



Date: February 23, 2015

To: Senate Local Government Committee

From: Larry R. Baer  
Legal Counsel

Re: SB 247  
Testimony in Support

Thank you for allowing me to appear before you today and present testimony on behalf of the League of Kansas Municipalities and our member cities in support of Senate Bill 247.

Senate Bill 247 would amend current law to increase the annual revenue threshold for required preparation of city audits from \$275,000 to \$500,000. Annual audits would still be required for any city that operated a utility, regardless of their annual revenue. Increasing the revenue amount to \$500,000 would give our smallest cities more latitude in determining whether or not to undergo an audit.

For these small cities, an audit is a significant financial cost. The cost is occurred both in the professional preparation and in staff time to provide documents and assistance. A quick, and non-scientific survey of our cities, showed that it was not uncommon for audits in small cities to run in the \$3,000 to \$5,000 range. In other words, cities would be required to spend 1 to 2 percent of their annual revenue just to have the audit performed.

This is not to say that audits of municipalities are not important – because they are. The change proposed in SB 247 would give small cities the flexibility to decide if they wanted to have an audit prepared rather than being required to do so.

For these reasons, the League stands in support of SB 247. We ask that you consider it favorably and pass it out of committee.

Thank you. I will stand for questions.