CITY OF CANEY, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF CANEY, KANSAS
For the Year Ended December 31, 2023

TABLE OF CONTENTS

	PAGE NUMBER
Independent Auditor's Report	1-3
Statement 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis	4-5
Notes to the Financial Statement	6-17
SUPPLEMENTARY INFORMATION	
Schedule 1	
Summary of Expenditures – Actual and Budget Regulatory Basis - (Budgeted Funds Only)	18
Schedule 2	
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis - (With Comparative Actual Amounts for the Prior Year)	
General Fund	19-21
Industrial Fund	22
Library Fund	23
Special Parks Fund	24
Employee Benefits Fund	25
Vehicle Identification Fund	26
Special Highway Fund	27
Tourism Fund	28
Police, Fire, and Ambulance Equipment Fund	29
Street Sales Tax Fund	30
Grant Projects Fund	31
Equipment Reserve Fund	32
Wastewater Improvement Project Fund	33
Capital Project Fund	34
General Obligation Bond and Interest Fund	35
Water Utility Fund	36
Sewer Utility Fund	37
Sewer Treatment Replacement Fund	38
Solid Waste Utility Fund	39
Grocery Store Utility Fund	40
Schedule 3	
Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis	41

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Caney, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Caney, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Caney, Kansas as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Caney, Kansas as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Caney, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Caney, Kansas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, the schedule of receipts and expenditures – actual and budget regulatory basis, for each individual fund, and the schedule of receipts and disbursements – agency funds – regulatory basis (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in

the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Caney, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated June 23, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/account-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

March 22, 2024
Chanute, Kansas

CITY OF CANEY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2023
General Fund	$ 520,426.12	$ 1,478,492.44	$ 1,427,462.14	$ 571,456.42	$ 59,046.98	$ 630,503.40
Special Purpose Funds:						
Industrial	4,177.50	3,825.92	3,410.00	4,593.42	-	4,593.42
Library	0.03	69,848.93	69,848.93	0.03	-	0.03
Special Parks	8,807.69	2,662.65	912.80	10,557.54	-	10,557.54
Employee Benefits	334,376.60	302,211.15	380,226.04	256,361.71	-	256,361.71
Vehicle Identification	5,963.52	4,000.00	5,971.00	3,992.52	-	3,992.52
Special Highway	68,658.65	56,683.48	32,162.44	93,179.69	298.75	93,478.44
Tourism	22,281.40	14,288.10	3,765.00	32,804.50	-	32,804.50
Police, Fire, and Ambulance Equipment	39,384.90	34,674.84	47,067.22	26,992.52	-	26,992.52
Street Sales Tax	154,537.99	95,252.09	5,059.00	244,731.08	-	244,731.08
Grant Projects	564,998.77	49,623.46	201,251.61	413,370.62	-	413,370.62
Equipment Reserve	-	102,882.58	18,151.74	84,730.84	-	84,730.84
Capital Project Funds:						
Wastewater Improvement Project	(18,380.73)	42,440.00	1,210.00	22,849.27	-	22,849.27
Capital Project	5.00	-	-	5.00	-	5.00
Bond and Interest Funds:						
General Obligation Bond and Interest	431,219.85	410,447.04	503,511.50	338,155.39	-	338,155.39
Business Funds:						
Water Utility	329,685.77	681,996.09	863,817.50	147,864.36	5,738.06	153,602.42
Sewer Utility	86,358.61	534,171.30	449,915.14	170,614.77	3,568.39	174,183.16
Sewer Treatment Replacement	32,189.41	7,602.02	-	39,791.43	-	39,791.43
Solid Waste Utility	96,647.68	269,620.50	265,412.62	100,855.56	19,608.78	120,464.34
Grocery Store Utility	5,532.72	1,327,838.46	1,327,178.65	6,192.53	44,463.75	50,656.28
Total Primary Government (Excluding Agency Funds)	$ 2,686,871.48	$ 5,488,561.05	$ 5,606,333.33	$ 2,569,099.20	$ 132,724.71	$ 2,701,823.91

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

CITY OF CANEY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

	2023
Total Cash to be accounted for:	$ 2,701,823.91
Composition of Cash:	
Utility Cash on Hand	$ 250.00
General Petty Cash on Hand	200.00
Police Petty Cash on Hand	201.00
Grocery Store Petty Cash on Hand	2,100.00
Checking Accounts:	
General Account	127,609.96
Grant Checking Account	5.00
Money Market Account	2,573,596.19
Total Cash	2,703,962.15
Agency Funds per Schedule 3	(2,138.24)
Total Reporting Entity (Excluding Agency Funds)	$ 2,701,823.91

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Caney, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Financial Reporting Entity
The City of Caney, Kansas (the City) is a municipal corporation governed by a Mayor and elected eight member council. This financial statement presents the City of Caney, Kansas.

Related Municipal Entity. A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

> Caney City Library - The Caney City Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate financial information can be obtained from the Library.
>
> Caney Recreation Commission - The Caney Recreation Commission oversees the City's recreation activities. The Caney Recreation Commission operates as a separate governing body but the City may appoint board members to the Recreation Commission. Separate financial information can be obtained from the Recreation Commission.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Caney, Kansas, for the year of 2023:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipt source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for receipt recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest, and business funds. Although directory rather than mandatory, the statutes provide for the following timetable in the adoption of the legal annual operating budget:

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts 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. There were no such budget amendments for this year.

The statutes permit transferring 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. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)
All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

- Grant Projects Fund
- Equipment Reserve

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Statement 1, the City was in compliance with the cash basis and budget laws of Kansas.

Management is not aware of any other material statutory violations.

3. DEPOSITS AND INVESTMENTS

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 branch 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 bank 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.

K.S.A 12-1675 limits the City's investment 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 investment policy that would further limit its investment choices.

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

3. DEPOSITS AND INVESTMENTS (Continued)

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. All deposits were legally secured at December 31, 2023.

Deposits: At year-end, the City's carrying amount of deposits was $2,701,211.15 and the bank balance was $2,722,664.46. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $249,110.74 was covered by FDIC insurance and $2,473,553.72 was collateralized with a repurchase agreement.

4. RIGHT TO USE CONTRACTS

As of December 31, 2023 the City has entered into a right to use contract for office equipment. Rent expense for the year ended December 31, 2023, was $32.95. Future minimum payments are as follow:

2024	$ 362.45

5. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order finance the purchase of a 2004 Sewer Pumper Truck. Payments are made annually including interest at 3.50%. Final maturity of the lease is September 15, 2024. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 4,754.08
	4,754.08
Less imputed interest	(196.82)
Net Present Value of Minimum Lease Payments	4,557.26
Less: Current Maturities	(4,557.26)
Long-Term Finance Lease Obligations	$ 0.00

5. FINANCE LEASE OBLIGATIONS (Continued)

The City has entered into a finance lease agreement in order finance the purchase of Canon Copier Machines. Payments are made monthly including interest at 5.717%. Final maturity of the lease is June 12, 2024. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 1,029.76
	1,029.76
Less imputed interest	(16.98)
Net Present Value of Minimum Lease Payments	1,012.78
Less: Current Maturities	(1,012.78)
Long-Term Finance Lease Obligations	$ 0.00

The City has entered into a finance lease agreement in order finance the purchase of 2021 Ford E450 Ambulance. Payments are made monthly including interest at 3.25%. Final maturity of the lease is August 1, 2025. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 32,974.92
2025	21,983.28
	54,958.20
Less imputed interest	(1,532.34)
Net Present Value of Minimum Lease Payments	53,425.86
Less: Current Maturities	(31,708.10)
Long-Term Finance Lease Obligations	$ 21,717.76

6. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2023, were as follows

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Utility Receipts:									
Series 2020-A	1.375%	June 24, 2020	$ 540,000.00	June 24, 2060	$ 519,419.48	$ -	$ (10,502.98)	$ 508,916.50	$ 7,142.02
Series 2020-B	1.375%	June 24, 2020	2,741,000.00	June 24, 2060	2,636,542.26	-	(53,308.54)	2,583,233.72	36,252.46
Series 2020-C	1.375%	June 24, 2020	693,000.00	June 24, 2060	666,589.17	-	(13,478.40)	653,110.77	9,165.60
Series 2020-D	1.1-2%	September 1, 2020	2,710,000.00	December 1, 2040	2,170,000.00	-	(290,000.00)	1,880,000.00	40,512.50
Series 2022-A	1.375%	August 10, 2022	668,000.00	August 10, 2062	668,000.00	-	(12,639.00)	655,361.00	9,185.00
Series 2022-B	1.50%	August 10, 2022	577,000.00	August 10, 2062	577,000.00	-	(10,635.00)	566,365.00	8,655.00
Temporary Notes									
Paid by Utility Receipts:									
Series 2022-1	0.550%	January 6, 2022	740,000.00	February 15, 2024	740,000.00	-	-	740,000.00	2,035.00
Finance Leases									
Sewage Pumper Truck	3.50%	May 25, 2017	40,000.00	September 15, 2024	9,989.43	-	(5,432.17)	4,557.26	386.90
Canon Copiers	5.717%	June 12, 2019	8,930.21	June 12, 2024	2,951.84	-	(1,939.06)	1,012.78	118.46
Ambulance	3.25%	August 4, 2020	176,546.00	August 1, 2025	81,601.29	-	(28,175.43)	53,425.86	2,026.58
Total Contractual Indebtedness					$ 8,072,093.47	$ -	$ (426,110.58)	$ 7,645,982.89	$ 115,479.52

6. LONG-TERM DEBT (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity is as follows:

Issue	2024	2025	2026	2027	2028	2029-2033	2034-2038
Principal							
General Obligation Bonds							
Series 2020-A	$ 10,628.23	$ 10,793.54	$ 10,941.95	$ 11,092.40	$ 11,227.39	$ 58,569.57	$ 62,710.14
Series 2020-B	53,944.22	54,783.27	55,536.54	56,300.17	56,985.29	297,273.48	318,289.24
Series 2020-C	13,639.12	13,851.26	14,041.72	14,234.79	14,408.02	75,161.88	80,475.46
Series 2020-D	290,000.00	225,000.00	240,000.00	240,000.00	100,000.00	510,000.00	135,000.00
Series 2022-A	12,812.79	12,988.96	13,167.56	13,348.61	13,532.16	70,503.49	75,485.75
Series 2022-B	10,794.52	10,956.44	11,120.79	11,287.60	11,456.92	59,914.52	64,544.96
Temporary Notes							
Series 2022-1	740,000.00	-	-	-	-	-	-
Finance Leases							
Sewage Pumper Truck	4,557.26	-	-	-	-	-	-
Canon Copiers	1,012.78	-	-	-	-	-	-
Ambulance	31,708.10	21,717.76	-	-	-	-	-
Total Principal Payments	1,169,097.02	350,091.23	344,808.56	346,263.57	207,609.78	1,071,422.94	736,505.55
Interest							
General Obligation Bonds							
Series 2020-A	7,016.77	6,851.46	6,703.05	6,552.60	6,417.61	29,655.43	25,514.86
Series 2020-B	35,616.78	34,777.73	34,024.46	33,260.83	32,575.71	150,531.52	129,515.76
Series 2020-C	9,004.88	8,792.74	8,602.28	8,409.21	8,235.98	38,058.12	32,744.54
Series 2020-D	34,712.50	28,912.50	134,412.50	19,612.50	14,812.50	41,245.00	21,877.50
Series 2022-A	9,011.21	8,835.04	8,656.44	8,475.39	8,291.84	7,335.57	33,634.25
Series 2022-B	8,495.48	8,333.56	8,169.21	8,002.40	7,833.08	36,535.48	31,905.04
Temporary Notes							
Series 2022-1	2,035.00	2,035.00	-	-	-	-	-
Finance Leases							
Sewage Pumper Truck	196.82	-	-	-	-	-	-
Canon Copiers	16.98	-	-	-	-	-	-
Ambulance	1,266.82	265.52	-	-	-	-	-
Total Interest Payments	107,373.24	98,803.55	200,567.94	84,312.93	78,166.72	303,361.12	275,191.95
Total Principal and Interest	$ 1,276,470.26	$ 448,894.78	$ 545,376.50	$ 430,576.50	$ 285,776.50	$ 1,374,784.06	$ 1,011,697.50

6. LONG-TERM DEBT (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity is as follows:

Issue	2039-2043	2044-2048	2049-2053	2054-2058	2059-2062	Total
Principal						
General Obligation Bonds						
Series 2020-A	$ 67,143.48	$ 71,882.41	$ 76,974.89	$ 82,416.84	$ 34,535.66	$ 508,916.50
Series 2020-B	340,790.92	364,843.65	390,690.82	418,311.82	175,484.30	2,583,233.72
Series 2020-C	86,164.73	92,246.16	98,781.29	105,764.91	44,341.43	653,110.77
Series 2020-D	140,000.00	-	-	-	-	1,880,000.00
Series 2022-A	80,820.09	86,531.39	92,646.28	99,193.30	84,330.62	655,361.00
Series 2022-B	69,533.25	74,907.05	80,696.18	86,932.71	74,220.06	566,365.00
Temporary Notes						
Series 2022-1	-	-	-	-	-	740,000.00
Finance Leases						
Sewage Pumper Truck	-	-	-	-	-	4,557.26
Canon Copiers	-	-	-	-	-	1,012.78
Ambulance	-	-	-	-	-	53,425.86
Total Principal Payments	784,452.47	690,410.66	739,789.46	792,619.58	412,912.07	7,645,982.89
Interest						
General Obligation Bonds						
Series 2020-A	21,081.52	16,342.59	11,250.11	5,808.16	714.30	143,908.46
Series 2020-B	107,014.08	82,961.35	57,114.18	29,493.18	3,630.86	730,516.44
Series 2020-C	27,055.27	20,973.84	14,438.71	7,455.09	917.25	184,687.91
Series 2020-D	4,200.00	-	-	-	-	299,785.00
Series 2022-A	28,299.91	22,588.61	16,473.72	9,926.70	2,917.69	164,446.37
Series 2022-B	26,916.75	21,542.95	15,753.82	9,517.29	2,800.88	185,805.94
Temporary Notes						
Series 2022-1	-	-	-	-	-	4,070.00
Finance Leases						
Sewage Pumper Truck	-	-	-	-	-	196.82
Canon Copiers	-	-	-	-	-	16.98
Ambulance	-	-	-	-	-	1,532.34
Total Interest Payments	214,567.53	164,409.34	115,030.54	62,200.42	10,980.98	1,714,966.26
Total Principal and Interest	$ 999,020.00	$ 854,820.00	$ 854,820.00	$ 854,820.00	$ 423,893.05	$ 9,360,949.15

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statement and required supplementary information. KPERS' financial statement are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $104,159.55 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $1,241,414.00. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and nonemployer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

8. CAPITAL PROJECTS

The following is a summary of capital project authorizations and expenditures to date:

PROJECT NAME	AUTHORIZED	EXPENDED THRU 12/31/23	ESTIMATED COMPLETION
Wastewater Improvement Project	$ 7,440,000.00	$ 6,890,831.90	2024

9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits
As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

Compensated Absences:
All full-time employees of the City with one year of employment are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

Years Continuous Employment:	1-5	6-10	11 +
Hours Earned Per Month:	6.66	10	13.33
Equivalent Work Days	10	15	20

Accrued vacation benefits must be used within the employee's annual period (hire date to hire date), but an employee can carry over 3 days of vacation per year.

Sick leave accrues to all full-time employees at the rate of eight hours sick leave per month of continuous employment to a maximum of 480 hours of sick leave. In the event of termination, an employee shall not be paid for any accrued sick leave.

The City has no policy regarding compensatory time, however it is accumulated.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for annual leave and compensatory time, which has been earned, but not taken, by City employees. The estimated liability at December 31, 2023, was $22,921.97 for annual leave. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

Other Post Employment Benefits:
As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

11. RELATED PARTY

Main Street Auto and Tire, LLC is an auto repair and tire shop owned by a council member. During the year, the City paid $28,039.11 to Main Street Auto and Tire, LLC.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Sewer Utility	General Obligation Bond and Interest	K.S.A. 12-825d	$ 170,000.00
Water Utility	General Obligation Bond and Interest	K.S.A. 12-825d	50,000.00
Water Utility	Grocery Store Utility	K.S.A. 12-825d	70,000.00
Water Utility	Employee Benefits	K.S.A. 12-825d	100,000.00

13. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition or disclosure in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF CANEY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 1,789,737.00	$ 23,776.25	$ 1,813,513.25	$ 1,427,462.14	$ (386,051.11)
Special Purpose Funds:					
Industrial	13,847.00	-	13,847.00	3,410.00	(10,437.00)
Library	70,175.00	-	70,175.00	69,848.93	(326.07)
Special Parks	11,194.00	-	11,194.00	912.80	(10,281.20)
Employee Benefits	540,937.00	-	540,937.00	380,226.04	(160,710.96)
Vehicle Identification	9,225.00	-	9,225.00	5,971.00	(3,254.00)
Special Highway	119,624.00	-	119,624.00	32,162.44	(87,461.56)
Tourism	12,500.00	-	12,500.00	3,765.00	(8,735.00)
Police, Fire, and Ambulance Equipment	63,461.00	-	63,461.00	47,067.22	(16,393.78)
Street Sales Tax	130,911.00	-	130,911.00	5,059.00	(125,852.00)
Bond and Interest Fund:					
General Obligation Bond and Interest	884,932.00	-	884,932.00	503,511.50	(381,420.50)
Business Funds:					
Water Utility	963,482.00	-	963,482.00	863,817.50	(99,664.50)
Sewer Utility	669,323.00	-	669,323.00	449,915.14	(219,407.86)
Sewer Treatment Replacement	33,766.00	-	33,766.00	-	(33,766.00)
Solid Waste Utility	337,431.00	-	337,431.00	265,412.62	(72,018.38)
Grocery Store Utility	1,535,768.00	-	1,535,768.00	1,327,178.65	(208,589.35)

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 236,586.92	$ 247,571.36	$ 274,233.00	$ (26,661.64)
Delinquent Tax	17,139.46	29,484.88	-	29,484.88
Motor Vehicle Tax	35,067.73	31,825.36	31,807.00	18.36
Recreational Vehicle Tax	361.66	404.56	320.00	84.56
16/20M Truck Tax	198.96	174.96	166.00	8.96
Commercial Vehicle Tax	370.89	286.35	273.00	13.35
Rental Excise Tax	3.20	-	-	-
Watercraft Tax	100.27	69.96	100.00	(30.04)
Franchise Taxes	257,558.61	240,307.92	246,482.00	(6,174.08)
Local Alcoholic Liquor Tax	298.27	2,662.65	1,500.00	1,162.65
Compensating Use Tax	233,464.65	231,523.19	165,000.00	66,523.19
Local Sales Tax	283,273.40	190,447.05	180,000.00	10,447.05
Pool Sales Tax	-	95,252.07	95,332.00	(79.93)
Neighborhood Revitalization Rebate	-	-	(257.00)	257.00
Intergovernmental				
Federal Grants	2,480.69	26,300.00	-	26,300.00
State Grants	25,905.68	5,437.23	-	5,437.23
Licenses and Permits				
Licenses, Permits & Fees	4,754.00	4,136.75	3,000.00	1,136.75
Charges for Services				
Swimming Pool	20,130.81	21,965.95	14,600.00	7,365.95
Dog Tags	-	77.00	200.00	(123.00)
Accident Reports & Finger Printing	451.00	326.00	650.00	(324.00)
Cemetery Lots & Settings	12,067.00	7,907.00	15,000.00	(7,093.00)
Ambulance Fees	91,689.05	57,056.19	65,000.00	(7,943.81)
County Ambulance Assistance	56,330.01	42,933.60	56,500.00	(13,566.40)
Fines, Forfeitures and Penalties				
Fines	149,738.50	178,212.94	148,000.00	30,212.94
Use of Money and Property				
Bond Proceeds	736,107.60	-	-	-
Interest Income	12,639.68	15,277.48	18,000.00	(2,722.52)
Sale of Assets	200.00	-	-	-
Other Receipts				
Insurance Premium Return	13,252.20	9,359.95	12,000.00	(2,640.05)
Reimbursed Expense	5,196.31	23,776.25	-	23,776.25
Miscellaneous	50,643.20	15,715.79	23,000.00	(7,284.21)
Total Receipts	2,246,009.75	1,478,492.44	$ 1,350,906.00	$ 127,586.44

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
Expenditures				
City Administrator Department				
Personal Services	$ 61,719.21	$ 120,437.97	$ 130,200.00	$ (9,762.03)
Contractual Services	211,650.97	173,150.44	170,000.00	3,150.44
Commodities	7,766.31	9,693.28	15,000.00	(5,306.72)
Capital Outlay	785.00	7,369.97	207,370.00	(200,000.03)
Street Department				
Personal Services	8,279.44	28,080.25	35,000.00	(6,919.75)
Contractual Services	38,852.51	43,756.75	34,898.00	8,858.75
Commodities	61,048.67	26,380.80	60,418.00	(34,037.20)
Capital Outlay	-	-	6,500.00	(6,500.00)
Parks Department				
Personal Services	-	4,213.48	5,571.00	(1,357.52)
Contractual Services	7,148.67	7,291.39	8,000.00	(708.61)
Commodities	-	36.00	-	36.00
Pool Department				
Personal Services	41,131.96	31,165.89	40,000.00	(8,834.11)
Contractual Services	4,741.39	3,435.51	4,000.00	(564.49)
Commodities	15,600.18	14,861.08	15,000.00	(138.92)
Capital Outlay	-	-	139,155.00	(139,155.00)
Police Department				
Personal Services	372,057.02	363,273.27	390,585.00	(27,311.73)
Contractual Services	74,034.78	89,570.53	62,433.00	27,137.53
Commodities	65,553.82	31,578.63	50,880.00	(19,301.37)
Capital Outlay	69,191.18	30,809.89	17,500.00	13,309.89
Municipal Court				
Personal Services	-	31,545.53	-	31,545.53
Contractual Services	-	23,151.53	-	23,151.53
Commodities	-	576.51	-	576.51
Fire Department				
Personal Services	13,080.72	14,412.22	25,000.00	(10,587.78)
Contractual Services	28,769.86	47,959.50	30,000.00	17,959.50
Commodities	19,255.25	4,438.33	15,000.00	(10,561.67)
Ambulance Department				
Personal Services	237,238.81	243,753.28	235,715.00	8,038.28
Contractual Services	56,760.64	23,052.59	26,802.00	(3,749.41)
Commodities	13,621.60	15,538.08	15,010.00	528.08
Cemetery Department				
Personal Services	-	5,164.57	8,700.00	(3,535.43)
Contractual Services	36,026.00	32,764.87	31,000.00	1,764.87
Commodities	2,670.76	-	10,000.00	(10,000.00)

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Debt Service				
Principal	$ 837,222.84	$ -	$ -	$ -
Interest	28,654.10	-	-	-
Total Certified Budget			1,789,737.00	(362,274.86)
Adjustments for Qualifying Budget Credits			23,776.25	(23,776.25)
Total Expenditures	2,312,861.69	1,427,462.14	$ 1,813,513.25	$ (386,051.11)
Receipts Over(Under) Expenditures	(66,851.94)	51,030.30		
Unencumbered Cash, Beginning	587,278.06	520,426.12		
Unencumbered Cash, Ending	$ 520,426.12	$ 571,456.42		

CITY OF CANEY, KANSAS
INDUSTRIAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 3,218.17	$ 3,338.54	$ 3,700.00	$ (361.46)
Delinquent Tax	11.82	133.05	-	133.05
Recreational Vehicle Tax	-	3.81	4.00	(0.19)
Motor Vehicle	-	345.68	432.00	(86.32)
16/20M Vehicle Tax	-	-	2.00	(2.00)
Commerical Vehicle Tax	-	3.89	4.00	(0.11)
Watercraft Tax	-	0.95	1.00	(0.05)
Neighborhood Revitalization Rebate	-	-	(3.00)	3.00
Total Receipts	3,229.99	3,825.92	$ 4,140.00	$ (314.08)
Expenditures				
General Government				
Contractual Services	2,625.00	2,625.00	$ 13,847.00	$ (11,222.00)
Capital Outlay	6,186.60	785.00	-	785.00
Total Expenditures	8,811.60	3,410.00	$ 13,847.00	$ (10,437.00)
Receipts Over(Under) Expenditures	(5,581.61)	415.92		
Unencumbered Cash, Beginning	9,759.11	4,177.50		
Unencumbered Cash, Ending	$ 4,177.50	$ 4,593.42		

CITY OF CANEY, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 51,385.22	$ 56,998.85	$ 63,138.00	$ (6,139.15)
Delinquent Tax	3,290.66	5,943.76	-	5,943.76
Motor Vehicle Tax	6,586.66	6,712.41	6,906.00	(193.59)
Recreational Vehicle Tax	68.42	84.00	69.00	15.00
16/20M Truck Tax	38.78	32.55	36.00	(3.45)
Commercial Vehicle Tax	68.99	62.17	59.00	3.17
Rental Excise Tax	0.62	-	-	-
Watercraft Tax	18.65	15.19	22.00	(6.81)
Neighborhood Revitalization Rebate	-	-	(55.00)	55.00
Total Receipts	61,458.00	69,848.93	$ 70,175.00	$ (326.07)
Expenditures				
Culture and Recreation				
Library Board	61,458.00	69,848.93	$ 70,175.00	$ (326.07)
Total Expenditures	61,458.00	69,848.93	$ 70,175.00	$ (326.07)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	0.03	0.03		
Unencumbered Cash, Ending	$ 0.03	$ 0.03		

CITY OF CANEY, KANSAS
SPECIAL PARKS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	$ 298.29	$ 2,662.65	$ 500.00	$ 2,162.65
County Alcoholic Liquor Tax	-	-	1,000.00	(1,000.00)
Total Receipts	298.29	2,662.65	$ 1,500.00	$ 1,162.65
Expenditures				
Culture and Recreation				
Commodities	2,364.41	912.80	$ 11,194.00	$ (10,281.20)
Total Expenditures	2,364.41	912.80	$ 11,194.00	$ (10,281.20)
Receipts Over(Under) Expenditures	(2,066.12)	1,749.85		
Unencumbered Cash, Beginning	10,873.81	8,807.69		
Unencumbered Cash, Ending	$ 8,807.69	$ 10,557.54		

CITY OF CANEY, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 160,868.42	$ 167,218.16	$ 185,220.00	$ (18,001.84)
Delinquent Tax	7,143.73	14,573.95	-	14,573.95
Motor Vehicle Tax	14,159.57	19,865.63	21,604.00	(1,738.37)
Recreational Vehicle Tax	146.00	240.74	216.00	24.74
16/20M Truck Tax	80.26	70.66	113.00	(42.34)
Commercial Vehicle Tax	149.78	194.49	185.00	9.49
Rental Excise Tax	1.29	-	-	-
Watercraft Tax	40.49	47.52	68.00	(20.48)
Neighborhood Revitalization Rebate	-	-	(171.00)	171.00
Operating Transfers from				
Water Utility Fund	-	100,000.00	-	100,000.00
Total Receipts	182,589.54	302,211.15	$ 207,235.00	$ 94,976.15
Expenditures				
General Government				
Social Security	51,422.43	87,440.96	$ 95,000.00	$ (7,559.04)
KPERS	60,905.99	98,943.10	100,000.00	(1,056.90)
Unemploment	657.47	351.89	20,000.00	(19,648.11)
Health Insurance	96,638.25	193,490.09	325,937.00	(132,446.91)
Total Expenditures	209,624.14	380,226.04	$ 540,937.00	$ (160,710.96)
Receipts Over(Under) Expenditures	(27,034.60)	(78,014.89)		
Unencumbered Cash, Beginning	361,411.20	334,376.60		
Unencumbered Cash, Ending	$ 334,376.60	$ 256,361.71		

CITY OF CANEY, KANSAS
VEHICLE IDENTIFICATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
VIN Inspections	$ 3,637.53	$ 4,000.00	$ 4,750.00	$ (750.00)
Other Receipts				
Miscellaneous	478.71	-	-	-
Total Receipts	4,116.24	4,000.00	$ 4,750.00	$ (750.00)
Expenditures				
General Government				
Contractual Services	800.00	-	$ 1,000.00	$ (1,000.00)
Commodities	2,178.00	5,971.00	8,225.00	(2,254.00)
Total Expenditures	2,978.00	5,971.00	$ 9,225.00	$ (3,254.00)
Receipts Over(Under) Expenditures	1,138.24	(1,971.00)		
Unencumbered Cash, Beginning	4,825.28	5,963.52		
Unencumbered Cash, Ending	$ 5,963.52	$ 3,992.52		

CITY OF CANEY, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	$ 50,033.76	$ 47,530.81	$ 54,720.00	$ (7,189.19)
County Gas Tax	9,146.53	9,152.67	8,540.00	612.67
Total Receipts	59,180.29	56,683.48	$ 63,260.00	$ (6,576.52)
Expenditures				
General Government				
Personal Services	34,327.50	22,677.99	$ 38,000.00	$ (15,322.01)
Commodities	1,620.95	9,484.45	15,000.00	(5,515.55)
Capital Outlay	-	-	63,333.00	(63,333.00)
Debt Service				
Finance Lease	16,501.87	-	3,291.00	(3,291.00)
Total Expenditures	52,450.32	32,162.44	$ 119,624.00	$ (87,461.56)
Receipts Over(Under) Expenditures	6,729.97	24,521.04		
Unencumbered Cash, Beginning	61,928.68	68,658.65		
Unencumbered Cash, Ending	$ 68,658.65	$ 93,179.69		

CITY OF CANEY, KANSAS
TOURISM FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
County Tourism Tax	$ 17,419.91	$ 14,288.10	$ 9,151.00	$ 5,137.10
Total Receipts	17,419.91	14,288.10	$ 9,151.00	$ 5,137.10
Expenditures				
General Government				
Contractual Services	-	3,765.00	$ 12,500.00	$ (8,735.00)
Total Expenditures	-	3,765.00	$ 12,500.00	$ (8,735.00)
Receipts Over(Under) Expenditures	17,419.91	10,523.10		
Unencumbered Cash, Beginning	4,861.49	22,281.40		
Unencumbered Cash, Ending	$ 22,281.40	$ 32,804.50		

CITY OF CANEY, KANSAS
POLICE, FIRE, AND AMBULANCE EQUIPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 25,276.91	$ 26,346.63	$ 29,184.00	$ (2,837.37)
Delinquent Tax	2,868.59	4,396.42	-	4,396.42
Motor Vehicle Tax	5,993.32	3,812.53	3,404.00	408.53
Recreational Vehicle Tax	61.77	51.21	34.00	17.21
16/20M Truck Tax	33.92	29.92	18.00	11.92
Commercial Vehicle Tax	63.43	30.64	29.00	1.64
Rental Excise Tax	0.55	-	-	-
Watercraft Tax	17.15	7.49	11.00	(3.51)
Neighborhood Revitalization Rebate	-	-	(27.00)	27.00
Total Receipts	34,315.64	34,674.84	$ 32,653.00	$ 2,021.84
Expenditures				
General Government				
Commodities	1,316.66	-	$ -	$ -
Capital Outlay	-	16,865.21	30,486.00	(13,620.79)
Debt Service				
Finance Lease	32,999.92	30,202.01	32,975.00	(2,772.99)
Total Expenditures	34,316.58	47,067.22	$ 63,461.00	$ (16,393.78)
Receipts Over(Under) Expenditures	(0.94)	(12,392.38)		
Unencumbered Cash, Beginning	39,385.84	39,384.90		
Unencumbered Cash, Ending	$ 39,384.90	$ 26,992.52		

CITY OF CANEY, KANSAS
STREET SALES TAX FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	$ 93,881.00	$ 95,252.09	$ 60,000.00	$ 35,252.09
Total Receipts	93,881.00	95,252.09	$ 60,000.00	$ 35,252.09
Expenditures				
General Government				
Contractual Services	17,254.00	3,707.50	$ 130,911.00	$ (127,203.50)
Commodities	-	1,351.50	-	1,351.50
Total Expenditures	17,254.00	5,059.00	$ 130,911.00	$ (125,852.00)
Receipts Over(Under) Expenditures	76,627.00	90,193.09		
Unencumbered Cash, Beginning	77,910.99	154,537.99		
Unencumbered Cash, Ending	$ 154,537.99	$ 244,731.08		

CITY OF CANEY, KANSAS
GRANT PROJECTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 486,890.36	$ 2,162.90
State Grants	-	4,409.14
Local Grants	-	43,051.42
Total Receipts	486,890.36	49,623.46
Expenditures		
General Government		
Contractual Services	33,855.00	158,801.05
Commodities	-	18,750.00
Capital Outlay	38,204.00	23,700.56
Total Expenditures	72,059.00	201,251.61
Receipts Over(Under) Expenditures	414,831.36	(151,628.15)
Unencumbered Cash, Beginning	150,167.41	564,998.77
Unencumbered Cash, Ending	$ 564,998.77	$ 413,370.62

CITY OF CANEY, KANSAS
EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Assets	$ -	$ 34,419.67
Other Receipts		
Miscellaneous	-	68,462.91
Total Receipts	-	102,882.58
Expenditures		
General Government		
Capital Outlay	-	18,151.74
Total Expenditures	-	18,151.74
Receipts Over(Under) Expenditures	-	84,730.84
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 84,730.84

CITY OF CANEY, KANSAS
WASTEWATER IMPROVEMENT PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 915,833.03	$ 42,440.00
Use of Money and Property		
Bond Proceeds	1,245,000.00	-
Total Receipts	2,160,833.03	42,440.00
Expenditures		
Capital Improvements		
Contractual Services	98,833.72	-
Commodities	-	1,210.00
Capital Outlay	1,664,815.76	-
Total Expenditures	1,763,649.48	1,210.00
Receipts Over(Under) Expenditures	397,183.55	41,230.00
Unencumbered Cash, Beginning	(415,564.28)	(18,380.73)
Unencumbered Cash, Ending	$ (18,380.73)	$ 22,849.27

CITY OF CANEY, KANSAS
CAPITAL PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ -	$ -
Total Receipts	-	-
Expenditures		
Capital Improvements		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	5.00	5.00
Unencumbered Cash, Ending	$ 5.00	$ 5.00

CITY OF CANEY, KANSAS
GENERAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	$ 189,385.00	$ 190,447.04	$ 161,000.00	$ 29,447.04
Operating Transfers from:				
Water Utility Fund	-	50,000.00	132,205.00	(82,205.00)
Sewer Utility Fund	307,908.00	170,000.00	277,114.00	(107,114.00)
Total Receipts	497,293.00	410,447.04	$ 570,319.00	$ (159,871.96)
Expenditures				
Debt Service				
Principal	231,018.75	390,563.92	$ 390,564.00	$ (0.08)
Interest	76,312.87	112,947.58	110,913.00	2,034.58
Cash Reserve	-	-	383,455.00	(383,455.00)
Cost of Issuance	2,035.00	-	-	-
Total Expenditures	309,366.62	503,511.50	$ 884,932.00	$ (381,420.50)
Receipts Over(Under) Expenditures	187,926.38	(93,064.46)		
Unencumbered Cash, Beginning	243,293.47	431,219.85		
Unencumbered Cash, Ending	$ 431,219.85	$ 338,155.39		

CITY OF CANEY, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Charges	$ 613,255.75	$ 673,433.50	$ 621,394.00	$ 52,039.50
Connection Fee	9,665.00	8,450.00	5,940.00	2,510.00
Bulk Water	-	32.00	1,500.00	(1,468.00)
Other Receipts				
Miscellaneous	17,463.93	80.59	-	80.59
Total Receipts	640,384.68	681,996.09	$ 628,834.00	$ 53,162.09
Expenditures				
Administration, Production, and Distribution				
Personal Services	324,138.88	203,359.69	$ 284,304.00	$ (80,944.31)
Contractual Services	141,699.03	239,584.91	113,668.00	125,916.91
Commodities	158,880.00	144,742.90	130,636.00	14,106.90
Capital Outlay	23,144.93	56,130.00	302,669.00	(246,539.00)
Operating Transfers to:				
Employee Benefits Fund	-	100,000.00	-	100,000.00
General Obligation Bond and Interest Fund	-	50,000.00	132,205.00	(82,205.00)
Grocery Store Utility Fund	50,000.00	70,000.00	-	70,000.00
Total Expenditures	697,862.84	863,817.50	$ 963,482.00	$ (99,664.50)
Receipts Over(Under) Expenditures	(57,478.16)	(181,821.41)		
Unencumbered Cash, Beginning	387,163.93	329,685.77		
Unencumbered Cash, Ending	$ 329,685.77	$ 147,864.36		

CITY OF CANEY, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	$ 485,685.76	$ 534,171.30	$ 494,771.00	$ 39,400.30
Other Receipts				
Miscellaneous	1,462.04	-	1,000.00	(1,000.00)
Total Receipts	487,147.80	534,171.30	$ 495,771.00	$ 38,400.30
Expenditures				
Collection and Treatment				
Personal Services	183,893.85	144,851.06	$ 190,000.00	$ (45,148.94)
Contractual Services	124,562.08	78,572.80	169,154.00	(90,581.20)
Commodities	7,580.15	11,690.09	11,000.00	690.09
Capital Outlay	884.00	38,982.12	16,236.00	22,746.12
Debt Service				
Finance Lease	5,919.01	5,819.07	5,819.00	0.07
Operating Transfers to				
General Obligation				
Bond and Interest Fund	307,908.00	170,000.00	277,114.00	(107,114.00)
Total Expenditures	630,747.09	449,915.14	$ 669,323.00	$ (219,407.86)
Receipts Over(Under) Expenditures	(143,599.29)	84,256.16		
Unencumbered Cash, Beginning	229,957.90	86,358.61		
Unencumbered Cash, Ending	$ 86,358.61	$ 170,614.77		

CITY OF CANEY, KANSAS
SEWER TREATMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	$ 7,696.63	$ 7,602.02	$ 7,714.00	$ (111.98)
Total Receipts	7,696.63	7,602.02	$ 7,714.00	$ (111.98)
Expenditures				
General Government				
Capital Outlay	-	-	$ 33,766.00	$ (33,766.00)
Total Expenditures	-	-	$ 33,766.00	$ (33,766.00)
Receipts Over(Under) Expenditures	7,696.63	7,602.02		
Unencumbered Cash, Beginning	24,492.78	32,189.41		
Unencumbered Cash, Ending	$ 32,189.41	$ 39,791.43		

CITY OF CANEY, KANSAS
SOLID WASTE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Collections	$ 254,412.35	$ 269,620.50	$ 251,748.00	$ 17,872.50
Total Receipts	254,412.35	269,620.50	$ 251,748.00	$ 17,872.50
Expenditures				
Generation and Distribution				
Personal Services	33,765.67	22,459.62	$ 35,000.00	$ (12,540.38)
Contractual Services	214,247.95	231,630.72	180,000.00	51,630.72
Commodities	-	11,322.28	122,431.00	(111,108.72)
Total Expenditures	248,013.62	265,412.62	$ 337,431.00	$ (72,018.38)
Receipts Over(Under) Expenditures	6,398.73	4,207.88		
Unencumbered Cash, Beginning	90,248.95	96,647.68		
Unencumbered Cash, Ending	$ 96,647.68	$ 100,855.56		

CITY OF CANEY, KANSAS
GROCERY STORE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Retail Sales	$ 1,513,406.78	$ 1,259,886.43	$ 1,535,768.00	$ (275,881.57)
Other Receipts				
Miscellaneous	16,973.99	(2,047.97)	-	(2,047.97)
Operating Transfers from				
Water Utility Fund	50,000.00	70,000.00	-	70,000.00
Total Receipts	1,580,380.77	1,327,838.46	$ 1,535,768.00	$ (207,929.54)
Expenditures				
General Government				
Personal Services	312,422.61	198,060.79	$ 293,660.00	$ (95,599.21)
Contractual Services	97,322.40	102,102.77	73,000.00	29,102.77
Commodities	1,275,326.07	1,027,015.09	1,165,038.00	(138,022.91)
Debt Service				
Interest	-	-	4,070.00	(4,070.00)
Total Expenditures	1,685,071.08	1,327,178.65	$ 1,535,768.00	$ (208,589.35)
Receipts Over(Under) Expenditures	(104,690.31)	659.81		
Unencumbered Cash, Beginning	110,223.03	5,532.72		
Unencumbered Cash, Ending	$ 5,532.72	$ 6,192.53		

CITY OF CANEY, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Special Law Enforcement	$ 2,138.24	$ -	$ -	$ 2,138.24
	$ 2,138.24	$ -	$ -	$ 2,138.24

Jarred Gilmore Phillips

Honorable Mayor and City Council
City of Caney, Kansas

In planning and performing our audit of the financial statement of the City of Caney, Kansas as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Caney, Kansas' system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Caney, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Caney, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

Accounting standards states the client must be able to accept responsibility and be able to identify a material misstatement when reviewing the financial statement, including footnotes and supplemental information. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. The potential effects of this material weakness could be unrecognized errors on the financial statement. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the City Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the City's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as performing billings, receipting cash, making deposits, reconciling the bank accounts, and having access to all books and records of the City. Due to small staff size, it is not possible for reviews of daily work to take place, potentially resulting in errors in financial records and reports.

Calculation of Utility Bills

During our audit, it was discovered that the base fee on water for a group of outside city limit customers was overbilled from May 2023 through the end of the year. The City should review bills for accuracy when utility rate changes occur to ensure that citizens are being charged based on the ordinances.

Grocery Store Inventory

During our audit, it was discovered that the inventory provided was not complete due to a technology glitch. The City was unaware until it was brought to their attention during the time of audit fieldwork. The City should have policies and procedures over the inventory process, which include reviewing the annual inventory for accuracy. This should include the cost and number of items on hand.

This communication is intended solely for the information and use of management, City Council, and others within the City of Caney, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
March 22, 2024