# Agenda

## Basehor City Council
## Work Session

May 4, 2015 - 7:00 p.m.
Basehor City Hall

1. Mize Houser & Company Audit Review – Resolution 2015-07
2. Annual City Official Appointments
3. City Attorney Appointment (contract amendment) – Resolution 2015-08
4. Health, Vision & Dental Insurance Review for Renewal
5. EMS Discussion
6. Reuben Basehor Library Lease Agreement – Resolution 2015-09
7. Project Funding Discussion
8. Annexation Options
9. Executive Session *(If needed)*

*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

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## Agenda Item No. 1

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**Topic:** Fiscal Year 2014 Independent Audit

**Action Requested:** Approve Resolution 2015-07 FY 2014 Mize Houser 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 Resolution 2015-07 FY 2014 Independent External Audit

**Committee Recommendation:** N/A

**Attachments:** 2014 External Independent Audit.
Resolution 2015-07

**Projector needed for this item?**

No

**RESOLUTION NO. 2015-07**

**A RESOLUTION ACCEPTING THE 2014 AUDIT OF THE FINANCIAL STATEMENTS OF THE CITY OF BASEHOR, KANSAS**

**WHEREAS**, Mize Houser & Company P.A. performed an audit of the financial statements of the City of Basehor, Kansas, as of December 31, 2014 and the year then ended; and

**WHEREAS,** the Governing Body has reviewed the audit of the financial statements of the City of Basehor, Kansas, and finds it satisfactory; and

**WHEREAS,** the Governing Body wishes to accept the audit of the financial statements of the City of Basehor, Kansas as of December 31, 2014 and the year then ended.

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

**Section 1.** That the Governing Body accepts the audit of the financial statements of the City of Basehor, Kansas as of December 31, 2014 and the year then ended.

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

PASSED by the Governing Body this ___ day of May, 2015.

APPROVED by the Mayor this ___ day of May, 2015.

**[SEAL]**

_____
David K. Breuer, Mayor

ATTEST:

_____
Katherine M. Renn, City Clerk

APPROVED AS TO FORM:

_____
Shannon M. Marcano, City Attorney

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**CITY OF BASEHOR, KANSAS**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2014**

TABLE OF CONTENTS

| | Page |
|---|---|
| Independent Auditor's Report | 1 - 2 |
| Management's Discussion and Analysis | 3 - 8 |
| Basic Financial Statements: | |
| Government-wide Financial Statements | |
| Statement of Net Position | 9 |
| Statement of Activities | 10 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 11 |
| Reconciliation of the Total Governmental Fund Balances to Net Position of Governmental Activities | 12 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 13 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balances with the Government-wide Statement of Activities | 14 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget | |
| General Fund | 15 - 16 |
| Consolidated Highway Fund | 17 |
| Capital Improvements Reserve Fund | 18 |
| Employee Benefit Fund | 19 |
| Statement of Net Position - Proprietary Funds | 20 |
| Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds | 21 |
| Statement of Cash Flows - Proprietary Funds | 22 - 23 |
| Notes to the Financial Statements | 24 - 40 |



CITY OF BASEHOR, KANSAS

Financial Statements
Year ending December 31, 2014

TABLE OF CONTENTS (CONTINUED)

| | |
|---|---|
| Required Supplementary Information: | |
| Schedule of Funding Progress | 41 |
| Combining Statements and Individual Fund Schedules | |
| Combining Statements - Nonmajor Funds | |
| Combining Balance Sheet - Nonmajor Governmental Funds | 42 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 43 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds | 44 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds | 45 |
| Combining Balance Sheet - Nonmajor Capital Project Funds | 46 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds | 47 |
| Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget | |
| Special Parks and Recreation Fund | 48 |
| Cedar Lakes Maintenance Fund | 49 |
| Bond and Interest Fund | 50 |
| Individual Fund Schedules of Revenues, Expenditures and Changes in Net Position - Actual and Budget | |
| Sewer Utility Fund | 51 |
| Solid Waste Utility Fund | 52 |

**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, 2014, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund, consolidated highway fund, capital improvements reserve fund and the employee benefit fund 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 41 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 17, 2015



MIZE HOUSER COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

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, 2014, 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.

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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, 2014.

**Financial Highlights**

- The Government-wide net position totaled $18.6 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by $6.6 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2014 totaled $28.1 million.
- During the year ended December 31, 2014, the City's total revenues (which include charges for services, local taxes, and state and federal aid) exceeded total expenses by $.3 million.
- The City's total indebtedness decreased by $1.3 million.
- The City's net capital assets decreased $1.2 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, 2014
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.

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2014. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net position of the City by $.3 million for the year ended December 31, 2014. 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 $.7 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. In addition, the capital outlays of $.5 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, 2014 and 2013

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 453,007 | $ 370,742 | $ 1,867,750 | $ 1,771,838 | $ 2,320,757 | $ 2,142,580 |
| Operating grants | 26,026 | 1,731,445 | 93,987 | 92,918 | 120,013 | 1,824,363 |
| General revenues: | | | | | | |
| Taxes | 3,554,468 | 3,427,357 | - | - | 3,554,468 | 3,427,357 |
| Transfers (net) | 195,607 | 122,513 | (195,607) | (122,513) | - | - |
| Other | 50,008 | 50,396 | 3,123 | 633,241 | 53,131 | 683,637 |
| Total revenues | 4,279,116 | 5,702,453 | 1,769,253 | 2,375,484 | 6,048,369 | 8,077,937 |
| Program expenses: | | | | | | |
| General government | 1,348,655 | 1,185,996 | - | - | 1,348,655 | 1,185,996 |
| Public safety | 799,033 | 708,660 | - | - | 799,033 | 708,660 |
| Public works | 669,003 | 564,865 | - | - | 669,003 | 564,865 |
| Culture and recreation | 52,063 | 40,750 | - | - | 52,063 | 40,750 |
| Infrastructure depreciation | 1,025,963 | 762,017 | - | - | 1,025,963 | 762,017 |
| Sewer utility | - | - | 1,398,171 | 1,351,370 | 1,398,171 | 1,351,370 |
| Solid waste utility | - | - | 286,459 | 263,510 | 286,459 | 263,510 |
| Interest on long term debt | 185,642 | 987,423 | - | - | 185,642 | 987,423 |
| Total expenses | 4,081,359 | 4,249,711 | 1,684,630 | 1,614,880 | 5,765,989 | 5,864,591 |
| Increase (decrease) in net position | $ 197,757 | $ 1,452,742 | $ 84,623 | $ 760,604 | $ 282,380 | $ 2,213,346 |





**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, 2014:

City of Basehor
Condensed Statement of Net Position
December 31, 2014 and 2013

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Current assets | $ 6,811,344 | $ 6,727,807 | $ 1,489,057 | $ 1,249,560 | $ 8,300,401 | $ 7,977,367 |
| Non current assets | 11,579,541 | 12,113,063 | 16,567,020 | 17,279,312 | 28,146,561 | 29,392,375 |
| Total assets | $ 18,390,885 | $ 18,840,870 | $ 18,056,077 | $ 18,528,872 | $ 36,446,962 | $ 37,369,742 |
| Current liabilities | $ 976,464 | $ 870,159 | $ 678,158 | $ 638,515 | $ 1,654,642 | $ 1,508,674 |
| Noncurrent liabilities | 6,752,862 | 7,551,750 | 8,018,179 | 8,515,240 | 14,771,041 | 16,166,990 |
| Deferred inflows of resources | 1,470,206 | 1,425,385 | - | - | 1,470,206 | 1,425,385 |
| Total liabilities and deferred inflows of resources | $ 9,199,552 | $ 9,847,294 | $ 8,696,337 | $ 9,253,755 | $ 17,895,889 | $ 19,101,049 |
| Net Position: | | | | | | |
| Invested in capital assets, net of debt | $ 4,114,612 | $ 3,919,579 | $ 7,968,692 | $ 8,147,326 | $ 12,083,304 | $ 12,066,905 |
| Restricted for: | | | | | | |
| Debt Service | 435,440 | 586,415 | - | - | 435,440 | 586,415 |
| Unrestricted | 4,641,281 | 4,487,582 | 1,391,048 | 1,127,791 | 6,032,329 | 5,615,373 |
| Total net position | $ 9,191,333 | $ 8,993,576 | $ 9,359,740 | $ 9,275,117 | $ 18,551,073 | $ 18,268,693 |

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 $6.6 million, representing the City's ability to meet current obligations when due.

The City has $16.1 million in long-term debt, consisting of general obligation bonds, loans, and capital leases payable, of which $1.3 million is due within the next fiscal year.

The City had total assets at December 31, 2014, totaling $36.5 million. The total assets of the City exceeded the total liabilities by $18.5 million. Net position invested in capital assets, net of related debt, totaled $12.1 million, restricted net position totaled $.4 million and unrestricted net position totaled $6.0 million.

The City's final General Fund budget was $2,652,332, the same as the original published budget. The revenues were more than budgetary estimates by $.2 million and the expenditures were less than budgetary estimates by $.7 million.

**Fixed Assets and Debt Administration**

The City's investment in fixed assets for its governmental and business-type activities totaled $28.1 million (net of accumulated depreciation) as of December 31, 2014.

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

The City spent $330,000 on land for the future City Campus. The City also purchased six new vehicles for $171,034 to be used by the Sewer, Public Works and Police departments.

At December 31, 2014, the City had total debt outstanding of $16.1 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2014, in the amount of $1.3 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.





Governmental Activities increase the net position by $.2 million. Business-type activities increased the net position by $.1 million. The primary increases in Governmental Activities can be attributed to many factors in addition to conservative spending. Key elements in the Business-type activities increase is due to additional utility customers (both sewer and solid waste).

**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, 2014, for the governmental funds totaled $5.3 million. Total unassigned fund balances at December 31, 2014, totaled $1 million, all of which was attributable to the General Fund. The remainder of fund balance includes: $.4 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; $3.9 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 $.9 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 $2.0 million, which represents all of the total fund balance. The increase in the fund's fund balance was $.3 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 $1.3 million, which represents all of the total fund balance. The decrease in the fund's fund balance was $.2 million.

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 $.1 million, which represents all of the total fund balance. The decrease in the Fund's fund balance was $.03 million.

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 $89,326 and the unrestricted net position of the Sewer Utility Fund at the end of the year amounted to $1.3 million. The total change in the two funds was [$5,999] and $.1 million, 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.

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CITY OF BASEHOR, KANSAS

STATEMENT OF NET POSITION
December 31, 2014

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Primary Government Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 5,270,116 | $ 1,350,836 | $ 6,620,952 |
| Receivables: | | | |
| Taxes | 1,470,206 | - | 1,470,206 |
| Municipal court | 71,022 | - | 71,022 |
| Other | - | 138,221 | 138,221 |
| Total current assets | 6,811,344 | 1,489,057 | 8,300,401 |
| Noncurrent assets: | | | |
| Nondepreciable capital assets: | | | |
| Construction in process | 4,927 | - | 4,927 |
| Land | 388,197 | - | 388,197 |
| Depreciable capital assets: | 21,600,260 | 28,641,042 | 50,241,302 |
| Less: accumulated depreciation | (10,413,843) | (12,074,022) | (22,487,865) |
| Total noncurrent assets | 11,579,541 | 16,567,020 | 28,146,561 |
| Total assets | $ 18,390,885 | $ 18,056,077 | $ 36,446,962 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | $ 32,644 | $ - | $ 32,644 |
| Accrued liabilities | 43,506 | 22,480 | 65,986 |
| Accrued interest payable | 57,602 | 72,262 | 129,864 |
| Current portion of capital lease payable | 7,200 | - | 7,200 |
| Compensated absences payable | 58,365 | 3,267 | 61,632 |
| Current portion of general obligation bonds payable | 777,167 | 337,833 | 1,115,000 |
| Current portion of loans payable | - | 242,316 | 242,316 |
| Total current liabilities (payable from current assets) | 976,484 | 678,158 | 1,654,642 |
| Noncurrent liabilities: | | | |
| Net other post employment benefit obligation | 35,800 | - | 35,800 |
| Capital lease payable | 29,300 | - | 29,300 |
| General obligation bonds payable | 6,687,762 | 3,658,089 | 10,345,851 |
| Loans payable | - | 4,360,090 | 4,360,090 |
| Total noncurrent liabilities | 6,752,862 | 8,018,179 | 14,771,041 |
| Total liabilities | 7,729,346 | 8,696,337 | 16,425,683 |
| Deferred inflows of resources | | | |
| Unavailable revenue - property taxes | 1,470,206 | - | 1,470,206 |
| Total deferred inflows of resources | 1,470,206 | - | 1,470,206 |
| Total liabilities and deferred inflows of resources | $ 9,199,552 | $ 8,696,337 | $ 17,895,889 |
| Net Position | | | |
| Invested in fixed assets, net of related debt | $ 4,114,612 | $ 7,968,692 | $ 12,083,304 |
| Restricted for: | | | |
| Debt service | 435,440 | - | 435,440 |
| Unrestricted | 4,641,281 | 1,391,048 | 6,032,329 |
| Total net position | $ 9,191,333 | $ 9,359,740 | $ 18,551,073 |

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

CITY OF BASEHOR, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

| | General | Consolidated Highway | Capital Improvements Reserve |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | $ 930,560 | $ 2,005,643 | $ 1,269,696 |
| Receivables | | | |
| Taxes | 1,067,227 | - | - |
| Municipal court | 71,022 | - | - |
| Total assets | $ 2,068,809 | $ 2,005,643 | $ 1,269,696 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | $ - | $ - | $ - |
| Accrued liabilities | 43,506 | - | - |
| Total liabilities | 43,506 | - | - |
| Deferred inflows of resources: | | | |
| Unavailable revenue - property taxes | 1,067,227 | - | - |
| Total deferred inflows of resources | 1,067,227 | - | - |
| Total liabilities and deferred inflows of resources | 1,110,733 | - | - |
| Fund balance: | | | |
| Restricted | - | - | - |
| Assigned | - | 2,005,643 | 1,269,696 |
| Unassigned | 958,076 | - | - |
| Total fund balance [deficit] | 958,076 | 2,005,643 | 1,269,696 |
| Total liabilities and fund balances | $ 2,068,809 | $ 2,005,643 | $ 1,269,696 |

CITY OF BASEHOR, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

| | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net [Expenses] Revenue and Changes in Net Assets: Primary Government: Governmental Activities | Business Type Activities | Total |
|---|---|---|---|---|---|---|
| **Governmental activities:** | | | | | | |
| General government | $ 1,348,655 | $ - | $ - | $ [1,348,655] | $ - | $ [1,348,655] |
| Public safety | 799,033 | 172,422 | - | [626,611] | - | [626,611] |
| Public works | 669,003 | 280,585 | 26,026 | [362,392] | - | [362,392] |
| Culture and recreation | 52,063 | - | - | [52,063] | - | [52,063] |
| Infrastructure depreciation | 1,025,963 | - | - | [1,025,963] | - | [1,025,963] |
| Interest on long-term debt | 186,642 | - | - | [186,642] | - | [186,642] |
| Total governmental activities | 4,081,359 | 453,007 | 26,026 | [3,602,326] | - | [3,602,326] |
| **Business-type activities:** | | | | | | |
| Sewer Utility | 1,398,171 | 1,569,009 | 93,987 | - | 264,825 | 264,825 |
| Solid Waste Utility | 286,459 | 298,741 | - | - | 12,282 | 12,282 |
| Total business-type activities | 1,684,630 | 1,867,750 | 93,987 | - | 277,107 | 277,107 |
| Total primary government | $ 5,765,989 | $ 2,320,757 | $ 120,013 | [3,602,326] | 277,107 | [3,325,219] |
| | **General Revenues:** | | | | | |
| | Property taxes levied for | | | | | |
| | General purposes | | | 1,539,528 | - | 1,539,528 |
| | Debt service | | | 611,290 | - | 611,290 |
| | Franchise tax | | | 239,527 | - | 239,527 |
| | Liquor tax | | | 20,252 | - | 20,252 |
| | Sales tax | | | 795,389 | - | 795,389 |
| | Motor vehicle tax | | | 204,618 | - | 204,618 |
| | Excise tax | | | 18,486 | - | 18,486 |
| | Miscellaneous tax | | | 125,378 | - | 125,378 |
| | Investments earnings | | | 13,060 | 3,123 | 16,183 |
| | Miscellaneous | | | 36,948 | - | 36,948 |
| | Transfers, net | | | 195,607 | [195,607] | - |
| | Total general revenues | | | 3,800,083 | [192,484] | 3,607,599 |
| | Change in net position | | | 197,757 | 84,623 | 282,380 |
| | Net position - beginning | | | 8,993,576 | 9,275,117 | 18,268,693 |
| | Net position - ending | | | $ 9,191,333 | $ 9,359,740 | $ 18,551,073 |

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

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| Employee Benefit | Bond and Interest | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ 129,525 | $ 435,440 | $ 499,252 | $ 5,270,116 |
| 384,029 | 18,950 | - | 1,470,206 |
| - | - | - | 71,022 |
| $ 513,554 | $ 454,390 | $ 499,252 | $ 6,811,344 |
| | | | |
| $ - | $ - | $ 32,644 | $ 32,644 |
| - | - | - | 43,506 |
| - | - | 32,644 | 76,150 |
| 384,029 | 18,950 | - | 1,470,206 |
| 384,029 | 18,950 | - | 1,470,206 |
| 384,029 | 18,950 | 32,644 | 1,546,356 |
| - | 435,440 | - | 435,440 |
| 129,525 | - | 466,608 | 3,871,472 |
| - | - | - | 958,076 |
| 129,525 | 435,440 | 466,608 | 5,264,988 |
| $ 513,554 | $ 454,390 | $ 499,252 | $ 6,811,344 |

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

CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

| | General | Consolidated Highway | Capital Improvements Reserve |
|---|---|---|---|
| REVENUES: | | | |
| Taxes | $ 1,714,620 | $ 705,210 | $ 97,737 |
| Intergovernmental | - | - | - |
| Special assessments | - | - | - |
| Licenses, permits and fees | 185,985 | - | - |
| Fines, forfeitures and penalties | 172,422 | - | - |
| Use of money and property | 2,479 | 4,164 | 3,269 |
| Miscellaneous | 36,948 | - | - |
| Total revenues | 2,112,454 | 709,374 | 101,006 |
| EXPENDITURES: | | | |
| Current | | | |
| General government | 767,257 | 49,122 | 339,190 |
| Public works | 197,637 | - | - |
| Culture and recreation | 52,063 | - | - |
| Public safety | 799,033 | - | - |
| Capital outlay | - | 383,615 | - |
| Debt service | | | |
| Principal | - | - | - |
| Interest and other charges | - | - | - |
| Total expenditures | 1,815,990 | 432,737 | 339,190 |
| Excess [deficiency] of revenues over [under] expenditures | 296,464 | 276,637 | [238,184] |
| OTHER FINANCING SOURCES [USES] | | | |
| Transfers in | - | - | - |
| Transfers [out] | [121,177] | - | - |
| Total other financing sources [uses] | [121,177] | - | - |
| Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses] | 175,287 | 276,637 | [238,184] |
| Fund balance - Beginning of year | 782,789 | 1,729,006 | 1,507,880 |
| Fund balance - End of year | $ 958,076 | $ 2,005,643 | $ 1,269,696 |

CITY OF BASEHOR, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2014

| | | |
|---|---|---|
| Total Governmental Fund Balances | | $ 5,264,988 |
| 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 | 21,605,187 | |
| Accumulated depreciation is | [10,413,843] | 11,191,344 |
| 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 | 7,464,929 | |
| Lease payable | 36,500 | |
| Net other post employment benefit obligation | 35,800 | |
| Interest payable | 57,602 | |
| Compensated absences payable | 58,365 | [7,653,196] |
| Net Position of Governmental Activities | | $ 8,803,136 |

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, 2014

| | | |
|---|---|---|
| Total Net Change In Fund Balances - Governmental Funds | | $ 19,649 |
| 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 | 521,880 | |
| Loss on sale of asset | [29,439] | |
| Depreciation expense | [1,025,963] | [533,522] |
| 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. | | 4,788 |
| 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 | | [16,558] |
| Net other post employment benefits | | [12,054] |
| 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. | | 735,454 |
| Changes In Net position of Governmental Activities | | $ 197,757 |

| Employee Benefit | Bond and Interest | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ 415,485 | $ 29,464 | $ 10,126 | $ 2,972,642 |
| - | 26,026 | - | 26,026 |
| - | 581,826 | - | 581,826 |
| - | - | 94,600 | 280,585 |
| - | - | - | 172,422 |
| 471 | 1,851 | 826 | 13,060 |
| - | - | - | 36,948 |
| 415,956 | 639,167 | 105,552 | 4,083,509 |
| 527,802 | - | - | 1,683,371 |
| - | - | - | 197,637 |
| - | - | - | 52,063 |
| - | - | - | 799,033 |
| - | - | 243,439 | 627,054 |
| - | 708,879 | - | 708,879 |
| - | 191,430 | - | 191,430 |
| 527,802 | 900,309 | 243,439 | 4,259,467 |
| [111,846] | [261,142] | [137,887] | [175,958] |
| 73,440 | 110,167 | 133,177 | 316,784 |
| - | - | - | [121,177] |
| 73,440 | 110,167 | 133,177 | 195,607 |
| [38,406] | [150,975] | [4,710] | 19,649 |
| 167,931 | 586,415 | 471,318 | 5,245,339 |
| $ 129,525 | $ 435,440 | $ 466,608 | $ 5,264,988 |

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



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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Expenditures (Continued): | | | | | | |
| Total Expenditures | $ 1,815,990 | $ - | $ 1,815,990 | $ 2,561,155 | $ 2,561,155 | $ 745,165 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 296,464 | (25,440) | 271,024 | (672,096) | (672,096) | 943,120 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | - | - | - | 238,861 | 238,861 | (238,861) |
| Transfers (out) | (121,177) | - | (121,177) | (91,177) | (91,177) | (30,000) |
| Total Other Financing Sources (Uses) | (121,177) | - | (121,177) | 147,684 | 147,684 | (268,861) |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses) | 175,287 | (25,440) | 149,847 | $ (524,412) | $ (524,412) | $ 674,259 |
| Fund Balance, January 1 | 782,789 | (45,582) | 737,207 | | | |
| Fund Balance, December 31 | $ 958,076 | $ (71,022) | $ 887,054 | | | |

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



CITY OF BASEHOR, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Taxes | $ 1,714,620 | $ - | $ 1,714,620 | $ 1,596,984 | $ 1,596,984 | $ 117,636 |
| Licenses and permits | 185,985 | - | 185,985 | 93,825 | 93,825 | 92,160 |
| Fines, forfeitures and penalties | 172,422 | (25,440) | 146,982 | 153,000 | 153,000 | (6,018) |
| Use of money and property | 2,479 | - | 2,479 | 2,750 | 2,750 | (271) |
| Miscellaneous | 36,948 | - | 36,948 | 42,500 | 42,500 | (5,552) |
| Total Revenues | 2,112,454 | (25,440) | 2,087,014 | 1,889,059 | 1,889,059 | 197,955 |
| Expenditures: | | | | | | |
| General Administration: | | | | | | |
| Personal services | 353,145 | - | 353,145 | 422,570 | 422,570 | 69,425 |
| Contractual services | 298,661 | - | 298,661 | 372,176 | 372,176 | 73,515 |
| Commodities | 11,695 | - | 11,695 | 28,332 | 28,332 | 16,637 |
| Capital outlay | 103,756 | - | 103,756 | 601,089 | 601,089 | 497,333 |
| | 767,257 | - | 767,257 | 1,424,167 | 1,424,167 | 656,910 |
| Public Safety | | | | | | |
| Personal services | 690,633 | - | 690,633 | 692,608 | 692,608 | 1,975 |
| Contractual services | 64,391 | - | 64,391 | 98,450 | 98,450 | 34,059 |
| Commodities | 41,336 | - | 41,336 | 56,700 | 56,700 | 15,364 |
| Capital outlay | 2,673 | - | 2,673 | 8,000 | 8,000 | 5,327 |
| | 799,033 | - | 799,033 | 855,758 | 855,758 | 56,725 |
| Highways and Streets | | | | | | |
| Personal services | 142,591 | - | 142,591 | 187,630 | 187,630 | 45,039 |
| Contractual services | 14,456 | - | 14,456 | 6,700 | 6,700 | (7,756) |
| Commodities | 15,590 | - | 15,590 | 13,000 | 13,000 | (2,590) |
| Capital outlay | 25,000 | - | 25,000 | 12,500 | 12,500 | (12,500) |
| | 197,637 | - | 197,637 | 219,830 | 219,830 | 22,193 |
| Culture and recreation | | | | | | |
| Personal services | 9,528 | - | 9,528 | 6,000 | 6,000 | (3,528) |
| Contractual services | 16,504 | - | 16,504 | 8,900 | 8,900 | (7,604) |
| Commodities | 769 | - | 769 | 1,500 | 1,500 | 731 |
| Capital outlay | 25,262 | - | 25,262 | 45,000 | 45,000 | 19,738 |
| | 52,063 | - | 52,063 | 61,400 | 61,400 | 9,337 |

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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Taxes | $ 705,210 | $ - | $ 705,210 | $ 456,870 | $ 456,870 | $ 248,340 |
| Intergovernmental | - | - | - | 136,870 | 136,870 | (136,870) |
| Use of money and property | 4,164 | - | 4,164 | 4,000 | 4,000 | 164 |
| Total Revenues | 709,374 | - | 709,374 | 597,740 | 597,740 | 111,634 |
| Expenditures: | | | | | | |
| Commodities | 49,122 | - | 49,122 | 70,000 | 70,000 | 20,878 |
| Capital outlay | 372,492 | - | 372,492 | 830,000 | 830,000 | 457,508 |
| Contractual | 11,123 | - | 11,123 | 10,000 | 10,000 | (1,123) |
| Total Expenditures | 432,737 | - | 432,737 | 910,000 | 910,000 | 477,263 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 276,637 | - | 276,637 | $ (312,260) | $ (312,260) | $ 588,897 |
| Fund Balance, January 1 | 1,729,006 | - | 1,729,006 | | | |
| Fund Balance, December 31 | $ 2,005,643 | $ - | $ 2,005,643 | | | |

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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Taxes | $ 97,737 | $ - | $ 97,737 | $ 76,750 | $ 76,750 | $ 20,987 |
| Use of money and property | 3,269 | - | 3,269 | - | - | 3,269 |
| Total Revenues | 101,006 | - | 101,006 | 76,750 | 76,750 | 24,256 |
| Expenditures: | | | | | | |
| Capital outlay | 339,190 | - | 339,190 | 20,000 | 20,000 | (319,190) |
| Total Expenditures | 339,190 | - | 339,190 | 20,000 | 20,000 | (319,190) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (238,184) | - | (238,184) | $ 56,750 | $ 56,750 | $ (294,934) |
| Fund Balance, January 1 | 1,507,880 | - | 1,507,880 | | | |
| Fund Balance, December 31 | $ 1,269,696 | $ - | $ 1,269,696 | | | |

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, 2014

| | Business-Type Activities: Enterprise Funds | | |
|---|---|---|---|
| | Sewer Utility | Solid Waste Utility | Total Enterprise Funds |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 1,274,617 | $ 76,219 | $ 1,350,836 |
| Receivables: | | | |
| Accounts | 109,194 | 29,027 | 136,221 |
| Total current assets | 1,383,811 | 105,246 | 1,489,057 |
| Capital assets: | | | |
| Capital assets, depreciable | 28,641,042 | - | 28,641,042 |
| Less: accumulated depreciation | [12,074,022] | - | [12,074,022] |
| Total capital assets | 16,567,020 | - | 16,567,020 |
| Total Assets | $ 17,950,831 | $ 105,246 | $ 18,056,077 |
| LIABILITIES AND NET POSITION | | | |
| Current liabilities (payable from current assets): | | | |
| Accrued interest | $ 72,262 | $ - | $ 72,262 |
| Accrued compensation | 3,267 | - | 3,267 |
| Accrued payroll | 6,560 | 15,920 | 22,480 |
| Current portion of general obligation payable | 337,833 | - | 337,833 |
| Current portion of KDHE loan payable | 242,316 | - | 242,316 |
| Total current liabilities (payable from current assets): | 662,238 | 15,920 | 678,158 |
| Noncurrent liabilities: | | | |
| General obligation bond payable | 3,658,089 | - | 3,658,089 |
| KDHE loan payable | 4,360,090 | - | 4,360,090 |
| Total noncurrent liabilities: | 8,018,179 | - | 8,018,179 |
| Total Liabilities | $ 8,680,417 | $ 15,920 | $ 8,696,337 |
| Net Position: | | | |
| Invested in capital assets, net of related debt | $ 7,968,692 | $ - | $ 7,968,692 |
| Unrestricted | 1,301,722 | 89,326 | 1,391,048 |
| Total Net Position | $ 9,270,414 | $ 89,326 | $ 9,359,740 |

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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive [Negative] |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Taxes | $ 415,485 | $ - | $ 415,485 | $ 396,513 | $ 396,513 | $ 18,972 |
| Use of money and property | 471 | - | 471 | 615 | 615 | [144] |
| Total Revenues | 415,956 | - | 415,956 | 397,128 | 397,128 | 18,828 |
| Expenditures: | | | | | | |
| Personal services | 527,802 | - | 527,802 | 586,123 | 586,123 | 58,321 |
| Total Expenditures | 527,802 | - | 527,802 | 586,123 | 586,123 | 58,321 |
| Excess [Deficiency] of Revenues Over [Under] Expenditures | [111,846] | - | [111,846] | [188,995] | [188,995] | 77,149 |
| Other Financing Sources [Uses]: | | | | | | |
| Transfers in | 73,440 | - | 73,440 | 73,440 | 73,440 | - |
| Total Other Financing Sources [Uses] | 73,440 | - | 73,440 | 73,440 | 73,440 | - |
| Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses] | [38,406] | - | [38,406] | $ [115,555] | $ [115,555] | $ 77,149 |
| Fund Balance, January 1 | 167,931 | - | 167,931 | | | |
| Fund Balance, December 31 | $ 129,525 | $ - | $ 129,525 | | | |

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, 2014

| | Business-Type Activities: Enterprise Funds | | |
|---|---|---|---|
| | Sewer Utility | Solid Waste Utility | Total Enterprise Funds |
| Operating revenues: | | | |
| Charges for services | $ 1,569,009 | $ 298,741 | $ 1,867,750 |
| Special assessments | 93,987 | - | 93,987 |
| Total operating revenues | 1,662,996 | 298,741 | 1,961,737 |
| Operating expenses: | | | |
| Personnel | 154,561 | 51,716 | 206,277 |
| Contractual | 201,317 | 231,377 | 432,694 |
| Commodities | 36,394 | 3,366 | 39,760 |
| Capital outlay | 38,279 | - | 38,279 |
| Depreciation | 732,569 | - | 732,569 |
| Total operating expenses | 1,163,120 | 286,459 | 1,449,579 |
| Operating income [loss] | 499,876 | 12,282 | 512,158 |
| Nonoperating revenues [expenses]: | | | |
| Interest on long term debt | [235,051] | - | [235,051] |
| Interest earned | 2,835 | 288 | 3,123 |
| Total nonoperating revenues [expenses] | [232,216] | 288 | [231,928] |
| Income [loss] before transfers | 267,660 | 12,570 | 280,230 |
| Transfers from [to] other funds | | | |
| Transfers out | [177,038] | [18,569] | [195,607] |
| Total transfers | [177,038] | [18,569] | [195,607] |
| Change in net position | 90,622 | [5,999] | 84,623 |
| Net position, January 1 | 9,179,792 | 95,325 | 9,275,117 |
| Net position, December 31 | $ 9,270,414 | $ 89,326 | $ 9,359,740 |

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, 2014

| | Business-Type Activities: Enterprise Funds | | |
|---|---|---|---|
| | Sewer Utility | Solid Waste Utility | Total Enterprise Funds |
| Cash Flows from Operating Activities: | | | |
| Cash received from customers | $ 1,658,013 | $ 297,417 | $ 1,955,430 |
| Cash paid to suppliers and employees | [446,172] | [290,692] | [736,864] |
| Net Cash Provided by [Used in] Operating Activities | 1,211,841 | 6,725 | 1,218,566 |
| Cash Flows from Non-Capital Financing Activities: | | | |
| Transfers [in] out | [177,038] | [18,569] | [195,607] |
| Net Cash Provided by [Used in] Non-Capital Financing Activities | [177,038] | [18,569] | [195,607] |
| Cash Flows from Capital and Related Financing Activities | | | |
| Capital asset additions, net | [24,253] | - | [24,253] |
| Principal paid on bonds, notes and loans | [533,638] | - | [533,638] |
| Interest expense and fiscal charges | [235,001] | - | [235,001] |
| Net Cash Provided by [Used in] Capital and Related Financing Activities | [792,892] | - | [792,892] |
| Cash Flows from Investing Activities: | | | |
| Interest income | 2,835 | 288 | 3,123 |
| Net Cash Provided by [Used in] Investing Activities | 2,835 | 288 | 3,123 |
| Net Increase [Decrease] in Cash and Cash Equivalents | 244,746 | [11,556] | 233,190 |
| Cash and Equivalents, January 1 | 1,029,871 | 87,775 | 1,117,646 |
| Cash and Equivalents, December 31 | $ 1,274,617 | $ 76,219 | $ 1,350,836 |

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

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

## 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

STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

| | 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] | $ 499,876 | $ 12,282 | $ 512,158 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 732,569 | - | 732,569 |
| Change in assets and liabilities: | | | |
| [Increase] decrease in accounts receivable | [4,983] | [1,324] | [6,307] |
| Increase [decrease] in accounts payable | [4,920] | [20,153] | [25,073] |
| Increase [decrease] in compensated absences/accrued payroll | [10,701] | 15,920 | 5,219 |
| Total Adjustments | 711,965 | [5,557] | 706,408 |
| Net Cash Provided by [Used in] Operating Activities | $ 1,211,841 | $ 6,725 | $ 1,218,566 |

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

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.

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.





I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 2015.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Assets (Continued)

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

| Assets | Years |
|---|---|
| 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.

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



CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund Balance Reserves (Continued)

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

| | Major Governmental Funds | | | | | | |
|---|---|---|---|---|---|---|---|
| | General | Consolidated Highway | Capital Improvements Reserve | Employee Benefit | Bond and Interest | Other Governmental Funds | Total Governmental Funds |
| Fund Balances: | | | | | | | |
| Restricted for: | | | | | | | |
| Debt retirement | $ - | $ - | $ - | $ - | $ 435,440 | $ - | $ 435,440 |
| Assigned for: | | | | | | | |
| Street project construction | - | 2,005,643 | - | - | - | - | 2,005,643 |
| Capital improvements | - | - | 1,269,686 | - | - | 44,825 | 1,314,521 |
| Employee benefits | - | - | - | 129,525 | - | - | 129,525 |
| Culture and recreation | - | - | - | - | - | 152,779 | 152,779 |
| Equipment outlay | - | - | - | - | - | 269,004 | 269,004 |
| Unassigned: | 958,076 | - | - | - | - | - | 958,076 |
| Total Fund Balances | $958,076 | $ 2,005,643 | $ 1,269,686 | $ 129,525 | $ 435,440 | $ 466,608 | $ 5,264,988 |

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 budget was not amended during the year ended December 31, 2014.

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.





II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

*Budgetary Information (Continued)*

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.

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, 2014 | $ 958,076 | $ 2,005,643 | $ 1,269,686 | $ 129,525 | $ 435,440 | $ 466,608 | $ 5,264,988 |
| Unreserved fund balances not subject to the Kansas budget law: | | | | | | | |
| Special Police Fund | - | - | - | - | - | [543] | [543] |
| Municipal Equipment Reserve Fund | - | - | - | - | - | [268,461] | [268,461] |
| Glenwood Sewer Maintenance Fund | - | - | - | - | - | [30,415] | [30,415] |
| Adjustments: | | | | | | | |
| Municipal court receivable | [71,022] | - | - | - | - | - | [71,022] |
| Total deductions | [71,022] | - | - | - | - | [299,419] | [370,441] |
| BUDGETARY FUND BALANCE December 31, 2014 | $ 887,054 | $ 2,005,643 | $ 1,269,686 | $ 129,525 | $ 435,440 | $ 167,189 | $ 4,894,547 |

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

*Budgetary Information (Continued)*

| | Major Business-Type Funds | | |
|---|---|---|---|
| | Sewer Utility Fund | Solid Waste Utility Fund | Total Business-Type Funds |
| NET POSITION | | | |
| December 31, 2014 | $ 9,270,414 | $ 89,326 | $ 9,359,740 |
| Adjustments: | | | |
| Capital assets, net | [16,567,020] | - | [16,567,020] |
| Receivables | [109,194] | [29,027] | [138,221] |
| Accrued interest | 72,262 | - | 72,262 |
| Accrued compensation | 3,268 | - | 3,268 |
| General obligation payable | 3,995,922 | - | 3,995,922 |
| KDHE loan payable | 4,602,406 | - | 4,602,406 |
| Total deductions | [8,002,357] | [29,027] | [8,031,383] |
| BUDGETARY NET POSITION | | | |
| December 31, 2014 | $ 1,268,057 | $ 60,299 | $ 1,328,357 |

III. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located; or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the City's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investments policy that would further limit its investment choices.

As of December 31, 2014, the City had the following investments and maturities:

| Investment Type | Fair Value | Rating U.S. |
|---|---|---|
| Kansas Municipal Investment Pool | $ 915,203 | S&P AAAf/S1+ |





III. DETAILED NOTES ON ALL FUNDS (Continued)

A. *Deposits and Investments (Continued)*

At December 31, 2014, the City had invested $915,203 in the State of Kansas's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods".

At December 31, 2014, the City's carrying amount of deposits was $6,620,952 and the bank balance was $6,695,583. Of the bank balance, $1,905,865 was covered by federal depository insurance, $4,550,718 was collateralized with securities held by the pledging financial institutions' agents in the City's name, and the balance of $240,000 was unsecured, which is a violation of K.S.A. 9-1402.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

B. *Receivables*

Receivables at year end are as follows:

| | General | Employee Benefit | Bond and Interest | Sewer Utility | Solid Waste Utility | Total |
|---|---|---|---|---|---|---|
| Receivables: | | | | | | |
| Accounts | $ - | $ - | $ - | $ 109,194 | $ 29,027 | $ 138,221 |
| Taxes | 1,067,227 | 384,029 | 18,950 | - | - | 1,470,206 |
| Municipal court | 71,022 | - | - | - | - | 71,022 |
| Total | $ 1,138,249 | $ 384,029 | $ 18,950 | $ 109,194 | $ 29,027 | $ 1,679,449 |

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. *Capital Assets*

Capital asset activity for the year ended December 31, 2014, was as follows

| | Balance 12/31/13 | Additions | Retirements | Balance 12/31/14 |
|---|---|---|---|---|
| City governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | $ 58,183 | $ 330,014 | $ - | $ 388,197 |
| Construction in progress | 2,642,628 | - | 2,637,701 | 4,927 |
| Capital assets, being depreciated | | | | |
| Buildings, improvements, vehicles, and equipment | 18,914,603 | 2,829,568 | 143,911 | 21,600,260 |
| Total capital assets | 21,615,415 | 3,159,582 | 2,781,612 | 21,993,384 |
| Less accumulated depreciation for: | | | | |
| Buildings, improvements, vehicles, and equipment | 9,502,352 | 1,025,963 | 114,472 | 10,413,843 |
| Total accumulated depreciation | 9,502,352 | 1,025,963 | 114,472 | 10,413,843 |
| Governmental activities capital assets, net | $ 12,113,063 | $ 2,133,619 | $ 2,667,140 | $ 11,579,541 |
| Business-type activities: | | | | |
| Capital assets, being depreciated | | | | |
| Buildings, improvements, vehicles, and equipment | $ 28,616,789 | $ 38,968 | $ 14,715 | $ 28,641,042 |
| Total capital assets | 28,616,789 | 38,968 | 14,715 | 28,641,042 |
| Less accumulated depreciation for: | | | | |
| Buildings, improvements, vehicles, and equipment | 11,337,477 | 751,260 | 14,715 | 12,074,022 |
| Total accumulated depreciation | 11,337,477 | 751,260 | 14,715 | 12,074,022 |
| Business-type activities capital assets, net | $ 17,279,312 | $ (712,292) | $ - | $ 16,567,020 |





III. DETAILED NOTES ON ALL FUNDS (Continued)

C. *Capital Assets (Continued)*

The City's depreciation expense was charged as follows:

| | |
|---|---|
| Governmental Activities: | |
| General government | $ 10,446 |
| Public safety | 31,873 |
| Public works | 3,836 |
| Culture and recreation | 13,430 |
| Infrastructure | 966,378 |
| Total depreciation expense | $ 1,025,963 |
| Business-type Activities: | |
| Sewer utility | $ 751,260 |
| Total depreciation expense | $ 751,260 |

D. *Long-term Debt*

During the year ended December 31, 2014, the following changes occurred in long term liabilities:

Government Fund Activities

| | Balance January 1, 2014 | Additions | Retirements | Balance December 31, 2014 |
|---|---|---|---|---|
| General obligation bonds | $ 7,909,393 | $ - | $ 709,879 | $ 7,200,514 |
| General obligation bonds premium | 284,091 | - | 19,675 | 264,415 |
| Total general obligation bonds | 8,193,484 | - | 728,554 | 7,464,929 |
| Capital lease | 43,400 | - | 6,900 | 36,500 |
| | $ 8,236,884 | $ - | $ 735,454 | $ 7,501,429 |

Enterprise Fund Activities

| | | | | |
|---|---|---|---|---|
| General obligation bonds | $ 3,940,607 | $ - | $ 281,121 | $ 3,659,486 |
| General obligation bonds premium | 355,126 | - | 18,691 | 336,436 |
| Total general obligation bonds | 4,295,733 | - | 299,812 | 3,995,922 |
| KDHE revolving loan | 4,836,253 | - | 233,846 | 4,602,406 |
| | $ 9,131,985 | $ - | $ 533,658 | $ 8,598,328 |

*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.

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:

| Governmental Activities | Date of Issuance | Date of Final Maturity | Interest Rate | Original Amount | Outstanding Amount |
|---|---|---|---|---|---|
| Improvements, Series 2004 | 01/15/04 | 09/01/19 | 3.25-4.35% | $ 3,415,000 | $ 51,750 |
| Refunding and Improvements, Series 2012 | 08/08/12 | 09/01/32 | 2.00-3.00% | 9,345,884 | 4,058,764 |
| Refunding, Series 2013 | 01/15/13 | 09/01/25 | 2.00% | 3,480,000 | 3,090,000 |
| | | | | $ 16,240,884 | $ 7,200,514 |
| Business-type Activities | | | | | |
| Improvements, Series 2004 | 01/15/04 | 09/01/19 | 3.25-4.35% | $ 1,058,650 | $ 23,250 |
| Refunding and Improvements, Series 2012 | 08/08/12 | 09/01/32 | 2.00-3.00% | 4,175,000 | 3,636,236 |
| | | | | $ 5,233,650 | $ 3,659,486 |
| | | | | $ 21,474,534 | $ 10,860,000 |

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

| Year Ending December 31, | Governmental activities Principal | Governmental activities Interest | Business-type activities Principal | Business-type activities Interest | Total |
|---|---|---|---|---|---|
| 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 | 905,284 | 86,596 | 434,716 | 51,231 | 1,477,828 |
| 2020-2024 | 1,677,744 | 221,740 | 737,256 | 144,575 | 2,781,315 |
| 2025-2029 | 899,353 | 90,767 | 635,647 | 77,931 | 1,703,698 |
| 2030-2032 | 316,861 | 16,065 | 283,139 | 14,395 | 630,460 |
| Total | $ 7,200,514 | $ 982,228 | $ 3,659,486 | $ 615,302 | $ 12,457,530 |





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 $4,602,406 at December 31, 2014. 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:

| Year Ending December 31, | State Agency Loan |
|---|---|
| 2015 | 371,395 |
| 2016 | 371,395 |
| 2017 | 371,395 |
| 2018 | 371,395 |
| 2019 | 371,395 |
| 2020-2024 | 1,856,974 |
| 2025-2029 | 1,856,974 |
| 2030 | 148,918 |
| Total principal and interest | 5,719,840 |
| Less: interest | 1,117,434 |
| Total principal | $ 4,602,406 |

*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.

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; injuries to employees; 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.





IV. OTHER INFORMATION (Continued)

*C. Retirement Plans*

*Plan Description.* 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 $604,368. Total gross payroll was $1,378,176. The contribution for the year ending December 31, 2014, was $12,466 from employees and $66,480 from employer representing 11% of covered payroll, respectively.

*Plan Description.* The City participates in the Kansas Police and Firemen's Retirement System (KP&F). KP&F is part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. 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.

*Funding Policy.* 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. Kansas 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 actual actuarial reserve basis. Kansas 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 2014 is 19.92%. 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, 2014, 2013, and 2012 were $126,248, $97,798, and $89,377, respectively equal to the required contribution for each year.

*D. Interfund Transfers*

A reconciliation of all operating transfers by fund type for 2014 follows:

| From | To | Amount | Statutory Authority |
|---|---|---|---|
| Sewer Utility Fund | Municipal Equipment Reserve Fund | $ 12,000 | K.S.A. 12-1,117 |
| General Fund | Municipal Equipment Reserve Fund | 121,177 | K.S.A. 12-1,117 |
| Sewer Utility Fund | Employee Benefit Fund | 54,871 | K.S.A. 12-16,102 |
| Solid Waste Utility Fund | Employee Benefit Fund | 18,569 | K.S.A. 12-16,102 |
| Sewer Utility Fund | Bond and Interest Fund | 110,167 | Bond agreement |
| | Total | $316,784 | |

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

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 $2,005,643 of cash in the Consolidated Highway Fund as of December 31, 2014, $136,329 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 $378 per month for retiree-only coverage and $812. 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 | $ 12,479 |
| Interest on Net OPEB Obligation | 950 |
| Adjustment to Annual Required Contribution | [1,374] |
| Annual OPEB cost (expense) | 12,054 |
| Benefit payments | - |
| Change in Net OPEB obligation | 12,054 |
| Net OPEB Obligation - beginning of year | 23,746 |
| Net OPEB Obligation - end of year | $ 35,800 |





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, 2014 was as follows:

| Fiscal Year Ended | Annual OPEB Cost | Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|
| December 31, 2012 | $ 3,236 | $ - | $ 12,167 |
| December 31, 2013 | 11,579 | - | 23,746 |
| December 31, 2014 | 12,054 | - | 35,800 |

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

| | Special Revenue | Capital Projects | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | $ 454,427 | $ 44,825 | $ 499,252 |
| Total assets | $ 454,427 | $ 44,825 | $ 499,252 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | $ 32,644 | $ - | $ 32,644 |
| Total liabilities | 32,644 | - | 32,644 |
| Fund balance: | | | |
| Assigned | 421,783 | 44,825 | 466,608 |
| Total fund balance [deficit] | 421,783 | 44,825 | 466,608 |
| Total liabilities and fund balances | $ 454,427 | $ 44,825 | $ 499,252 |



CITY OF BASEHOR, KANSAS

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
Year ended December 31, 2014

Schedule of Funding Progress

| Actuarial Valuation Date | 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 SPECIAL REVENUE FUNDS
December 31, 2014

| | Special Parks and Recreation | Municipal Equipment Reserve | Special Police | Totals |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | $ 152,779 | $ 301,105 | $ 543 | $ 454,427 |
| Total assets | $ 152,779 | $ 301,105 | $ 543 | $ 454,427 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | $ - | $ 32,644 | $ - | $ 32,644 |
| Total liabilities | - | 32,644 | - | 32,644 |
| Fund balance: | | | | |
| Assigned | 152,779 | 268,461 | 543 | 421,783 |
| Total fund balance [deficit] | 152,779 | 268,461 | 543 | 421,783 |
| Total liabilities and fund balances | $ 152,779 | $ 301,105 | $ 543 | $ 454,427 |



CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

| | Special Revenue | Capital Projects | Total |
|---|---|---|---|
| REVENUES: | | | |
| Taxes | $ 10,126 | $ - | $ 10,126 |
| Licenses, permits and fees | 21,600 | 73,000 | 94,600 |
| Use of money and property | 770 | 56 | 826 |
| Total revenues | 32,496 | 73,056 | 105,552 |
| EXPENDITURES: | | | |
| Capital outlay | 178,794 | 64,645 | 243,439 |
| Total expenditures | 178,794 | 64,645 | 243,439 |
| Excess [deficiency] of revenues over [under] expenditures | [146,298] | 8,411 | [137,887] |
| OTHER FINANCING SOURCES [USES]: | | | |
| Transfers in | 133,177 | - | 133,177 |
| Total other financing sources [uses] | 133,177 | - | 133,177 |
| Excess [Deficiency] of Revenues and Other Financing Sources Over [Under] Expenditures and Other [Uses] | [13,121] | 8,411 | [4,710] |
| Fund balance - Beginning of year | 434,904 | 36,414 | 471,318 |
| Fund balance - End of year | $ 421,783 | $ 44,825 | $ 466,608 |

CITY OF BASEHOR, KANSAS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2014

| | Cedar Lakes Maintenance | Glenwood Sewer Maintenance | Totals |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | $ 14,410 | $ 30,415 | $ 44,825 |
| Total assets | $ 14,410 | $ 30,415 | $ 44,825 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | $ - | $ - | $ - |
| Total liabilities | - | - | - |
| Fund balance: | | | |
| Assigned | 14,410 | 30,415 | 44,825 |
| Total fund balance [deficit] | 14,410 | 30,415 | 44,825 |
| Total liabilities and fund balances | $ 14,410 | $ 30,415 | $ 44,825 |



CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2014

| | Special Parks and Recreation | Municipal Equipment Reserve | Special Police | Totals |
|---|---|---|---|---|
| REVENUES: | | | | |
| Taxes | $ 10,126 | $ - | $ - | $ 10,126 |
| Licenses, permits and fees | 21,600 | - | - | 21,600 |
| Use of money and property | 320 | 449 | 1 | 770 |
| Total revenues | 32,046 | 449 | 1 | 32,496 |
| EXPENDITURES: | | | | |
| Capital outlay | 900 | 177,894 | - | 178,794 |
| Total expenditures | 900 | 177,894 | - | 178,794 |
| Excess [deficiency] of revenues over [under] expenditures | 31,146 | [177,445] | 1 | [146,298] |
| OTHER FINANCING SOURCES [USES]: | | | | |
| Transfers in | - | 133,177 | - | 133,177 |
| Total other financing sources [uses] | - | 133,177 | - | 133,177 |
| Excess [Deficiency] of Revenues and Other Financing Sources Over [Under] Expenditures and Other [Uses] | 31,146 | [44,268] | 1 | [13,121] |
| Fund balance - Beginning of year | 121,633 | 312,729 | 542 | 434,904 |
| Fund balance - End of year | $ 152,779 | $ 268,461 | $ 543 | $ 421,783 |

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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive [Negative] |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Taxes | $ 10,126 | $ - | $ 10,126 | $ 8,000 | $ 8,000 | $ 2,126 |
| Licenses, permits and fees | 21,600 | - | 21,600 | 5,000 | 5,000 | 16,600 |
| Use of money and property | 320 | - | 320 | 325 | 325 | [5] |
| Total Revenues | 32,046 | - | 32,046 | 13,325 | 13,325 | 18,721 |
| Expenditures: | | | | | | |
| Capital outlay | 900 | - | 900 | 73,000 | 73,000 | 72,100 |
| Total Expenditures | 900 | - | 900 | 73,000 | 73,000 | 72,100 |
| Excess [Deficiency] of Revenues Over [Under] Expenditures | 31,146 | - | 31,146 | $ [59,675] | $ [59,675] | $ 90,821 |
| Fund Balance, January 1 | 121,633 | - | 121,633 | | | |
| Fund Balance, December 31 | $ 152,779 | $ - | $ 152,779 | | | |



CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2014

| | Cedar Lakes Maintenance | Glenwood Sewer Maintenance | Totals |
|---|---|---|---|
| REVENUES: | | | |
| Licenses, permits and fees | $ 40,000 | $ 33,000 | $ 73,000 |
| Use of money and property | 16 | 40 | 56 |
| Total revenues | 40,016 | 33,040 | 73,056 |
| EXPENDITURES: | | | |
| Capital outlay | 39,233 | 25,412 | 64,645 |
| Total expenditures | 39,233 | 25,412 | 64,645 |
| Excess [deficiency] of revenues over [under] expenditures | 783 | 7,628 | 8,411 |
| Fund balance - Beginning of year | 13,627 | 22,787 | 36,414 |
| Fund balance - End of year | $ 14,410 | $ 30,415 | $ 44,825 |

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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Taxes | $ 29,464 | $ - | $ 29,464 | $ 87,134 | $ 87,134 | $ (57,670) |
| Intergovernmental | 26,026 | - | 26,026 | 16,400 | 16,400 | 9,626 |
| Special assessments | 581,826 | - | 581,826 | 746,080 | 746,080 | (164,254) |
| Use of money and property | 1,851 | - | 1,851 | 2,500 | 2,500 | (649) |
| Total Revenues | 639,167 | - | 639,167 | 852,114 | 852,114 | (212,947) |
| Expenditures: | | | | | | |
| Debt service: | | | | | | |
| Principal | 708,879 | 76,901 | 785,780 | 1,476,180 | 1,476,180 | 690,400 |
| Interest | 191,430 | (187,068) | 4,362 | 3,000 | 3,000 | (1,362) |
| Total Expenditures | 900,309 | (110,167) | 790,142 | 1,479,180 | 1,479,180 | 689,038 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (261,142) | 110,167 | (150,975) | (627,066) | (627,066) | 476,091 |
| Other Financing Sources (Uses): | | | | | | |
| Transfer in | 110,167 | (110,167) | - | - | - | - |
| Total Other Financing Sources (Uses) | 110,167 | (110,167) | - | - | - | - |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses) | (150,975) | - | (150,975) | $ (627,066) | $ (627,066) | $ 476,091 |
| Fund Balances, January 1 | 586,415 | - | 586,415 | | | |
| Fund Balances, December 31 | $ 435,440 | $ - | $ 435,440 | | | |



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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Licenses, permits and fees | $ 40,000 | $ - | $ 40,000 | $ 40,055 | $ 40,055 | $ (55) |
| Use of money and property | 16 | - | 16 | - | - | 16 |
| Total Revenues | 40,016 | - | 40,016 | 40,055 | 40,055 | (39) |
| Expenditures: | | | | | | |
| Capital outlay | 39,233 | - | 39,233 | 40,000 | 40,000 | 767 |
| Total Expenditures | 39,233 | - | 39,233 | 40,000 | 40,000 | 767 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 783 | - | 783 | $ 55 | $ 55 | $ 728 |
| Fund Balance, January 1 | 13,627 | - | 13,627 | | | |
| Fund Balance, December 31 | $ 14,410 | $ - | $ 14,410 | | | |

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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Charges for services | $ 298,741 | $ (1,324) | $ 297,417 | $ 300,275 | $ 300,275 | $ (2,858) |
| Use of money and property | 288 | - | 288 | 550 | 550 | (262) |
| Total revenues | 299,029 | (1,324) | 297,705 | 300,825 | 300,825 | (3,120) |
| Expenditures | | | | | | |
| Contractual | 231,377 | - | 231,377 | 238,875 | 266,082 | 34,705 |
| Commodities | 3,366 | - | 3,366 | 1,800 | 1,800 | (1,566) |
| Total expenditures | 286,459 | - | 286,459 | 240,675 | 267,882 | (18,577) |
| Operating income (loss) | 12,570 | (1,324) | 11,246 | 60,150 | 32,943 | (21,697) |
| Other Financing Sources (Uses): | | | | | | |
| Transfer (out) | (18,569) | - | (18,569) | (64,603) | (64,603) | 46,034 |
| Total Other Financing Sources (Uses) | (18,569) | - | (18,569) | (64,603) | (64,603) | 46,034 |
| Change in net position | (5,999) | (1,324) | (7,323) | $ (4,453) | $ (31,660) | $ 24,337 |
| Net position, January 1 | 95,325 | (27,703) | 67,622 | | | |
| Net position, December 31 | $ 89,326 | $ (29,027) | $ 60,299 | | | |

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, 2014

| | GAAP Basis | Adjustments to Budgetary Basis | Budgetary Basis | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Charges for services | $ 1,569,009 | $ (4,985) | $ 1,564,024 | $ 1,311,843 | $ 1,311,843 | $ 252,181 |
| Special assessments | 93,987 | - | 93,987 | 72,162 | 72,162 | 21,825 |
| Use of money and property | 2,835 | - | 2,835 | 2,250 | 2,250 | 585 |
| Total revenues | 1,665,831 | (4,985) | 1,660,846 | 1,386,255 | 1,386,255 | 274,591 |
| Expenditures | | | | | | |
| Personnel | 154,561 | 12,150 | 166,711 | 88,104 | 88,104 | (78,607) |
| Contractual | 201,317 | (101) | 201,216 | 201,225 | 201,225 | 9 |
| Commodities | 36,394 | - | 36,394 | 30,900 | 30,900 | (5,494) |
| Capital outlay | 38,279 | 38,968 | 77,247 | 137,000 | 137,000 | 59,753 |
| Depreciation | 732,569 | (732,569) | - | - | - | - |
| Total expenditures | 1,163,120 | (681,552) | 481,568 | 457,229 | 457,229 | (24,339) |
| Operating income (loss) | 502,711 | 676,567 | 1,179,278 | 929,026 | 929,026 | 250,252 |
| Other Financing Sources (Uses): | | | | | | |
| Debt principal | - | (864,191) | (864,191) | (864,191) | (864,191) | - |
| Debt interest and fees | (235,051) | 235,051 | - | - | - | - |
| Transfers out | (177,038) | 110,167 | (66,871) | (123,840) | (123,840) | 56,969 |
| Total Other Financing Sources (Uses) | (412,089) | (518,973) | (931,062) | (988,031) | (988,031) | 56,969 |
| Change in net position | 90,622 | 157,594 | 248,216 | $ (59,005) | $ (59,005) | $ 307,221 |
| Net position, January 1 | 9,179,792 | (8,159,951) | 1,019,841 | | | |
| Net position, December 31 | $ 9,270,414 | $ (8,002,357) | $ 1,268,057 | | | |

See independent auditor's report on the financial statements

# City of Basehor

## Agenda Item Cover Sheet

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## Agenda Item No. 2

---

**Topic:** Annual appointments by Mayor for City positions

**Action Requested:** Appoint all positions as presented

**Narrative:** **K.S.A. 15-204. Appointment of city officers;** Subject to the provisions of K.S.A. 2012 Supp. 12-16,128, and amendments thereto, the mayor, with the consent of the council, may appoint, at the first regular meeting of the governing body in May of each year, the following city officers:

| | |
|---|---|
| Chief of Police | City Clerk |
| City Treasurer | Municipal Judge |

Current positions are as follows:

| | |
|---|---|
| Chief of Police – Lloyd Martley | City Clerk – Katherine Renn |
| City Clerk – Kristine Olson | Municipal Judge – William Pray |

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

**Administration Recommendation:** Reappoint staff for the positions as presented.

**Committee Recommendation:** N/A

**Attachments:** Staff memo

**Projector needed for this item?**

No

The City of Basehor

# MEMO

Date: May 18, 2015

To: Mayor and City Council

From: Lloyd Martley, Chief of Police/City Administrator

Ref: Annual Appointments

**K.S.A. 15-204. Appointment of city officers;** Subject to the provisions of K.S.A. 2012 Supp. 12-16,128, and amendments thereto, the mayor, with the consent of the council, may appoint, at the first regular meeting of the governing body in May of each year, the following city officers:

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.

2620 N. 155th Street
P.O. Box 406
Basehor, KS 66007-0406

913-724-1370
FAX 913-724-3388
www.cityofbasehor.org

# City of Basehor

## Agenda Item Cover Sheet

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## Agenda Item No. 3

---

**Topic:** City Attorney (contract amendment)

**Action Requested:** Approve fourth amendment to independent contractor agreement with Shannon Marcano (White Goss) to provide attorney services for the City of Basehor.

**Narrative:** We currently have an Independent Contractor Agreement with Shannon Marcano, White Goss (City Attorney) that expires June of 2014. Per Section 7, of the original agreement dated June 2011, 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 fourth amendment of the Independent Contractor Agreement for City Attorney with Shannon Marcano (White Goss).

**Committee Recommendation:** N/A

**Attachments:** Fourth Amendment to Contractor Agreement
Resolution 2015-08

**Projector needed for this item?**

No

**RESOLUTION NO. 2015-08**

**A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THAT CERTAIN FOURTH 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 Fourth 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 Fourth 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, 2015.

APPROVED by the Mayor this ___ day of May, 2015.

**[SEAL]**

_____
David K. Breuer, Mayor

ATTEST:

_____
Katherine M. Renn, City Clerk

APPROVED AS TO FORM:

_____
Shannon M. Marcano, City Attorney

**Exhibit A**
**Fourth Amendment to Independent Contractor Agreement**

To be attached.

# FOURTH AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT

**THIS FOURTH AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT** (the "Third Amendment") is made this _____ day of _____, 2015, 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 subsequent Second and Third Amendments, all extending the term of the Agreement in accordance with Section 7 of the Agreement; and

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

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereby agree as follows:

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

**IN WITNESS WHEREOF**, the parties, voluntarily and with full knowledge of the contents hereof, have executed this Fourth 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

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## Agenda Item No. 4

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**Topic:** Health, Dental, Vision and Disability Benefits Renewal

**Action Requested:** Renewal of Health, Dental, Vision and Disability 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, Chief of Police/City Administrator

**Administration Recommendation:** Approve renewal for employee health benefits with Blue Cross Blue Shield, Delta Dental of Kansas, VSP and Advance Insurance Company

**Committee Recommendation:** N/A

**Attachments:**

Dental Premiums
VSP Premiums
Health Insurance Premiums
Short & Long Term Disability Premiums

**Projector needed for this item?**

No

Delta Dental of Kansas - Dental Premiums & Employee Deductions 2015-2016 Effective 7/1/15

| Coverage | Invoice total per plan | Employer Responsibility | Employee Responsibilty | Employee Deduction per pay Period |
|---|---|---|---|---|
| Single | $28.11 | $28.11 | $0.00 | $0.00 |
| Emp/Spouse | $97.57 | $62.84 | $34.73 | $17.37 |
| Emp/Children | $97.57 | $62.84 | $34.73 | $17.37 |
| Family | $97.57 | $62.84 | $34.73 | $17.37 |

Vision Service Plan - Premiums & Employee Deductions 2015-2016 Effective 7/1/15

| Coverage | Invoice total per plan | Employer Responsibility | Employee Responsibilty | Employee Deduction per pay Period |
|---|---|---|---|---|
| Single | $12.48 | $12.48 | $0.00 | $0.00 |
| Emp/Spouse | $19.97 | $16.22 | $3.75 | $1.88 |
| Emp/Children | $20.38 | $16.43 | $3.95 | $1.98 |
| Family | $32.86 | $22.67 | $10.19 | $5.10 |

# Advance Insurance Company - Disablility Insurance 2015-2016 Effective 7/1/15

| Renewal Month of July | Rate |
|---|---|
| Basic Term Life | .17/1,000 |
| Basic AD & D | .03/1,000 |
| Short Term Disability | .22/$10 unit |
| Long Term Disability | .24% of monthly covered payroll |

# City of Basehor

## Agenda Item Cover Sheet

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## Agenda Item No. 5

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**Topic:** EMS discussion

**Action Requested:** Discuss the possibility and options for supporting an EMS Unit in Basehor

**Narrative:** Over the past few years the City of Basehor has been trying to encourage Leavenworth County to locate an EMS unit in Basehor. In 2014 Basehor had 230 EMS calls in which an ambulance was dispatched to. Response time for 114 of those calls were from 11 to 30 minutes. The majority of calls in Basehor were for breathing issues, chest pain, fall victims and traffic accidents. Slow response times can mean the difference between life and death. As Basehor continues to grow the need for an EMS unit located in Basehor is increasing obvious so that proper medical care and assistance can be provided for our citizens when needed.

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

**Administration Recommendation:** Establish a committee/plan for addressing Leavenworth County and Fairmount Fire Department for having an EMS Unit located in Basehor.

**Committee Recommendation:** N/A

**Attachments:** N/A

**Projector needed for this item?**

No

# Calls to Basehor Jan - Dec 23,2014

**Times of Call**

| Time Period | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Total | Percentage |
|---|---|---|---|---|---|---|---|---|---|
| 0000 - 0300 | 6 | 3 | 2 | 3 | 3 | 2 | 2 | 21 | 9.13% |
| 0300 - 0600 | 0 | 0 | 2 | 3 | 2 | 1 | 2 | 10 | 4.35% |
| 0600 - 0900 | 2 | 5 | 4 | 5 | 6 | 5 | 2 | 29 | 12.61% |
| 0900 - 1200 | 6 | 5 | 9 | 4 | 4 | 4 | 3 | 35 | 15.22% |
| 1200 - 1500 | 1 | 4 | 6 | 2 | 4 | 9 | 10 | 36 | 15.65% |
| 1500 - 1800 | 2 | 6 | 5 | 7 | 0 | 5 | 11 | 36 | 15.65% |
| 1800 - 2100 | 1 | 7 | 5 | 8 | 6 | 9 | 6 | 42 | 18.26% |
| 2100 - 2400 | 5 | 1 | 4 | 3 | 1 | 4 | 3 | 21 | 9.13% |
| Unknown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| **Total** | **23** | **31** | **37** | **35** | **26** | **39** | **39** | **230** | **100%** |

**Runs by Response Disposition**

| Response Disposition | # of Times | % of Times |
|---|---|---|
| Cancelled | 36 | 15.65% |
| Dead at Scene | 2 | 0.87% |
| Patient Refused Care | 45 | 19.57% |
| Standby Only - No Patient Contacts | 4 | 1.74% |
| Treated and Released | 4 | 1.74% |
| Treated, Transported by EMS (ALS) | 138 | 60.00% |
| Treated, Transported by EMS (BLS) | 1 | 0.43% |
| Unknown | 0 | 0.00% |
| **Total** | **230** | **100%** |

**Runs by Response Request**

| Response Request | # of Times | % of Times |
|---|---|---|
| 911 Response (Scene) | 225 | 97.83% |
| Interfacility Transfer (Routine) | 1 | 0.43% |
| Mutual Aid | 1 | 0.43% |
| Standby | 3 | 1.30% |
| Unknown | 0 | 0.00% |
| **Total** | **230** | **100%** |

**Response Time**

| Minutes | # of Runs | % of Runs |
|---|---|---|
| 0 - 5 | 18 | 7.83% |
| 6-10 | 98 | 42.61% |
| 11-15 | 67 | 29.13% |
| > 15 | 16 | 6.96% |
| Unknown | 31 | 13.48% |
| **Total** | **230** | **100%** |

**Runs by Dispatch Reason**

| Dispatch Reason | # of Times | % of Times |
|---|---|---|
| Abdominal Pain | 5 | 2.17% |
| Altered Mental Status | 12 | 5.22% |
| Anaphylactic Reaction | 2 | 0.87% |
| Assault | 3 | 1.30% |
| Back Pain (Non-Traumatic/Non-Recent Trauma) | 2 | 0.87% |
| Breathing Problem | 17 | 7.39% |
| Cardiac Arrest | 2 | 0.87% |
| Chest Pain | 24 | 10.43% |

| | | |
|---|---|---|
| Choking | 2 | 0.87% |
| Diabetic Problem | 13 | 5.65% |
| Fall Victim | 32 | 13.91% |
| Fire Standby | 1 | 0.43% |
| Headache | 1 | 0.43% |
| Heart Problems | 2 | 0.87% |
| Hemorrhage/Laceration | 3 | 1.30% |
| Invalid Assist/Lifting Assist | 6 | 2.61% |
| Medical Alarm | 1 | 0.43% |
| Other | 23 | 10.00% |
| Overdose | 1 | 0.43% |
| Pain | 9 | 3.91% |
| Pregnancy/Childbirth | 1 | 0.43% |
| Psychiatric Problems | 10 | 4.35% |
| Seizure/Convulsions | 6 | 2.61% |
| Sick Person | 3 | 1.30% |
| Standby | 2 | 0.87% |
| Stroke/CVA | 9 | 3.91% |
| Traffic/Transportation Accident | 15 | 6.52% |
| Transfer/Interfacility/Palliative Care | 1 | 0.43% |
| Traumatic Injury | 5 | 2.17% |
| Unconscious/Fainting | 9 | 3.91% |
| Unknown Problem/Man Down | 8 | 3.48% |
| Unknown | 0 | 0.00% |
| **Total** | **230** | **100%** |

# City of Basehor

## Agenda Item Cover Sheet

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## Agenda Item No. 6

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**Topic:** Reuben Basehor Library lease agreement with the Basehor Historical Society

**Action Requested:** Approve Resolution 2015-09 authorizing the Mayor to execute a lease agreement between the City of Basehor and the Basehor Historical Society.

**Narrative:** The Reuben Basehor Library is currently located at 15441 Leavenworth Rd and the Basehor Historical Society is relocating the library to the Basehor City Park. The City is agreeing to lease the space for $1.00 dollar a year for 99 years. The Historical Society will be responsible for all up keep and maintenance of the building.

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

**Administration Recommendation:** Approve Resolution 2015-09 entering into a lease agreement between the City of Basehor and the Basehor Historical Society regarding the Reuben Basehor Library.

**Committee Recommendation:** N/A

**Attachments:** Resolution 2015-09
Lease agreement

**Projector needed for this item?**

No

**RESOLUTION NO. 2015-09**

**A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THAT CERTAIN LEASE AGREEMENT BY AND BETWEEN THE BASEHOR HISTORICAL SOCIETY AND THE CITY OF BASEHOR, KANSAS, REGARDING THE LOCATION OF THE REUBEN BASEHOR LIBRARY**

**WHEREAS**, the City of Basehor, Kansas wishes to enter into that certain Lease Agreement with the Basehor Historical Society, attached hereto as **Exhibit A**, regarding the location of the Reuben Basehor Library.

**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 Lease Agreement with the Basehor Historical Society, attached as **Exhibit A**.

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

PASSED by the Governing Body this ___ day of May, 2015.

APPROVED by the Mayor this ___ day of May, 2015.

**[SEAL]**

_____
David K. Breuer, Mayor

ATTEST:

_____
Katherine M. Renn, City Clerk

APPROVED AS TO FORM:

_____
Shannon M. Marcano, City Attorney

**Exhibit A**
**Lease Agreement**

**LEASE AGREEMENT**

THIS LEASE AGREEMENT (the "Lease") is made and entered into this ____ day of _____, 2015 (the "Effective Date"), by and between the Basehor Historical Society, a non-profit entity organized and doing business in the State of Kansas (the "Historical Society"), and the City of Basehor, Kansas, (the "City").

WHEREAS, the Historical Society owns or will own a structure of historical significance, which is commonly known as the Rueben Basehor Library and its adjacent flagpole (the "Library"), and located at 15441 Leavenworth Rd in Basehor; and

WHEREAS, the Historical Society desires to preserve the Library due to its historical significance; and

WHEREAS, the Historical Society has made arrangements to relocate the Library to Basehor City Park, located at 15940 Leavenworth Road in Basehor.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Premises**. The City agrees to lease to the Historical Society certain space located in the Basehor City Park located at 15940 Leavenworth Road in Basehor (the "Leased Premises"), as depicted on **Exhibit A**. The Historical Society shall use the Leased Premise for the sole purpose of displaying the Library.

2. **Site Preparation**. The City agrees to allow the Historical Society to prepare any necessary foundation or other site preparation work to allow the Library to be located on the Leased Premises.

3. **Security**. After the Library is relocated to the Leased Premises, the Historical Society shall install a fence and any other security measures necessary to prevent public access to the Library. If the City notifies the Historical Society of a security issue with the Library, the Historical Society shall take immediate action to secure the Leased Premises and the Library.

4. **Utilities**. The City shall have no duty to provide utilities to the Leased Premises.

5. **Term**. The term of this agreement shall be five years (5) beginning on the Effective Date of this agreement (the "Initial Term"). The Initial Term will automatically extend thereafter for a ninety-nine (99) year term unless the City notifies the Historical Society in writing by certified mail of the City's intention not to renew this Lease at least ninety (90) days prior to the expiration of the Initial Term. The Historical Society's lease of the Leased Premises during the renewal term will be on the same terms and conditions as set forth herein.

The City may terminate the Lease at any time, for any reason, within the Initial Term by notifying the Historical Society in writing by certified mail of the City's intentions. Upon termination, the City will allow the Historical Society a reasonable amount of time to relocate the Library.

6. **Rent**. The annual rent for the Initial Term shall be the sum of One and 00/100 Dollars ($1.00) (the "Annual Rent"). The Annual Rent shall commence upon the Effective Date. Thereafter, the Annual Rent shall be due on the yearly anniversary of such date so long as

this Lease is in effect. The parties agree that the Annual Rent due during the renewal term shall be mutually agreed upon by the parties prior to any such renewal term.

7. **Use**. The Historical Society shall use the Leased Premises solely for the purpose of displaying the Library. The Historical Society shall maintain the Leased Premises in good condition, reasonable wear and tear excepted. In the event this agreement is terminated, the Historical Society shall remove the Library and restore the Leased Premises to its original condition, or to a condition the City is agreeable to

8. **Access**. The Historical Society shall use the public access points to the Basehor City Park to access the Leased Premises. At no time will the Historical Society interfere with the City's or the general public's use and enjoyment of the Basehor City Park, or activities in the Basehor City Park.

The City also agrees to grant to the Historical Society a non-exclusive license from time to time over certain portions of the Basehor City Park required for the maintenance and/or repair of the Library. The parties agree that such license shall be granted on a case-by-case basis and subject to terms and conditions mutually agreed to by the City and the Historical Society.

9. **Historical Society Compliance**. The Historical Society shall comply with all applicable codes and regulations of the City of Basehor, Leavenworth County and the state of Kansas, and shall be responsible for maintenance of the Leased Premises, including mowing and weed control. The City assumes no responsibility for the maintenance of the Library or the Leased Premises. The Historical Society shall not allow any mechanics' liens to be placed against the Leased Premises or the Basehor City Park. In the event of such lien or interest,

the Historical Society shall immediately pay such amount owed and cause the lien to be removed immediately.

10. **Indemnification**. The Historical Society shall indemnify and hold harmless the City against any claim of liability or loss from personal injury or property damage resulting from, arising out of, or in any way related to this Lease or the use and occupancy of the Leased Premises by the Historical Society, its servants or agents, excepting, however, such claims or damages as may be due to or caused by the intentional or gross negligent acts or omissions of the City.

11. **Insurance**. During the term of this Lease, the Historical Society shall provide and maintain, and cause its contractors and subcontractors to provide and maintain throughout the term of this Lease general liability insurance in the minimum amounts of:

$1,000,000 for property damage to any one person;

$1,000,000 for property damage in any one accident;

$1,000,000 for personal bodily injury or death to any one person or individual;

$1,000,000 for personal bodily injury or death in any one accident,

naming the City as an additional insured.

During this Lease, the Historical Society shall also provide and maintain policies of insurance insuring the Library against fire, theft, and other casualty losses, it being expressly understood that the City shall have no obligation to provide such coverage of the Library and/or the Leased Premises.

12. **Assignment**. This Lease shall not be assigned without the express written approval of the City.

13. **Whole** Agreement: This Lease constitutes the final and complete agreement of the parties and shall supersede and replace any prior oral or written agreements between the City and the Historical Society. Any subsequent modification must be in writing signed by both parties.

14. **Governing Law**: This Lease shall be governed and construed under the laws of the State of Kansas.

15. **Notices**. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows:

City: City of Basehor

City Administrator

P.O. Box 406

2620 North 155th Street

Basehor, KS 66007

Historical Society:

16. **Default**. In the event there is a default by the Historical Society with respect to any of the provisions of this Lease or its obligations under it, the City shall give the Historical Society written notice of such default. After receipt of such written notice, the Historical Society shall have thirty (30) days in which to cure any default, provided the Historical Society shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and the Historical Society

diligently pursues the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. The City may not maintain any action or effect any remedies for default against the Historical Society unless and until the Historical Society has failed to cure the same within the time periods provided in this paragraph.

17. **Environmental**. The Historical Society is responsible for all obligations of compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may nor or at any time hereafter be in effect, that are or were in any way related to activity conducted in, on, or in any way related to the Leased Premises, unless such conditions or concerns are caused by the activities of City. The Historical Society agrees to not place any hazardous materials upon the Leased Premises and that the Historical Society shall be responsible for the removal, and associated costs, of any hazardous materials placed upon the Leased Premises by the Historical Society.

18. **Casualty**. In the event of damage by fire or other casualty to the Leased Premises, the Historical Society shall immediately begin work to restore the Leased Premises to its original condition prior to such casualty. Notwithstanding the foregoing, all rent shall abate during the period of repair following such fire or other casualty.

19. **Survival**. The provisions of the Lease relating to indemnification shall survive any termination or expiration of this Lease. Additionally, any provisions of this Lease which

require performance subsequent to the termination or expiration of this Lease shall also survive such termination or expiration.

20. **Binding Effect**: The terms and provisions of this Contract shall extend to and be binding upon the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have signed their names the day and year first above written.

CITY OF BASEHOR, KANSAS

DAVID BREUER
Mayor

HISTORICAL SOCIETY:

KENNETH MASSINGILL
Chairman
Board of Directors
Basehor Historical Society

# City of Basehor

## Agenda Item Cover Sheet

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## Agenda Item No. 7

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**Topic:** Project funding discussion

**Action Requested:** Determine best source for funding City improvement projects

**Narrative:** Staff has presented council with three major projects that will potentially need a funding source. The projects are: Sidewalk and storm water improvements from 155th and Leavenworth Rd to City Park, Sewer rehabilitation from Parallel to Chestnut and Engineering for improvements to 155th St. from Wolf Creek Pkwy to Elm and possibly continuing to Leavenworth Rd.

**Presented by:** Lloyd Martley, Chief of Police/City Administrator
Gene Myracle, City Superintendent
Mitch Pleak, City Engineer

**Administration Recommendation:** Identify best funding sources for projects listed

**Attachments:** General Obligation Issue Summary from Springsted

**Projector needed for this item?**

No

# $1,820,000
## City of Basehor, Kansas
General Obligation Bonds, Series 2015
Issue Summary

### Total Issue Sources And Uses

**Dated 07/15/2015 | Delivered 07/15/2015**

| | Sidewalk Improvements | Sewer Rehabilitation | Wolf Creek Pkwy Engineering | Issue Summary |
|---|---|---|---|---|
| **Sources Of Funds** | | | | |
| Par Amount of Bonds | $835,000.00 | $365,000.00 | $620,000.00 | $1,820,000.00 |
| **Total Sources** | **$835,000.00** | **$365,000.00** | **$620,000.00** | **$1,820,000.00** |
| **Uses Of Funds** | | | | |
| Deposit to Project Construction Fund | 800,000.00 | 350,000.00 | 600,000.00 | 1,750,000.00 |
| Costs of Issuance | 23,203.37 | 10,142.79 | 17,228.84 | 50,575.00 |
| Total Underwriter's Discount (1.000%) | 8,350.00 | 3,650.00 | 6,200.00 | 18,200.00 |
| Rounding Amount | 3,446.63 | 1,207.21 | (3,428.84) | 1,225.00 |
| **Total Uses** | **$835,000.00** | **$365,000.00** | **$620,000.00** | **$1,820,000.00** |

# $1,820,000

## City of Basehor, Kansas

General Obligation Bonds, Series 2015

Issue Summary

### Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|---|---|---|---|---|---|
| 07/15/2015 | - | - | - | - | - |
| 03/01/2016 | - | - | 16,168.42 | 16,168.42 | - |
| 09/01/2016 | 175,000.00 | 0.600% | 12,877.50 | 187,877.50 | 204,045.92 |
| 03/01/2017 | - | - | 12,352.50 | 12,352.50 | - |
| 09/01/2017 | 175,000.00 | 0.700% | 12,352.50 | 187,352.50 | 199,705.00 |
| 03/01/2018 | - | - | 11,740.00 | 11,740.00 | - |
| 09/01/2018 | 175,000.00 | 1.000% | 11,740.00 | 186,740.00 | 198,480.00 |
| 03/01/2019 | - | - | 10,865.00 | 10,865.00 | - |
| 09/01/2019 | 175,000.00 | 1.150% | 10,865.00 | 185,865.00 | 196,730.00 |
| 03/01/2020 | - | - | 9,858.75 | 9,858.75 | - |
| 09/01/2020 | 175,000.00 | 1.350% | 9,858.75 | 184,858.75 | 194,717.50 |
| 03/01/2021 | - | - | 8,677.50 | 8,677.50 | - |
| 09/01/2021 | 180,000.00 | 1.500% | 8,677.50 | 188,677.50 | 197,355.00 |
| 03/01/2022 | - | - | 7,327.50 | 7,327.50 | - |
| 09/01/2022 | 185,000.00 | 1.700% | 7,327.50 | 192,327.50 | 199,655.00 |
| 03/01/2023 | - | - | 5,755.00 | 5,755.00 | - |
| 09/01/2023 | 190,000.00 | 1.850% | 5,755.00 | 195,755.00 | 201,510.00 |
| 03/01/2024 | - | - | 3,997.50 | 3,997.50 | - |
| 09/01/2024 | 195,000.00 | 2.000% | 3,997.50 | 198,997.50 | 202,995.00 |
| 03/01/2025 | - | - | 2,047.50 | 2,047.50 | - |
| 09/01/2025 | 195,000.00 | 2.100% | 2,047.50 | 197,047.50 | 199,095.00 |
| Total | $1,820,000.00 | - | $174,288.42 | $1,994,288.42 | - |

**Yield Statistics**

| | |
|---|---|
| Bond Year Dollars | $10,457.56 |
| Average Life | 5.746 Years |
| Average Coupon | 1.6666268% |
| Net Interest Cost (NIC) | 1.8406636% |
| True Interest Cost (TIC) | 1.8439656% |
| Bond Yield for Arbitrage Purposes | 1.6583036% |
| All Inclusive Cost (AIC) | 2.3737179% |

**IRS Form 8038**

| | |
|---|---|
| Net Interest Cost | 1.6666268% |
| Weighted Average Maturity | 5.746 Years |

# $835,000

## City of Basehor, Kansas

General Obligation Bonds, Series 2015

Sidewalk Improvements

### Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|---|---|---|---|---|---|
| 07/15/2015 | - | - | - | - | - |
| 03/01/2016 | - | - | 7,421.90 | 7,421.90 | - |
| 09/01/2016 | 80,000.00 | 0.600% | 5,911.25 | 85,911.25 | 93,333.15 |
| 03/01/2017 | - | - | 5,671.25 | 5,671.25 | - |
| 09/01/2017 | 80,000.00 | 0.700% | 5,671.25 | 85,671.25 | 91,342.50 |
| 03/01/2018 | - | - | 5,391.25 | 5,391.25 | - |
| 09/01/2018 | 80,000.00 | 1.000% | 5,391.25 | 85,391.25 | 90,782.50 |
| 03/01/2019 | - | - | 4,991.25 | 4,991.25 | - |
| 09/01/2019 | 80,000.00 | 1.150% | 4,991.25 | 84,991.25 | 89,982.50 |
| 03/01/2020 | - | - | 4,531.25 | 4,531.25 | - |
| 09/01/2020 | 80,000.00 | 1.350% | 4,531.25 | 84,531.25 | 89,062.50 |
| 03/01/2021 | - | - | 3,991.25 | 3,991.25 | - |
| 09/01/2021 | 85,000.00 | 1.500% | 3,991.25 | 88,991.25 | 92,982.50 |
| 03/01/2022 | - | - | 3,353.75 | 3,353.75 | - |
| 09/01/2022 | 85,000.00 | 1.700% | 3,353.75 | 88,353.75 | 91,707.50 |
| 03/01/2023 | - | - | 2,631.25 | 2,631.25 | - |
| 09/01/2023 | 85,000.00 | 1.850% | 2,631.25 | 87,631.25 | 90,262.50 |
| 03/01/2024 | - | - | 1,845.00 | 1,845.00 | - |
| 09/01/2024 | 90,000.00 | 2.000% | 1,845.00 | 91,845.00 | 93,690.00 |
| 03/01/2025 | - | - | 945.00 | 945.00 | - |
| 09/01/2025 | 90,000.00 | 2.100% | 945.00 | 90,945.00 | 91,890.00 |
| Total | $835,000.00 | - | $80,035.65 | $915,035.65 | - |

**Yield Statistics**

| | |
|---|---|
| Bond Year Dollars | $4,801.69 |
| Average Life | 5.751 Years |
| Average Coupon | 1.6668210% |
| Net Interest Cost (NIC) | 1.8407179% |
| True Interest Cost (TIC) | 1.8440222% |
| Bond Yield for Arbitrage Purposes | 1.6583036% |
| All Inclusive Cost (AIC) | 2.3733533% |

**IRS Form 8038**

| | |
|---|---|
| Net Interest Cost | 1.6668210% |
| Weighted Average Maturity | 5.751 Years |

# $365,000

## City of Basehor, Kansas

General Obligation Bonds, Series 2015

Sewer Rehabilitation

### Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|---|---|---|---|---|---|
| 07/15/2015 | - | - | - | - | - |
| 03/01/2016 | - | - | 3,251.89 | 3,251.89 | - |
| 09/01/2016 | 35,000.00 | 0.600% | 2,590.00 | 37,590.00 | 40,841.89 |
| 03/01/2017 | - | - | 2,485.00 | 2,485.00 | - |
| 09/01/2017 | 35,000.00 | 0.700% | 2,485.00 | 37,485.00 | 39,970.00 |
| 03/01/2018 | - | - | 2,362.50 | 2,362.50 | - |
| 09/01/2018 | 35,000.00 | 1.000% | 2,362.50 | 37,362.50 | 39,725.00 |
| 03/01/2019 | - | - | 2,187.50 | 2,187.50 | - |
| 09/01/2019 | 35,000.00 | 1.150% | 2,187.50 | 37,187.50 | 39,375.00 |
| 03/01/2020 | - | - | 1,986.25 | 1,986.25 | - |
| 09/01/2020 | 35,000.00 | 1.350% | 1,986.25 | 36,986.25 | 38,972.50 |
| 03/01/2021 | - | - | 1,750.00 | 1,750.00 | - |
| 09/01/2021 | 35,000.00 | 1.500% | 1,750.00 | 36,750.00 | 38,500.00 |
| 03/01/2022 | - | - | 1,487.50 | 1,487.50 | - |
| 09/01/2022 | 35,000.00 | 1.700% | 1,487.50 | 36,487.50 | 37,975.00 |
| 03/01/2023 | - | - | 1,190.00 | 1,190.00 | - |
| 09/01/2023 | 40,000.00 | 1.850% | 1,190.00 | 41,190.00 | 42,380.00 |
| 03/01/2024 | - | - | 820.00 | 820.00 | - |
| 09/01/2024 | 40,000.00 | 2.000% | 820.00 | 40,820.00 | 41,640.00 |
| 03/01/2025 | - | - | 420.00 | 420.00 | - |
| 09/01/2025 | 40,000.00 | 2.100% | 420.00 | 40,420.00 | 40,840.00 |
| Total | $365,000.00 | - | $35,219.39 | $400,219.39 | - |

**Yield Statistics**

| | |
|---|---|
| Bond Year Dollars | $2,106.64 |
| Average Life | 5.772 Years |
| Average Coupon | 1.6718285% |
| Net Interest Cost (NIC) | 1.8450903% |
| True Interest Cost (TIC) | 1.8483769% |
| Bond Yield for Arbitrage Purposes | 1.6583036% |
| All Inclusive Cost (AIC) | 2.3760077% |

**IRS Form 8038**

| | |
|---|---|
| Net Interest Cost | 1.6718285% |
| Weighted Average Maturity | 5.772 Years |

# $620,000

## City of Basehor, Kansas

General Obligation Bonds, Series 2015

Wolf Creek Pkwy Engineering

### Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|---|---|---|---|---|---|
| 07/15/2015 | - | - | - | - | - |
| 03/01/2016 | - | - | 5,494.63 | 5,494.63 | - |
| 09/01/2016 | 60,000.00 | 0.600% | 4,376.25 | 64,376.25 | 69,870.88 |
| 03/01/2017 | - | - | 4,196.25 | 4,196.25 | - |
| 09/01/2017 | 60,000.00 | 0.700% | 4,196.25 | 64,196.25 | 68,392.50 |
| 03/01/2018 | - | - | 3,986.25 | 3,986.25 | - |
| 09/01/2018 | 60,000.00 | 1.000% | 3,986.25 | 63,986.25 | 67,972.50 |
| 03/01/2019 | - | - | 3,686.25 | 3,686.25 | - |
| 09/01/2019 | 60,000.00 | 1.150% | 3,686.25 | 63,686.25 | 67,372.50 |
| 03/01/2020 | - | - | 3,341.25 | 3,341.25 | - |
| 09/01/2020 | 60,000.00 | 1.350% | 3,341.25 | 63,341.25 | 66,682.50 |
| 03/01/2021 | - | - | 2,936.25 | 2,936.25 | - |
| 09/01/2021 | 60,000.00 | 1.500% | 2,936.25 | 62,936.25 | 65,872.50 |
| 03/01/2022 | - | - | 2,486.25 | 2,486.25 | - |
| 09/01/2022 | 65,000.00 | 1.700% | 2,486.25 | 67,486.25 | 69,972.50 |
| 03/01/2023 | - | - | 1,933.75 | 1,933.75 | - |
| 09/01/2023 | 65,000.00 | 1.850% | 1,933.75 | 66,933.75 | 68,867.50 |
| 03/01/2024 | - | - | 1,332.50 | 1,332.50 | - |
| 09/01/2024 | 65,000.00 | 2.000% | 1,332.50 | 66,332.50 | 67,665.00 |
| 03/01/2025 | - | - | 682.50 | 682.50 | - |
| 09/01/2025 | 65,000.00 | 2.100% | 682.50 | 65,682.50 | 66,365.00 |
| Total | $620,000.00 | - | $59,033.38 | $679,033.38 | - |

**Yield Statistics**

| | |
|---|---|
| Bond Year Dollars | $3,549.22 |
| Average Life | 5.725 Years |
| Average Coupon | 1.6632765% |
| Net Interest Cost (NIC) | 1.8379627% |
| True Interest Cost (TIC) | 1.8412719% |
| Bond Yield for Arbitrage Purposes | 1.6583036% |
| All Inclusive Cost (AIC) | 2.3728526% |

**IRS Form 8038**

| | |
|---|---|
| Net Interest Cost | 1.6632765% |
| Weighted Average Maturity | 5.725 Years |

# City of Basehor

## Agenda Item Cover Sheet

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## Agenda Item No. 8

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**Topic:** Annexation of property

**Action Requested:** Discuss options and requirements for annexing property into the city limits of Basehor.

**Narrative:** Basehor covers six square miles with several spot and island annexations. It has always been the governing body's goal to try and square up the boundaries of our city limits while adding to the growth and development of our community.

**Presented by:** Lloyd Martley, Chief of Police/City Administrator
Shannon Marcano, City Attorney

**Administration Recommendation:** N/A

**Attachments:** Annexation checklist KSA 12-521

**Projector needed for this item?**

No

WHITE | GOSS
ATTORNEYS AT LAW

# Memorandum

TO: Mitch Pleak

FROM: Shannon M. Marcano

DATE: July 21, 2014

RE: Annexation Checklist KSA 12-521

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As requested, below is a checklist of the necessary steps for annexation under K.S.A. 12-521:

1. Governing Body approves **Petition** to present to Board of County Commissioners and **Plan for Extension of Services**

2. Governing Body presents the Petition and Plan for Extension of Services to the Board of County Commissioners

3. **Petition** must set forth (1) legal description of land to be annexed (2) a request for a public hearing on the advisability of such annexation

4. **Plan for Extension of Services** must contain:

a. A **sketch** clearly delineating the land proposed to be annexed and the area of the city adjacent thereto to show the following information:

-the present and proposed boundaries of the city affected by such proposed annexation;

-the present streets, water mains, sewers and other city utility lines, and the proposed extension thereto; and

-the general land use pattern in the areas to be annexed.

b. A statement setting forth a **plan of sufficient detail** to provide a reasonable person with a full and complete understanding of the intentions of the city, including:

-the plan for **extending to the area to be annexed each major municipal service** provided to persons and property located within the city and area proposed to be annexed at the time of annexation;

-the estimated **cost** of providing such services;



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-the estimated cost impact of providing such services to the residents of the city and the residents of the area proposed to be annexed;

-state the **method** by which the city plans to finance the extension of such services to such area;

-contain a **timetable** for the extension of major municipal services to the area proposed to be annexed;

-state the means by which the services currently provided by a township or special district in the area to be annexed shall be maintained by the city at a level which is equal to or better than the level of services provided prior to annexation; and

-a statement of those services which shall be provided immediately upon annexation and those services which may be provided upon petition of the landowners to create a benefit district.

5. The county commission shall set the date for the **public hearing** not less than 60 nor more than 70 days following the date of the presentation of the petition requesting such hearing.

6. Notice of the time and place of the hearing, together with a legal description of the land sought to be annexed and the names of the owners thereof, shall be **published in a newspaper of general circulation** in the city not less than one week, and not more than two weeks preceding the date fixed for such hearing.

7. A **sketch** clearly delineating the area in such detail as may be necessary to advise the reader of the particular land proposed to be annexed shall be published with the notice of the hearing.

8. A copy of the notice providing for the public hearing, and the sketch delineating the area proposed to be annexed, shall be **mailed by certified mail to each owner** of the land proposed to be annexed not more than 10 days following the date of the presentation of the petition requesting such hearing.

9. The county commission may for good cause shown, continue the hearing beyond the time specified in the notice without further publication.

10. On the day set for the public hearing, the county commission shall hear **testimony** as to the advisability of such annexation.

11. At the public hearing, the **city shall present the city's proposal for annexation**, including the plan of the city for the extension of services to the area proposed to be annexed.

12. The county commission shall consider whether **manifest injury** would result from the annexation, including the extent to which the following may affect the city, the area to be annexed, the residents of the city and the area to be annexed, other governmental units providing services to the area to be annexed, the utilities providing services to the area to be annexed, and any other public or private person, firm or corporation which may be affected thereby:

a. extent to which any of the area is land devoted to agricultural use;

b. area of platted land relative to unplatted land;

c. topography, natural boundaries, storm and sanitary sewers, drainage basins, transportation links or any other physical characteristics which may be an indication of the existence or absence of common interest of the city and the area proposed to be annexed;

d. extent and age of residential development in the area to be annexed and adjacent land within the city's boundaries;

e. present population in the area to be annexed and the projected population growth during the next five years in the area proposed to be annexed;

f. extent of business, commercial and industrial development in the area;

g. present cost, methods and adequacy of governmental services and regulatory controls in the area;

h. proposed cost, extent and the necessity of governmental services to be provided by the city proposing annexation and the plan and schedule to extend such services;

i. tax impact upon property in the city and the area;

j. extent to which the residents of the area are directly or indirectly dependent upon the city for governmental services to be provided by the city proposing annexation and the plan and schedule to extend such services;

k. the effect of the proposed annexation on the city and other adjacent areas, including but not limited to, other cities, sewer and water districts, improvement districts, townships or industrial districts and, subject to the provisions of KSA 12-521a, and amendments thereto, fire districts;

l. existing petitions for incorporation of the area as a new city or for the creation of a special district;

m. likelihood of significant growth in the area and in adjacent areas during the next five years; and

n. effect of annexation upon the utilities providing services to the area and the ability of those utilities to provide those services shown in the detailed plan.

13. The county commission shall render a judgment within 7 days after the hearing has been adjourned.

14. If **2/3 of the members of the county commission** concludes that the annexation or any part thereof should be allowed, the county commission shall grant the annexation by order, and the city may annex the land by ordinance.

15. If the county commission issues an order denying a petition, it shall be by resolution which shall be sent by certified mail to the city proposing the annexation.

16. If the annexation involves **40 acres or more**, an election by mail in ballot by qualified electors located within the area proposed to be annexed shall be conducted.

17. Any owner of land annexed pursuant to this section, or the city aggrieved by the decision of the county commission, may **appeal** the decision to the county district court.