>-</u>	<u>263,510</u>	<u>235,090</u>	<u>267,832</u>	<u>4,322</u>
Operating income [loss]	<u>18,475</u>	<u>[240]</u>	<u>18,235</u>	<u>58,423</u>	<u>26,681</u>	<u>[8,446]</u>
Other Financing Sources [Uses]:						
Transfer [out]	<u>[27,168]</u>	<u>-</u>	<u>[27,168]</u>	<u>[57,168]</u>	<u>[57,168]</u>	<u>30,000</u>
Total Other Financing Sources [Uses]	<u>[27,168]</u>	<u>-</u>	<u>[27,168]</u>	<u>[57,168]</u>	<u>[57,168]</u>	<u>30,000</u>
Change in net position	[8,693]	[240]	[8,933]	\$ 1,255	\$ [30,487]	\$ 21,554
Net position, January 1	<u>104,018</u>	<u>[27,463]</u>	<u>76,555</u>			
Net position, December 31	<u>\$ 95,325</u>	<u>\$ [27,703]</u>	<u>\$ 67,622</u>			

See independent auditor's report on the financial statements

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 2

Topic: Appointments by Mayor and Governing Body for City positions

Action Requested: Appoint all positions as presented

Narrative: Annually the Mayor and Governing Body are required to make the following appointments:

Police Chief	Municipal Judge
City Clerk	City Treasurer

Currently Lloyd Martley is the Police Chief, William Pray is the Municipal Judge, Katherine Renn is the City Clerk and Kristi Olson is the City Treasurer.

Presented by: Lloyd Martley, Chief of Police/City Administrator

Administration Recommendation: Reappoint staff for the positions they are currently holding.

Committee Recommendation: N/A

Attachments: Staff memo

Projector needed for this item?

No



The City of Basehor

MEMO

Date: May 5, 2014

To: Mayor and City Council

From: Lloyd Martley, Chief of Police/City Administrator

Ref: Annual Appointments

K.S.A. 15-204 requires that mayor-council cities of the third class make appointments at the first council meeting in the month of May.

The Mayor appoints, by and with the consent of the council, a Municipal Judge, Chief of Police, City Clerk and City Treasurer.

The current positions are as follows:

Chief of Police	Lloyd Martley
Municipal Judge	William Pray
City Clerk	Katherine Renn
City Treasurer	Kristine Olson

It is staff's recommendation to reappoint all positions as presented.

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 3

Topic: City Attorney appointment (contract amendment)

Action Requested: Approve third amendment to independent contractor agreement with Shannon Marcano (White Goss Bowers March Schulte & Weisenfels) and appoint her as our City Attorney.

Narrative: K.S.A. 15-204 states that the Mayor is required to appoint the City Attorney. We currently have an Independent Contractor Agreement with Shannon Marcano (City Attorney) that is scheduled to expire in June of 2014. Per section 7 of the original agreement the terms of the contract may be extended thereafter pursuant to terms and conditions mutually agreed to by the parties.

Presented by: Lloyd Martley, Chief of Police/City Administrator

Administration Recommendation: Approve terms and conditions of third amendment of the Independent Contractor Agreement for City Attorney with Shannon Marcano.

Committee Recommendation: N/A

Attachments: Third amendment to agreement, staff memo

Projector needed for this item?

No



The City of Basehor

MEMO

Date: May 5, 2014

To: Mayor and City Council

From: Lloyd Martley, Chief of Police/City Administrator

Ref: City Attorney (Shannon Marcano)

The current independent contractor agreement with City Attorney (Shannon Marcano) to provide legal services for the City will expire in June 2014. Section 7 (Term and Termination) of the original agreement states that the term may be extended thereafter pursuant to terms and conditions mutually agreed to by the parties. In the event the parties desire to extend the Terms of the Agreement, they shall engage in good faith negotiations concerning the terms and conditions of any such extension and any such extension agreed to by the parties shall be memorialized in a written amendment to the current agreement executed by both parties. Such term extensions shall occur only after appointment by the Mayor and approval by the Governing Body of the City per K.S.A. 15-204.

Ms. Marcano has indicated to the City that she would like to extend the current agreement. Under the terms of the current agreement the City agrees to pay White Goss a monthly retainer fee of \$3,000 for 25 hours, for the performance of any legal services needed by the City. In the event that the City would exceed the 25 hours of legal service needed per the agreement, additional hours would be billed to the City at a rate of \$175.00 per hour.

I am recommending that the Mayor appoint Ms. Marcano with the approval of the Governing Body as our City Attorney and accept the third Amendment to the Independent Contractor Agreement between the City of Basehor and White Goss (Shannon Marcano) as our City Attorney.

RESOLUTION NO. 2014-03

A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THAT CERTAIN THIRD AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT BY AND BETWEEN THE CITY OF BASEHOR, KANSAS AND WHITE GOSS, A PROFESSIONAL CORPORATION, REGARDING CITY ATTORNEY SERVICES

WHEREAS, the City of Basehor, Kansas wishes to enter into that certain Third Amendment to Independent Contractor Agreement with White Goss, a Professional Corporation, attached hereto as **Exhibit A**, regarding city attorney services for the City of Basehor, Kansas.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BASEHOR KANSAS:

Section 1. That the Governing Body approves and hereby authorizes the Mayor to execute the Third Amendment to Independent Contractor Agreement, attached as **Exhibit A**.

Section 2. That this resolution shall become effective upon passage.

PASSED by the Governing Body this ___ day of May, 2014.

APPROVED by the Mayor this ___ day of May, 2014.

[SEAL]

David K. Breuer, Mayor

ATTEST:

Katherine M. Renn, City Clerk

APPROVED AS TO FORM:

Shannon M. Marcano, City Attorney

Exhibit A
Third Amendment to Independent Contractor Agreement

To be attached.

THIRD AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT

THIS THIRD AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT (the "Third Amendment") is made this ____ day of _____, 2014, by and between the City of Basehor, Kansas (the "City") and White Goss, a Professional Corporation ("White Goss"), 4510 Belleview, Suite 300, Kansas City, Missouri 64111.

WHEREAS, the City and White Goss entered into that certain Independent Contractor Agreement (the "Agreement") dated June 20, 2011 and concerning the provision of City Attorney services; and

WHEREAS, the City and White Goss entered into that certain First Amendment to Independent Contractor Agreement dated June 18, 2012 and concerning the provision of City Attorney services; and

WHEREAS, the City and White Goss entered into that certain Second Amendment to Independent Contractor Agreement dated June 17, 2013 and concerning the provision of City Attorney services; and

WHEREAS, the parties now desire to extend the term of the Agreement in accordance with Section 7 of the Agreement; and

WHEREAS, the parties hereby agree as follows:

1. The Agreement is extended for a period of one year from this Third Amendment approval date.

IN WITNESS WHEREOF, the parties, voluntarily and with full knowledge of the contents hereof, have executed this Third Amendment.

THE CITY OF BASEHOR, KANSAS

By: _____
Mayor David K. Breuer, with consent of
a majority of the City Council

**WHITE GOSS, a Professional
Corporation**

By: _____
Shannon M. Marcano, Esq.

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 4

Topic: Health, Dental and Vision Benefits Renewal

Action Requested: Renewal of Health, Dental and Vision Employee Benefits

Narrative: The City annually reviews employee health benefits during the month of May. The City's health benefits renew on July 1 of each year.

Presented by: Lloyd Martley, City Administrator

Administration Recommendation: Approve renewal rates for employee health benefits

Committee Recommendation: N/A

Attachments:

Dental Proposal
VSP Agreement
Health Insurance Proposal
Short & Long Term Disability Proposal

Projector needed for this item?

No

MEMO

Date: May 5, 2014

To: Mayor and Governing Body

From: Lloyd Martley, Chief of Police/City Administrator

Ref: Health, Dental and Vision Employee Benefits Renewal

The City annually reviews employee health benefits during the month of May. The City's current employee health benefit plans will expire on July 1, 2014. For this year's review per council's direction staff contracted with CBIZ Kansas City Benefits and Insurance Services to evaluate and compare our current plans with other competitive markets.

The Affordable Care Act was not designed to replace employer sponsored health insurance. It was developed to build on to the current system that already covers most employed Americans. There are hundreds of provision in the Affordable Care Act. Due to the fact that we still have under 50 employees we are considered to be in a small group which means some of the provisions of the ACA do not apply to our company. One major change we will be required to make is the waiting period to get on our health plans. Currently our policy requires a 90 day waiting period and the ACA now only allows for a 60 day waiting period.

CBIZ evaluated Blue Cross Blue Shield, Humana, Coventry and United Health Care Plan (see attached renewal plan options).

Health:

The City's current health care provider is Blue Cross Blue Shield. Based on the lower amount of claims the city had during the year (2013) and the fact that we are still in what is considered grandfather status because we have not made any major changes to our plan the 2014/2015 health plan rates will be going down by -2.59 %.

Dental:

Our current dental policy is through a MPR pool with our carrier being Delta Dental. We were notified that as of June 30, 2014 MPR can no longer subsidize the expense incurred for members that participate in the pool for dental only coverage. We had CBIZ do an evaluation and cost comparison for Dental policies (see attached). Delta Dental of Kansas, MetLife and Kansas City Life were evaluated.

Vision:

No change. We are currently covered with VSP which will remain in place until June 30, 2015.

Short and Long Term Disability, Basic Term Life and Basic AD&D:

These policies are currently carried by Blue Cross Blue Shield through Advance Insurance Company of Kansas. Their renewal summary (see attached) indicates that their overall rate will decrease by .01 for 2014/2015.

Providing employee benefits in 2014-15 will not require an increase to the employee benefit mill levy.

**City of Basehor, KS
RENEWAL and PLAN OPTIONS
July 1, 2014**

MEDICAL		Blue Cross of Kansas Current		Humana Option 1		Humana Option 2	
Carrier Website		www.bcbsks.com		www.humana.com		www.humana.com	
Plan Type / Network		PPO/BCBS Kansas		PPO / ChoiceCare		PPO / ChoiceCare	
Annual Deductible (Cal. Yr.)		In Network	Out of Network	KS PPO 14 Copay Opt 8 Gold In Network	Out of Network	KS PPO 14 Copay Opt 9 Gold In Network	Out of Network
Individual		\$600		\$500	\$10,500	\$1,000	\$3,000
Family		\$1,000		\$1,000	\$21,000	\$2,000	\$6,000
Coinsurance (Member Pays)		20%		20%	50%	20%	50%
Maximum Out-of-pocket (Cal. Yr.)		Deductible and Coinsurance only		Ded. Copays and Coins. Apply		Ded. Copays and Coins. Apply	
Individual		\$1,500		\$4,000	\$12,000	\$4,000	\$12,000
Family		\$3,000		\$8,000	\$24,000	\$8,000	\$24,000
Primary Care		\$25 Copay		\$25 Copay	Ded: then 30%	\$25 Copay	Ded: then 30%
Specialist		\$25 Copay		\$40 Copay	Ded: then 30%	\$40 Copay	Ded: then 30%
Hospital Care Center		Not mentioned		\$100 Copay	Ded: then 30%	\$100 Copay	Ded: then 30%
Urgent Care Center							
Hospital Services							
Major Diagnostics--MRI/CT, etc							
Inpatient Care--Facility Charges							
Outpatient Facility Charges							
Accidental Injuries							
Emergency room							
Prescription Drugs							
Tier 1 / 2 / 3 / 4		\$15/\$30/\$45		\$10/\$30/\$50/25%	Network Tier Copay	\$10/\$30/\$50/25%	Network Tier Copay
Mail Order (90 Day Supply)		2.5 X Retail Copay		2.5 X Retail Copay	Then N/A	2.5 X Retail Copay	Then N/A
Pediatric Dental to age 19							
Basic Services Only 2 per year							
Pediatric Vision to age 19							
Routine Eye Exam							
Eyewear							
(Glasses or Contact Lenses)							
Unit Cost - Rates							
Employee Only	16	Current	Renewal	Prescreened Rates		Prescreened Rates	
Employee + Spouse		\$390.26	\$378.22	\$400.17	\$378.20	\$378.20	\$378.20
Employee + Child(ren)	1	\$839.38	\$812.23	\$800.33	\$756.40	\$756.40	\$756.40
Employee + Family	3	\$802.61	\$787.85	\$760.31	\$718.58	\$718.58	\$718.58
Total Estimated Monthly Cost	7	\$1,251.13	\$1,221.25	\$1,280.53	\$1,210.24	\$1,210.24	\$1,210.24
Total Estimated Annual Cost		\$18,249.28	\$17,776.05	\$18,447.69	\$17,435.02	\$17,435.02	\$17,435.02
Percentage Change From Current		\$218,991.36	\$213,312.60	\$221,372.28	\$209,220.24	\$209,220.24	\$209,220.24
Monthly Change From Current		-2.59%	-2.59%	1.09%	-4.46%	-4.46%	-4.46%
Monthly Administration Fee				\$198.41	\$814.28	\$814.28	\$814.28
				\$20.00	\$20.00	\$20.00	\$20.00

See Disclaimer

City of Basehor, KS
COVENTRY 2014 PLAN OPTIONS
July 1, 2014

MEDICAL		Coventry - KS14C10030 20 (G)		Coventry-KS14A00040 25 (G)	
Carrier Website		www.chcks.com		www.chcks.com	
Plan Type / Network		POS / POS		POS / or POS	
Annual Deductible (Cal. Yr.)		In Network		Out of Network	
Individual	\$1,000	\$2,000	\$0	\$5,000	
Family	\$2,000	\$4,000	\$0	\$10,000	
Coinsurance (Member Pays)		20%		40%	
Maximum Out-of-pocket (Cal. Yr.)		Ded., copays and coins. apply		Ded., copays and coins. apply	
Individual	\$3,000	\$5,000	\$4,000	\$10,000	
Family	\$6,000	\$10,000	\$8,000	\$20,000	
Routine Preventive Care		Paid at 100%		Paid at 100%	
Physician Services		Ded: then 40%		Ded: then 30%	
Primary Care	\$20 Copay	Ded: then 40%	\$25 Copay	Ded: then 30%	
Specialist	\$40 copay	Ded: then 40%	\$50 Copay	Ded: then 30%	
Urgent Care Center	\$40 copay	Ded: then 40%	\$50 Copay	Ded: then 30%	
Hospital Services		Ded: then 20%		Ded: then 30%	
Major Diagnostics--MRI, CT, etc	Ded: then 20%	Ded: then 40%	\$500 Copay/visit	Ded: then 30%	
Inpatient Care-Facility Charges	Ded: then 20%	Ded: then 40%	\$250 Copay	Ded: then 30%	
Outpatient Facility Charges	Ded: then 20%	Ded: then 40%	\$250 Copay/visit	Ded: then 30%	
Professional Service Charges	Ded: then 0%	Ded: then 40%	0%	Ded: then 30%	
Emergency room	\$150 copay +Ded: then 20%	Ded: then 40%	\$250 Copay/visit	Ded: then 30%	
Prescription Drugs		\$3 or \$15/\$50/\$75/ 30%/40%		\$3 or \$15/\$50/\$75/ 30%/40%	
Tier 1 / 2 / 3 / 4		Tier 1 2x; others 3x		Tier 1 2x; others 3x	
Mail Order (90 Day Supply)		2 x in-network copay		2 x in-network copay	
Pediatric Dental to age 19		No copay		Ded: then 50%	
Basic Services Only	No copay	Ded: then 50%			
Pediatric Vision to age 19		No copay		Ded: then 40%	
Routine Eye Exam	No copay	Ded: then 40%			
Eyewear	No copay	Ded: then 40%			
(Glasses or Contact Lenses)	3 pair lenses / contacts / plan year	Ded: then 40%			
MONTHLY COST - Rates		Calculated by employee age--Rates will increase by 20% for any tobacco users Age rated (Composites for illustration only)		Calculated by employee age--Rates will increase by 20% for any tobacco users Age rated (Composites for illustration only)	
Employee Only	\$416.31	\$416.31	\$424.33	\$19,305.13	
Employee + Spouse	\$874.26	\$874.26	\$891.09	\$231,661.56	
Employee + Child(tren)	\$791.00	\$791.00	\$806.22		
Employee + Family	\$1,290.58	\$1,290.58	\$1,315.41		
Total Estimated Monthly Cost	\$18,940.20	\$18,940.20	\$19,305.13		
Total Estimated Annual Cost	\$227,282.40	\$227,282.40	\$231,661.56		
Percentage Change From Current	3.8%	3.8%	5.8%		
Dollar Change From Current	\$690.92	\$690.92	\$1,055.85		

See Disclaimer

**City of Basehor, KS
UHC PLAN OPTIONS**

July 1, 2014

MEDICAL		P1Z - 80/50 / RX NO		P1V-80/50 / RX NO	
Carrier Website	www.myuhc.com	www.myuhc.com	www.myuhc.com	www.myuhc.com	www.myuhc.com
Plan Type / Network	POS / Choice Plus				
Annual Deductible (Cal. Yr.)	In Network Individual \$500 Family \$1,000	Out of Network \$5,000 \$10,000	In Network Individual \$1,000 Family \$2,000	Out of Network \$5,000 \$10,000	Out of Network \$5,000 \$10,000
Coinsurance (Member Pays)	20%	50%	20%	50%	50%
Maximum Out-of-pocket (Cal. Yr.)	Individual \$5,000 Family \$10,000	Ded. Copays and Coins. Apply \$10,000 \$20,000	Individual \$4,000 Family \$8,000	Ded. Copays and Coins. Apply \$10,000 \$20,000	Ded. Copays and Coins. Apply \$10,000 \$20,000
Routine Preventive Care	No Cost Sharing	Ded: then 50%	No Cost Sharing	Ded: then 50%	Ded: then 50%
Physician Services					
Primary Care	\$0 to age 19/\$30 19+	Ded: then 50%	\$0 to age 19/\$25 19+	Ded: then 50%	Ded: then 50%
Specialists	\$60 Copay	Ded: then 50%	\$50 Copay	Ded: then 50%	Ded: then 50%
Urgent Care Center	\$75 Copay	Ded: then 50%	\$75 Copay	Ded: then 50%	Ded: then 50%
Hospital Services					
Major Diagnostics--MRI,CT, etc	Ded: then 20%	Ded: then 50%	Ded: then 20%	Ded: then 50%	Ded: then 50%
Inpatient Care-Facility Charges	Ded: then 20%	Ded: then 50%	Ded: then 20%	Ded: then 50%	Ded: then 50%
Outpatient Facility Charges	Ded: then 20%	Ded: then 50%	Ded: then 20%	Ded: then 50%	Ded: then 50%
Professional Service Charges	Ded: then 20%	Ded: then 50%	Ded: then 20%	Ded: then 50%	Ded: then 50%
Emergency room	\$250 copay per visit then 20%	Ded: then 50%	Ded: then 20%	Ded: then 50%	Ded: then 50%
Prescription Drugs					
Tier 1 / 2 / 3 / 4	\$10/\$35/\$60/Sp. \$300	Tier copays + cost difference in-net/out-network	\$10/\$35/\$60/Sp. \$300	Tier copays + cost difference in-net/out-network	Tier copays + cost difference in-net/out-network
Mail Order (90 Day Supply)	2.5X Retail Copay		2.5X Retail Copay		
Pediatric Dental to age 19	Deductible, then 0% Deductible, then 20% Deductible, then 50%				
Basic Services Only					
Intermediate Services					
Major Services					
Pediatric Vision to age 19	Included in Annual Deductible				
Routine Eye Exam	\$10 copay	Ded: then 30%	\$10 copay	Ded: then 30%	Ded: then 30%
Eyewear	Ded: then 20%	Ded: then 30%	Ded: then 50%	Ded: then 30%	Ded: then 30%
(Glasses or Contact Lenses)	Copay varies with cost	Ded: then 30%	Copay varies with cost	Ded: then 30%	Ded: then 30%
	3 pair lenses / 3 frames per yr.		3 pair lenses / 3 frames per yr.		
MONTHLY COST - Rates					
Employee Only	Age Rated --See Rate page for individual employee rates		Age Rated --See Rate page for individual employee rates		
Employee + Spouse					
Employee + Child(ren)					
Employee + Family					
Total Estimated Monthly Cost:	\$21,387.98		\$21,361.38		
Total Estimated Annual Cost	\$256,655.76		\$256,336.56		
Percentage Change From Current					
Dollar Change From Current					
See Disclaimer					

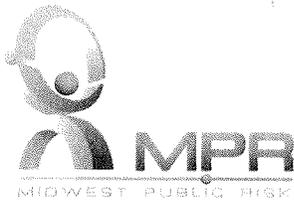
Calculated by employee age, spouse Age, dependents 20-26 age; dependents under age 20 - 1, 2 or 3+ (max) children

**DATA LOCKER INC
6/1/14 RENEWAL**

DISCLAIMER:

CBIZ Benefits & Insurance Services has been and will continue to be committed to acting in our client's best interest by providing services and products that meet our client's needs as communicated to CBIZ. From time to time, CBIZ may participate in agreements with one or more insurance companies or third party vendors, in connection with the insurance related transactions, to receive additional compensation or consideration. These compensation arrangements are provided to CBIZ as a result of the performance and expertise by which products and services are provided to the client and may result in enhancing CBIZ's ability to access certain markets and services on behalf of CBIZ clients. More information regarding these CBIZ agreements and the consideration received pursuant to these agreements is available upon written request.

The illustration presented is only a summary. Please refer to the booklet/certificate for specific details. If a conflict arises, the booklet/certificate will govern in all cases. This is not an offer of insurance coverage. Final Rates, coverages & limitations must come from the insurance company.



Member owned. Member focused.

Midwest Public Risk
19400 E Valley View Parkway
Independence, MO 64055
(816) 292-7500

November 27, 2013

Mr. Lloyd Martley Jr.
City of Basehor, Kansas
2620 N 155th Street
PO Box 406
Basehor, KS 6607

Re: Midwest Public Risk – Delta Dental Plan

Dear Mr. Martley,

This contact is to provide you notice that Midwest Public Risk can no longer subsidize the expense incurred by our members which participate with the pool for “dental only” coverage.

We do appreciate your participation in the past, but we can no longer offer this program at the same price to Dental only members because of the impact the fees have on all of our health and dental members. We wanted to give you advance notice so that you can begin to research alternate dental coverage for your group to begin July 1, 2014.

If you want to continue with Delta Dental of Kansas, please contact the local Delta Dental of KS Account Manager, Natalie Daney, at 913-327-3724 for your options and a quote.

Please consider this as official notice, and we will follow up with reminders early next year. Feel free to contact us if you have any questions.

Respectfully,

Terry W. Norwood
President & CEO

Cc: Natalie Daney, Manager of Account Services
Delta Dental of Kansas



City of Basehor, KS
Dental Benefits Comparison
Effective July 1, 2014

DENTAL	Delta Dental of Kansas Current MPR	Delta Dental of Kansas Pooled rates for 10 to 75 EES	MetLife	Kansas City Life
Carrier Website	www.deltadentalins.com	www.deltadentalins.com	www.metlife.com	www.kciroubbenefits.com
Plan Type & Network	PPO/Premier PPO Premier Out of Network	Silent PPO/Premier PPO Premier Out of Network	PPO/PPDP PPO In Network Out of Network	PPO/Connection or Stralose In Network Out of Network
Deductible	Individual \$50 Family \$150 Waived for Preventive Yes	\$50 \$150 Yes	\$50 \$150 Yes	\$50 \$150 Yes
Coinsurance (member pays)	Preventive 100% Basic 85% Major 55% Orthodontia Dependent to age 19 50%	100% 100% 80% 80% 80% 50% 50% 50%	100% 100% 80% 80% 80% 50% 50% 50%	100% 100% 80% 80% 80% 50% 50% 50%
Maximum Benefits:	Annual Max: \$1,250 Orthodontia Lifetime Max (to dep age 19) \$1,250	\$1,500 \$1,000	\$1,250 \$1,250	\$1,250 \$1,250
Additional Provisions	Coverage for Composite Endo/Periodontics Coverage for Dental Implants UCR Percentile Late Entrants Preventive Plus Waiting Period Dependent Child Age Limit	Not for posterior teeth Basic Not covered Max Payable Amount Open enrollment only Yes No waiting period To age 26	Not for posterior teeth Basic Not covered Max Payable Amount Open enrollment only Yes No waiting period To Age 24	Not for posterior teeth Basic Covered 1 per tooth in 10 yrs Neg Fee 90th % Open enrollment only Not available No waiting period To Age 26
Unit Cost:	Employee Only 16 Employee + Family 11	<u>Current Rates</u> \$34.16 \$85.91	<u>Rates</u> \$30.83 \$104.50	<u>Rates</u> \$28.08 \$86.58
Monthly Cost:	Employee Only \$546.56 Employee + Family \$945.01 Total Monthly Cost \$1,491.57	\$493.28 \$1,149.50 \$1,642.78	\$449.28 \$1,149.50 \$1,642.78	\$509.92 \$874.28 \$1,384.20
Total Annual Cost	\$17,898.84	\$19,713.36	\$16,819.92	\$16,610.40
Percentage of Increase/Decrease		10.14%	-6.03%	-7.20%
Monthly Change from Current Rate Guarantee		\$1,814.52 1 Year	\$1,814.52 1 Year	-\$1,288.44 1 Year

Note: This is only a summary. Please refer to the booklet/certificate for specific details. If a conflict arises, the booklet/certificate will govern in all cases.

CBIZ Disclaimer

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The illustration presented is only a summary. Please refer to the booklet/certificate for specific details. If a conflict arises, the booklet/certificate will govern in all cases. This is not an offer of insurance coverage. Final Rates, coverages & limitations must come from the insurance company.



1133 SW Topeka Blvd, Topeka KS 66629-0001
FAX(785)290-0727 or Phone (800)530-5989

Renewal Summary

Date: April 1, 2014
Presented to: City of Basehor
BCBSKS rep: Lisa Toyne

Group number: 00097805

Renewal Month July	Current rate	Renewal rate Effective July 1, 2014	Rate guarantee
Basic Term Life	.13/1,000	.15/1,000	1 year
Basic AD&D	.03/1,000	.03/1,000	1 year
Short Term Disability	.22/\$10 unit	.22/\$10 unit	1 year
Long Term Disability	.27% of monthly covered payroll	.24% of monthly covered payroll	2 years

Quota Requirements – PLEASE FULLY COMPLETE QUESTIONS 1, 2, 3, 4 and 5

1) A person must be **Actively at Work*** to be insured; which is, performing all their normal duties, wherever they usually work, and working the required number of hours each week whether an owner, partner, shareholder, individual proprietor or a regular employee.

Is anyone currently on the bill who is not **Actively at Work***? No Yes Please tell us who they are and why they are not actively at work. _____

2) What is the number of employees who regularly work your weekly requirement of 40 hours or more? **Coverage is not based on enrollment in a health coverage plan.**

3) **Subtract** the number of employees who are still serving your required company imposed waiting period.
- _____

4) **Subtract** the total number of employees who have completed and submitted a Waiver of Coverage Form to AICK for your company paid benefits. On the lines below, please list the name(s) of the employees who have waived company paid coverage. A current Waiver of Coverage Form is enclosed for you to use and keep on file.

= _____ 5) This total will equal the number of employees who should be enrolled in coverage with AICK.

Authorization

Your group policy contains the exact provisions and exclusions of the benefit plan(s) being renewed. A renewal is not a guarantee of coverage in the absence of timely payment of premium or non-compliance with policy provisions. If the number of lives change by 10 percent or more, a re-rate may be necessary.

My signature verifies the information provided in the Quota Requirements section is true and complete to the best of my knowledge.

Executive contact signature _____

Date signed _____

Group Administrator Name (Please Print) _____

Group Administrator Email (Please Print) _____

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 5

Topic: 2015 Operating Budget Preparation Calendar

Action Requested: Review operating budget preparation calendar

Narrative: The 2015 operating budget preparation calendar outlines the dates and meetings that are required prior to the budget being approved by council at the August 4, 2014 meeting.

Presented by: Lloyd Martley, Chief of Police/City Administrator

Administration Recommendation: N/A

Committee Recommendation: N/A

Attachments: 2015 Operating Budget Preparation Calendar

Projector needed for this item?

No



City of Basehor

2015 Operating Budget Preparation Calendar

Date	Scheduling Item
April 7, 2014	City Council Planning Retreat
Mid April -May, 2014	Budget Documents Provided to the Department Heads
June 4, 2014	DEADLINE: Department Budget Requests Due to City Administrator
Second Week in June	City Administrator Budget Reviews with Department Heads
By July 1, 2014	Receive Assessed Valuation from County Clerk <i>The County Clerk shall include such assessed valuations in the applicable taxing districts with all other assessed valuations in those taxing districts and on or before July 1 notify the appropriate officials of each taxing district within the county of the assessed valuation estimates to be utilized in the preparation of budgets for ad valorem tax purposes (K.S.A. 79-5a27).</i>
July 7, 2014	2015 City Council Budget Work Session: Set Budget Public Hearing Date as August 4, 2014
July 21, 2014	Budget Discussion at Regular Meeting
July 8, 2014	Send <i>Notice of Public Hearing to The Chieftain and/or Leavenworth Times</i> <i>The governing body shall give at least 10 days' notice of the time and place of the meeting by publication in a weekly or daily newspaper of the county having a general circulation therein (K.S.A. 79-2929).</i>
August 4, 2014	(Prior to Work Session) Special Regular Meeting - Conduct Public Hearing: Approve 2015 Proposed Budget <i>The hearing herein required to be held upon all budgets by all taxing subdivisions or municipalities of the state shall be held not less than ten (10) days prior to the date on which they shall certify their annual levies to the county clerk as required by law (K.S.A. 79-2933).</i>
By August 25, 2014	Submit Approved 2015 Budget to Leavenworth County Clerk <i>Each year the governing body of any city, the trustees of any township, the board of education of any school district and the governing bodies of all other taxing subdivisions shall certify, on or before August 25, to the proper county clerk the amount of ad valorem tax to be levied (K.S.A. 79-1801).</i> <i>Where action has been taken under any statute to increase the amount of tax to be levied authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect (K.S.A. 79-2930).</i>

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 6

Topic: Open position for Planning Commission

Action Requested: Seeking applicants for Planning Commission opening

Narrative: John Matthews was appointed to the Planning Commission in January 1993. John has served the City of Basehor for 21 years. John's current term will end June 2014 and he has announced that he will not be seeking another term. John will be recognized for his service to the City at the Planning Commission meeting on May 6, 2014.

Presented by: Lloyd Martley, Chief of Police/City Administrator
Mitch Pleak, City Engineer

Administration Recommendation: Announce planning commission opening and seek applicants

Committee Recommendation: N/A

Attachments: Planning Commission Application
Planning Commission Job Description

Projector needed for this item?

No

PLANNING COMMISSION JOB DESCRIPTION

The Planning Commission is an recommending body to the City Council, which is responsible for the implantation of the comprehensive plans for physical and land use development of the community, holds public hearings regarding applications for rezoning and platting property, considers plans for new subdivisions, and reviews capital improvements programs for public improvements. It is composed of seven Commissioners, each serving a three-year term. Two members must reside outside the city limits but within three miles of the city limits. The Planning Commission meets the Tuesday of the first full week in each month at 7:00 p.m. at City Hall located at 2620 N. 155th St.

Duties:

- Review and consider the adoption of a comprehensive plan for the City.
- Review and consider the adoption of subdivision regulations for the City.
- Review and consider the adoption of zoning regulations for the City.
- Review and consider subdivision plats.
- Review and consider rezoning applications.
- Review and consider special use permit applications.
- Review and consider preliminary development plans
- Review and consider final development plans.

Desirable Qualifications:

A Planning Commissioner's primary job is to make land use decisions that are consistent with the policies and plans formally adopted by the City Council. Therefore, the first priority of a Planning Commissioner must be to develop decision-making skills and knowledge of City polices. It is not critical to have training in fields such as planning, architecture, law, civil engineering, geology, economics, or demography. These are skills that are available to the Commissioner from staff, consultants, and the applicant.

Suggested qualifications for a Planning Commissioner include:

- A willingness and ability to research and report on issues, programs and policies related to development issues.
- A willingness to attend night meetings on a regular basis. Three unexcused absences in one year are generally grounds for dismissal from the Commission.
- A willingness to assist in implementing projects as decided upon by the City Council.
- The ability to sustain harmonious working relationships with Commission members, the City Council, residents, and the public.
- A willingness to attend extracurricular meeting and training seminars related to regional planning uses.

CITY OF BASEHOR
APPLICATION FOR SERVING ON A CITY BOARD OR COMMITTEE

NAME: _____

ADDRESS: _____

DAY TIME PHONE NUMBER: _____ EVENING PHONE NUMBER: _____

E-MAIL ADDRESS: _____

PLACE OF EMPLOYMENT: _____

HOW LONG HAVE YOU BEEN A RESIDENT OF BASEHOR?

NAME OF BOARD(S) YOU ARE INTERESTED IN SERVING ON: _____

HOW MUCH TIME COULD YOU DEVOTE PER MONTH? _____

ARE YOU RELATED TO ANYONE WHO IS CURRENTLY SERVING ON A BOARD/COMMITTEE? _____

IF YES, EXPLAIN: _____

BRIEFLY DESCRIBE WHY YOU ARE INTERESTED IN SERVING ON A BOARD/COMMITTEE FOR THE CITY OF BASEHOR.

PLEASE LIST ANY GROUPS OR ACTIVITIES THAT YOU PARTICIPATE IN, OR HAVE PREVIOUSLY PARTICIPATED IN, THAT DEMONSTRATE YOUR INVOLVEMENT IN THE COMMUNITY. _____

SIGNATURE: _____ DATE: _____

Thank you for your interest in serving on a Board/Commission. It is rewarding to see individuals who are willing and able to commit their time and energy to make the City of Basehor a better place to work, live and play.