CITY OF CANEY, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2021

CITY OF CANEY, KANSAS
For the Year Ended December 31, 2021

TABLE OF CONTENTS

	PAGE NUMBER
Independent Auditors' Report	1-3
Statement 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis	4-5
Notes to the Financial Statement	6-18
SUPPLEMENTARY INFORMATION	
Schedule 1	
Summary of Expenditures – Actual and Budget Regulatory Basis - (Budgeted Funds Only)	19
Schedule 2	
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis - (With Comparative Actual Amounts for the Prior Year)	
General Fund	20-21
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
Wastewater Improvement Project Fund	32
Capital Project Fund	33
General Obligation Bond and Interest Fund	34
Water Utility Fund	35
Water Plant Improvement Fund	36
Water Principal and Interest Fund	37
Sewer Utility Fund	38
Sewer Treatment Replacement Fund	39
Sewer Principal and Interest Fund	40
Solid Waste Utility Fund	41
Grocery Store Utility Fund	42
Schedule 3	
Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis	43
Schedule of Expenditures of Federal Awards	44-45

CITY OF CANEY, KANSAS
For the Year Ended December 31, 2021

TABLE OF CONTENTS
(Continued)

	PAGE NUMBER
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	46-47
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	48-50
Schedule of Findings and Questioned Costs	51
Summary Schedule of Prior Audit Findings	52

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Caney, Kansas

Adverse and Unmodified Opinion
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, 2021 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 Opinion" 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, 2021, 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, 2021, 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 Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the Kansas Municipal Audit and Accounting Guide, and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

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's 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.

Auditors' 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 opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

Other Matters

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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. 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, 2020 (not presented herein), and have issued our report thereon dated September 7, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 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/oar/municipalservices. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (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 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 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, 2020, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2022, on our consideration of the City of Caney, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Caney, Kansas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard*s in considering the City of Caney, Kansas' internal control over financial reporting and compliance.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

August 29, 2022
Chanute, Kansas

CITY OF CANEY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2021
General Fund	$ 224,298.46	$ 1,667,514.07	$ 1,304,534.47	$ 587,278.06	$ 55,164.63	$ 642,442.69
Special Purpose Funds:						
Industrial	9,987.41	1.70	230.00	9,759.11	-	9,759.11
Library	0.03	63,930.64	63,930.64	0.03	-	0.03
Special Parks	7,995.57	2,878.24	-	10,873.81	-	10,873.81
Employee Benefits	413,102.85	137,819.04	189,510.69	361,411.20	3,866.62	365,277.82
Vehicle Identification	3,173.67	4,940.00	3,288.39	4,825.28	-	4,825.28
Special Highway	71,304.90	65,971.58	75,347.80	61,928.68	845.64	62,774.32
Tourism	-	15,406.49	10,545.00	4,861.49	-	4,861.49
Police, Fire, and Ambulance Equipment	32,537.56	108,337.19	101,488.91	39,385.84	2,747.91	42,133.75
Street Sales Tax	95,691.34	73,207.65	90,988.00	77,910.99	-	77,910.99
Grant Projects	-	164,971.27	14,803.86	150,167.41	-	150,167.41
Capital Project Funds:						
Wastewater Improvement Project	1,813,878.54	513,334.31	2,742,777.13	(415,564.28)	187,255.07	(228,309.21)
Capital Project	713,721.94	97,374.78	811,091.72	5.00	-	5.00
Bond and Interest Funds:						
General Obligation Bond and Interest	87,425.61	462,698.64	306,830.78	243,293.47	-	243,293.47
Business Funds:						
Water Utility	331,043.27	657,081.71	600,961.05	387,163.93	26,370.17	413,534.10
Water Plant Improvement	52,791.29	-	52,791.29	-	-	-
Water Principal and Interest	24,979.13	-	24,979.13	-	-	-
Sewer Utility	236,687.70	485,471.25	492,201.05	229,957.90	22,506.50	252,464.40
Sewer Treatment Replacement	16,768.45	7,724.33	-	24,492.78	-	24,492.78
Sewer Principal and Interest	64,923.22	-	64,923.22	-	-	-
Solid Waste Utility	78,838.36	238,518.18	227,107.59	90,248.95	18,735.24	108,984.19
Grocery Store Utility	86.79	1,475,029.51	1,364,893.27	110,223.03	31,052.33	141,275.36
Total Primary Government (Excluding Agency Funds)	$ 4,279,236.09	$ 6,242,210.58	$ 8,543,223.99	$ 1,978,222.68	$ 348,544.11	$ 2,326,766.79

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, 2021

		2021
Total Cash to be accounted for:	$	2,326,766.79
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		129,094.82
Grant Checking Account		5.00
Money Market Account		2,197,054.21
Total Cash		2,328,905.03
Agency Funds per Schedule 3		(2,138.24)
Total Reporting Entity (Excluding Agency Funds)	$	2,326,766.79

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 2021:

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 revenue 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 revenue 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.

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. During the year ended December 31, 2021 the City amended the General Fund, Employee Benefits Fund, Vehicle Identification Fund, Special Highway Fund, Street Sales Tax Fund, General Obligation Bond and Interest Fund, Water Utility Fund, Solid Waste Utility Fund and Grocery Store Utility Fund.

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, revenues 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

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, the City was in apparent violation of K.S.A. 10-1113, as the City has obligated expenditures in excess of available monies in the Wastewater Improvement Project Fund, however, K.S.A. 10-1116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of Kansas. The Wastewater Improvement Project Fund met the criteria under the statutes and there fore, it is not deemed to be in violation of the Kansas cash basis laws. As shown in Schedule 1, the City has obligated expenditures in excess of budgetary limits in the Grocery Store Utility Fund in apparent violation of KSA 79-2934.

The City was in apparent violation of K.S.A. 10-130, which requires bond payments to be remitted to the state fiscal agency at least 20 days before the redemption of such bonds and the payment of the interest thereon. In apparent violation of K.S.A. 10-130, three bond payments were received by the Office of the State Treasurer 11, 17, and 15, days prior to the redemption date.

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.

3. DEPOSITS AND INVESTMENTS (Continued)

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.

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, 2021.

Deposits: At year-end, the City's carrying amount of deposits was $2,326,154.03 and the bank balance was $2,346,122.31. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $249,110.57 was covered by FDIC insurance and $2,097,011.74 was collateralized with a repurchase agreement.

4. OPERATING LEASES

As of December 31, 2021 the City has entered into an operating lease for office equipment. Rent expense for the year ended December 31, 2021, was $1,669.25. There are no future minimum rental payments.

5. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order finance the purchase of various pieces of maintenance equipment. Payments are made quarterly including interest at 1.95%. Final maturity of the lease is March 1, 2023. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2022	$ 13,162.12
2023	3,290.53
	16,452.65
Less imputed interest	(274.94)
Net Present Value of Minimum Lease Payments	16,177.71
Less: Current Maturities	(12,940.43)
Long-Term Capital Lease Obligations	$ 3,237.28

5. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital 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
2022	$ 5,819.07
2023	5,819.07
2024	4,754.08
	16,392.22
Less imputed interest	(1,154.32)
Net Present Value of Minimum Lease Payments	15,237.90
Less: Current Maturities	(5,248.47)
Long-Term Capital Lease Obligations	$ 9,989.43

The City has entered into a capital 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
2022	$ 2,057.52
2023	2,057.52
2024	1,029.76
	5,144.80
Less imputed interest	(361.41)
Net Present Value of Minimum Lease Payments	4,783.39
Less: Current Maturities	(1,831.55)
Long-Term Capital Lease Obligations	$ 2,951.84

The City has entered into a capital 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
2022	$ 30,227.01
2023	32,974.92
2024	32,974.92
2025	21,983.28
	118,160.13
Less imputed interest	(6,763.14)
Net Present Value of Minimum Lease Payments	111,396.99
Less: Current Maturities	(27,275.62)
Long-Term Capital Lease Obligations	$ 84,121.37

6. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2021, 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	$ 540,000.00	$ -	$ (10,220.00)	$ 529,780.00	$ 7,425.00
Series 2020-B	1.375%	June 24, 2020	2,741,000.00	June 24, 2060	2,741,000.00	-	(51,872.25)	2,689,127.75	37,688.75
Series 2020-C	1.375%	June 24, 2020	693,000.00	June 24, 2060	693,000.00	-	(13,115.25)	679,884.75	9,528.75
Series 2020-D	1.1-2%	September 1, 2020	2,710,000.00	December 1, 2040	2,710,000.00	-	(260,000.00)	2,450,000.00	64,140.63
Temporary Notes									
Paid by Utility Receipts:									
Series 2020-1	4.00%	February 19, 2020	1,252,000.00	March 1, 2022	712,000.00	-	-	712,000.00	28,480.00
Revolving Loans									
Paid by Utility Receipts:									
KWPCRL C20-1499-01	3.07%	July 7, 1999	600,000.00	March 1, 2021	19,838.54	-	(19,838.54)	-	304.58
Capital Leases									
Maintenance Equipment	1.95%	March 16, 2016	85,990.32	March 1, 2023	28,868.85	-	(12,691.14)	16,177.71	470.98
Fire Truck	2.25%	September 8, 2016	35,000.00	June 8, 2021	3,658.73	-	(3,658.73)	-	30.91
Sewage Pumper Truck	3.50%	May 25, 2017	40,000.00	September 15, 2024	20,308.88	-	(5,070.98)	15,237.90	748.09
Canon Copiers	5.72%	June 12, 2019	8,930.21	June 12, 2024	6,513.39	-	(1,730.00)	4,783.39	327.52
Ambulance	3.25%	August 4, 2020	176,546.00	August 1, 2025	140,241.17	-	(28,844.18)	111,396.99	4,130.74
Total Contractual Indebtedness					$ 7,615,429.56	$ -	$ (407,041.07)	$ 7,208,388.49	$ 153,275.95

6. LONG-TERM DEBT

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

Issue	2022	2023	2024	2025	2026	2027-2031	2032-2036
Principal							
General Obligation Bonds							
Series 2020-A	$ 10,360.52	$ 10,502.98	$ 10,628.23	$ 10,793.54	$ 10,941.95	$ 56,990.06	$ 61,004.95
Series 2020-B	52,585.49	53,308.54	53,944.22	54,783.27	55,536.54	289,256.56	309,634.43
Series 2020-C	13,295.58	13,478.40	13,639.12	13,851.26	14,041.72	73,134.91	78,287.19
Series 2020-D	280,000.00	290,000.00	290,000.00	225,000.00	240,000.00	520,000.00	325,000.00
Temporary Notes							
Series 2020-1	712,000.00	-	-	-	-	-	-
Capital Leases							
Maintenance Equipment	12,940.43	3,237.28	-	-	-	-	-
Sewage Pumper Truck	5,248.47	5,432.17	4,557.26	-	-	-	-
Canon Copiers	1,831.55	1,939.06	1,012.78	-	-	-	-
Ambulance	27,275.62	30,695.51	31,708.10	21,717.76	-	-	-
Total Principal Payments	1,115,537.66	408,593.94	405,489.71	326,145.83	320,520.21	939,381.53	773,926.57
Interest							
General Obligation Bonds							
Series 2020-A	7,284.48	7,142.02	7,016.77	6,851.46	6,703.05	31,234.94	27,220.05
Series 2020-B	36,975.51	36,252.46	35,616.78	34,777.73	34,024.46	158,548.44	138,170.57
Series 2020-C	9,348.42	9,165.60	9,004.88	8,792.74	8,602.28	40,085.09	34,932.81
Series 2020-D	46,112.50	40,512.50	34,712.50	28,912.50	24,412.50	70,882.50	118,765.00
Temporary Notes							
Series 2020-1	7,120.00	-	-	-	-	-	-
Capital Leases							
Maintenance Equipment	221.69	53.25	-	-	-	-	-
Sewage Pumper Truck	570.60	386.90	196.82	-	-	-	-
Canon Copiers	225.97	118.46	16.98	-	-	-	-
Ambulance	2,951.39	2,279.41	1,266.82	265.52	-	-	-
Total Interest Payments	110,810.56	95,910.60	87,831.55	79,599.95	73,742.29	300,750.97	319,088.43
Total Principal and Interest	$ 1,226,348.22	$ 504,504.54	$ 493,321.26	$ 405,745.78	$ 394,262.50	$ 1,240,132.50	$ 1,093,015.00

6. LONG-TERM DEBT

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

Issue	2037-2041	2042-2046	2047-2051	2052-2056	2057-2060	Total
Principal						
General Obligation Bonds						
Series 2020-A	$ 65,334.43	$ 69,953.33	$ 74,898.81	$ 80,190.77	$ 68,180.43	$ 529,780.00
Series 2020-B	331,608.98	355,052.49	380,153.58	407,013.23	346,250.42	2,689,127.75
Series 2020-C	83,843.19	89,770.58	96,117.09	102,908.21	87,517.50	679,884.75
Series 2020-D	280,000.00	-	-	-	-	2,450,000.00
Temporary Notes						
Series 2020-1	-	-	-	-	-	712,000.00
Capital Leases						
Maintenance Equipment	-	-	-	-	-	16,177.71
Sewage Pumper Truck	-	-	-	-	-	15,237.90
Canon Copiers	-	-	-	-	-	4,783.39
Ambulance	-	-	-	-	-	111,396.99
Total Principal Payments	760,786.60	514,776.40	551,169.48	590,112.21	501,948.35	7,208,388.49
Interest						
General Obligation Bonds						
Series 2020-A	22,890.57	18,271.67	13,326.19	8,034.23	2,359.53	158,334.96
Series 2020-B	116,196.02	92,752.51	67,651.42	40,791.77	11,986.74	803,744.41
Series 2020-C	29,376.81	23,449.42	17,102.91	10,311.79	3,029.18	203,201.93
Series 2020-D	14,000.00	-	-	-	-	378,310.00
Temporary Notes						
Series 2020-1	-	-	-	-	-	7,120.00
Capital Leases						
Maintenance Equipment	-	-	-	-	-	274.94
Sewage Pumper Truck	-	-	-	-	-	1,154.32
Canon Copiers	-	-	-	-	-	361.41
Ambulance	-	-	-	-	-	6,763.14
Total Interest Payments	182,463.40	134,473.60	98,080.52	59,137.79	17,375.45	1,559,265.11
Total Principal and Interest	$ 943,250.00	$ 649,250.00	$ 649,250.00	$ 649,250.00	$ 519,323.80	$ 8,767,653.60

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 publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements 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, 2018. Effective January 1, 2018, 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, KPERS 3 and KP&F 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 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were $119,642.21 for KPERS for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was $679,547.00. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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 12/31/21	ESTIMATED COMPLETION
Wastewater Improvement Project	$ 5,365,000.00	$ 5,126,167.42	2022
Swimming Pool Project	2,300,000.00	1,796,498.29	Complete
Grocery Store Project	1,048,803.00	663,220.33	Complete

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, 2021.

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:

Months Continuous Employment:	1-24	25-72	73-144	145-216	217-276	277+
Hours Granted per Year:	4	6	9	10	18	12

Accrued vacation benefits must be used within the employee's annual period (hire date to hire date).

Sick leave accrues to all full-time employees at the rate of one sick day per month to a maximum of 60 days. 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, 2021, was $13,144.64 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 statements.

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. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of 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.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Future potential impacts may include a decline in receipts. Our results of operations for full year 2022 may be materially adversely affected.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the City to assist with the risks and help offset incurred costs of the City. For the year ended December 31, 2021, the City received $150,167.41 as a result of the American Rescue Plan Act, of which none has been spent by year end.

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	$ 151,900.00
Sewer Utility	Wastewater Improvement Project	K.S.A. 12-825d	33,268.11

Residual transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Capital Project	General	K.S.A. 12-1,118	$ 204,919.37
Capital Project	Grocery Store Utility	K.S.A. 12-1,118	448,036.03
Water Plant Improvement	General Obligation Bond and Interest	Approved 6/21/21	52,791.29
Water Principal and Interest	General Obligation Bond and Interest	Approved 6/21/21	24,979.13
Sewer Principal and Interest	General Obligation Bond and Interest	Approved 6/21/21	44,780.10

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, 2021

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 1,364,490.00	$ 2,810.53	$ 1,367,300.53	$ 1,304,534.47	$ (62,766.06)
Special Purpose Funds:					
Industrial	299.00	-	299.00	230.00	(69.00)
Library	69,175.00	-	69,175.00	63,930.64	(5,244.36)
Special Parks	1,000.00	-	1,000.00	-	(1,000.00)
Employee Benefits	363,700.00	-	363,700.00	189,510.69	(174,189.31)
Vehicle Identification	7,100.00	-	7,100.00	3,288.39	(3,811.61)
Special Highway	98,765.00	-	98,765.00	75,347.80	(23,417.20)
Tourism	15,000.00	-	15,000.00	10,545.00	(4,455.00)
Police, Fire, and Ambulance Equipment	180,519.00	-	180,519.00	101,488.91	(79,030.09)
Street Sales Tax	140,269.00	-	140,269.00	90,988.00	(49,281.00)
Bond and Interest Fund:					
General Obligation Bond and Interest	470,125.00	-	470,125.00	306,830.78	(163,294.22)
Business Funds:					
Water Utility	606,902.00	-	606,902.00	600,961.05	(5,940.95)
Sewer Utility	571,721.00	-	571,721.00	492,201.05	(79,519.95)
Sewer Treatment Replacement	4,000.00	-	4,000.00	-	(4,000.00)
Solid Waste Utility	247,266.00	-	247,266.00	227,107.59	(20,158.41)
Grocery Store Utility	1,325,217.00	-	1,325,217.00	1,364,893.27	39,676.27

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 287,768.74	$ 287,279.77	$ 313,711.00	$ (26,431.23)
Delinquent Tax	14,393.90	15,355.25	14,000.00	1,355.25
Motor Vehicle Tax	32,622.14	37,004.38	32,020.00	4,984.38
Recreational Vehicle Tax	331.39	317.16	-	317.16
16/20M Truck Tax	235.14	365.78	-	365.78
Commercial Vehicle Tax	386.71	345.51	577.00	(231.49)
Rental Excise Tax	2.58	23.13	-	23.13
Watercraft Tax	79.09	129.87	120.00	9.87
Franchise Taxes	233,581.36	245,387.77	230,000.00	15,387.77
Local Alcoholic Liquor Tax	440.91	493.21	1,247.00	(753.79)
Compensating Use Tax	199,154.25	201,334.87	171,000.00	30,334.87
Local Sales Tax	225,252.52	261,455.79	241,022.00	20,433.79
Intergovernmental				
Federal Grants	10,321.30	2,810.53	-	2,810.53
Local Grants	-	13,380.00	-	13,380.00
Licenses and Permits				
Licenses, Permits & Fees	4,452.00	5,022.00	3,100.00	1,922.00
Charges for Services				
Swimming Pool	2.10	31,774.64	20,500.00	11,274.64
Accident Reports & Finger Printing	374.00	-	-	-
Cemetery Lots & Settings	8,321.00	13,320.00	13,000.00	320.00
Ambulance Fees	84,082.78	58,882.91	61,560.00	(2,677.09)
County Ambulance Assistance	42,853.20	70,130.82	56,470.00	13,660.82
Fines, Forfeitures and Penalties				
Fines	117,754.85	152,159.07	144,000.00	8,159.07
Use of Money and Property				
Interest Income	19,746.37	19,040.39	18,000.00	1,040.39
Sale of Assets	10,318.00	-	1,000.00	(1,000.00)
Other Receipts				
Insurance Premium Return	13,886.63	18,292.39	12,000.00	6,292.39
Reimbursed Expense	-	1,690.23	-	1,690.23
Miscellaneous	13,136.97	26,599.23	87,244.00	(60,644.77)
Residual Transfer from				
Capital Project Fund	-	204,919.37	-	204,919.37
Total Receipts	1,319,497.93	1,667,514.07	$ 1,420,571.00	$ 246,943.07
Expenditures				
City Administrator Department				
Personal Services	57,044.91	53,019.95	$ 77,850.00	$ (24,830.05)
Contractual Services	212,973.04	156,209.42	132,518.00	23,691.42
Commodities	16,131.05	22,792.74	15,950.00	6,842.74
Capital Outlay	219.10	1,378.52	-	1,378.52

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Street Department				
Personal Services	$ 30,266.40	$ 17,437.75	$ -	$ 17,437.75
Contractual Services	18,232.88	37,834.67	-	37,834.67
Commodities	28,285.08	45,216.00	88,219.00	(43,003.00)
Capital Outlay	-	5,769.96	-	5,769.96
Parks Department				
Contractual Services	7,980.53	7,692.03	6,500.00	1,192.03
Commodities	-	15.00	-	15.00
Pool Department				
Personal Services	-	37,624.88	25,000.00	12,624.88
Contractual Services	243.30	3,769.95	4,000.00	(230.05)
Commodities	116.30	22,639.75	9,900.00	12,739.75
Police Department				
Personal Services	363,450.85	274,835.98	309,688.00	(34,852.02)
Contractual Services	51,999.99	65,899.16	70,600.00	(4,700.84)
Commodities	25,550.46	35,167.33	102,089.00	(66,921.67)
Capital Outlay	8,491.00	14,987.71	-	14,987.71
Fire Department				
Personal Services	10,315.28	9,098.19	15,400.00	(6,301.81)
Contractual Services	29,146.46	30,559.25	35,650.00	(5,090.75)
Commodities	2,863.17	4,987.30	7,332.00	(2,344.70)
Ambulance Department				
Personal Services	243,718.21	209,495.30	213,756.00	(4,260.70)
Contractual Services	28,821.20	24,549.18	33,950.00	(9,400.82)
Commodities	8,595.68	10,699.66	16,818.00	(6,118.34)
Cemetery Department				
Personal Services	6,548.59	990.91	7,400.00	(6,409.09)
Contractual Services	23,795.36	35,224.03	29,460.00	5,764.03
Commodities	678.82	1,000.00	-	1,000.00
Debt Service				
Principal	-	118,040.00	102,005.00	16,035.00
Interest	20,474.67	57,599.85	60,405.00	(2,805.15)
Total Certified Budget			1,364,490.00	(59,955.53)
Adjustments for Qualifying Budget Credits			2,810.53	(2,810.53)
Total Expenditures	1,195,942.33	1,304,534.47	$ 1,367,300.53	$ (62,766.06)
Receipts Over(Under) Expenditures	123,555.60	362,979.60		
Unencumbered Cash, Beginning	100,742.86	224,298.46		
Unencumbered Cash, Ending	$ 224,298.46	$ 587,278.06		

CITY OF CANEY, KANSAS
INDUSTRIAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ (8.41)	$ -	$ -	$ -
Delinquent Tax	34.33	1.70	-	1.70
Transient Guest Tax	12,312.14	-	-	-
Total Receipts	12,338.06	1.70	$ -	$ 1.70
Expenditures				
General Government				
Contractual Services	5,250.00	230.00	$ -	$ 230.00
Commodities	100.00	-	299.00	(299.00)
Total Expenditures	5,350.00	230.00	$ 299.00	$ (69.00)
Receipts Over(Under) Expenditures	6,988.06	(228.30)		
Unencumbered Cash, Beginning	2,999.35	9,987.41		
Unencumbered Cash, Ending	$ 9,987.41	$ 9,759.11		

CITY OF CANEY, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 56,268.30	$ 53,517.68	$ 58,362.00	$ (4,844.32)
Delinquent Tax	2,889.30	2,971.81	3,600.00	(628.19)
Motor Vehicle Tax	6,354.90	7,210.92	6,948.00	262.92
Recreational Vehicle Tax	64.54	61.81	67.00	(5.19)
16/20M Truck Tax	45.73	71.28	63.00	8.28
Commercial Vehicle Tax	75.36	67.33	112.00	(44.67)
Rental Excise Tax	0.50	4.50	-	4.50
Watercraft Tax	15.40	25.31	23.00	2.31
Total Receipts	65,714.03	63,930.64	$ 69,175.00	$ (5,244.36)
Expenditures				
Culture and Recreation				
Library Board	65,714.03	63,930.64	$ 69,175.00	$ (5,244.36)
Total Expenditures	65,714.03	63,930.64	$ 69,175.00	$ (5,244.36)
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, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	$ 440.93	$ 493.21	$ 1,247.00	$ (753.79)
County Alcoholic Liquor Tax	1,226.75	2,385.03	-	2,385.03
Total Receipts	1,667.68	2,878.24	$ 1,247.00	$ 1,631.24
Expenditures				
Culture and Recreation				
Contractual Services	-	-	$ 1,000.00	$ (1,000.00)
Total Expenditures	-	-	$ 1,000.00	$ (1,000.00)
Receipts Over(Under) Expenditures	1,667.68	2,878.24		
Unencumbered Cash, Beginning	6,327.89	7,995.57		
Unencumbered Cash, Ending	$ 7,995.57	$ 10,873.81		

CITY OF CANEY, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 116,392.04	$ 116,214.59	$ 126,702.00	$ (10,487.41)
Delinquent Tax	6,317.14	6,199.43	6,300.00	(100.57)
Motor Vehicle Tax	13,155.33	14,928.39	13,500.00	1,428.39
Recreational Vehicle Tax	133.61	127.95	-	127.95
16/20M Truck Tax	94.67	147.58	-	147.58
Commercial Vehicle Tax	156.01	139.39	-	139.39
Rental Excise Tax	1.04	9.33	-	9.33
Watercraft Tax	31.91	52.38	-	52.38
Other Receipts				
Miscellaneous	603.85	-	-	-
Total Receipts	136,885.60	137,819.04	$ 146,502.00	$ (8,682.96)
Expenditures				
General Government				
Personal Services	6,310.66	189,510.69	$ 363,700.00	$ (174,189.31)
Total Expenditures	6,310.66	189,510.69	$ 363,700.00	$ (174,189.31)
Receipts Over(Under) Expenditures	130,574.94	(51,691.65)		
Unencumbered Cash, Beginning	282,527.91	413,102.85		
Unencumbered Cash, Ending	$ 413,102.85	$ 361,411.20		

CITY OF CANEY, KANSAS
VEHICLE IDENTIFICATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
VIN Inspections	$ 4,080.00	$ 4,940.00	$ 4,980.00	$ (40.00)
Other Receipts				
Miscellaneous	100.00	-	-	-
Total Receipts	4,180.00	4,940.00	$ 4,980.00	$ (40.00)
Expenditures				
General Government				
Contractual Services	620.00	400.00	$ 600.00	$ (200.00)
Commodities	15,665.26	2,888.39	6,500.00	(3,611.61)
Total Expenditures	16,285.26	3,288.39	$ 7,100.00	$ (3,811.61)
Receipts Over(Under) Expenditures	(12,105.26)	1,651.61		
Unencumbered Cash, Beginning	15,278.93	3,173.67		
Unencumbered Cash, Ending	$ 3,173.67	$ 4,825.28		

CITY OF CANEY, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	$ 51,512.70	$ 56,836.10	$ 51,000.00	$ 5,836.10
County Gas Tax	9,361.22	7,938.48	9,000.00	(1,061.52)
Other Receipts				
Miscellaneous	-	1,197.00	-	1,197.00
Total Receipts	60,873.92	65,971.58	$ 60,000.00	$ 5,971.58
Expenditures				
General Government				
Personal Services	35,865.91	35,410.54	$ 44,900.00	$ (9,489.46)
Commodities	7,928.90	2,608.46	8,000.00	(5,391.54)
Capital Outlay	10,000.00	24,166.68	45,865.00	(21,698.32)
Debt Service				
Capital Lease	13,162.12	13,162.12	-	13,162.12
Total Expenditures	66,956.93	75,347.80	$ 98,765.00	$ (23,417.20)
Receipts Over(Under) Expenditures	(6,083.01)	(9,376.22)		
Unencumbered Cash, Beginning	77,387.91	71,304.90		
Unencumbered Cash, Ending	$ 71,304.90	$ 61,928.68		

CITY OF CANEY, KANSAS
TOURISM FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
County Tourism Tax	$ -	$ 15,406.49	$ 15,000.00	$ 406.49
Total Receipts	-	15,406.49	$ 15,000.00	$ 406.49
Expenditures				
General Government				
Contractual Services	-	10,545.00	$ 15,000.00	$ (4,455.00)
Total Expenditures	-	10,545.00	$ 15,000.00	$ (4,455.00)
Receipts Over(Under) Expenditures	-	4,861.49		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 4,861.49		

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, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 49,344.49	$ 49,249.35	$ 53,646.00	$ (4,396.65)
Delinquent Tax	2,183.74	2,576.84	2,500.00	76.84
Motor Vehicle Tax	5,560.62	6,309.57	6,079.00	230.57
Recreational Vehicle Tax	56.49	54.07	58.00	(3.93)
16/20M Truck Tax	40.05	62.37	55.00	7.37
Commercial Vehicle Tax	65.93	58.91	98.00	(39.09)
Rental Excise Tax	0.44	3.94	-	3.94
Watercraft Tax	13.49	22.14	21.00	1.14
Intergovernmental				
Federal Grants	-	50,000.00	-	50,000.00
Use of Money and Property				
Loan Proceeds	151,986.00	-	-	-
Other Receipts				
Miscellaneous	13.80	-	-	-
Reimbursed Expense	4,100.00	-	-	-
Total Receipts	213,365.05	108,337.19	$ 62,457.00	$ 45,880.19
Expenditures				
General Government				
Capital Outlay	222,241.98	64,824.35	$ 180,519.00	$ (115,694.65)
Debt Service				
Capital Lease	48,329.52	36,664.56	-	36,664.56
Total Expenditures	270,571.50	101,488.91	$ 180,519.00	$ (79,030.09)
Receipts Over(Under) Expenditures	(57,206.45)	6,848.28		
Unencumbered Cash, Beginning	89,744.01	32,537.56		
Unencumbered Cash, Ending	$ 32,537.56	$ 39,385.84		

CITY OF CANEY, KANSAS
STREET SALES TAX FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	$ 63,070.70	$ 73,207.65	$ 62,000.00	$ 11,207.65
Total Receipts	63,070.70	73,207.65	$ 62,000.00	$ 11,207.65
Expenditures				
General Government				
Capital Outlay	29,810.67	90,988.00	$ 140,269.00	$ (49,281.00)
Total Expenditures	29,810.67	90,988.00	$ 140,269.00	$ (49,281.00)
Receipts Over(Under) Expenditures	33,260.03	(17,780.35)		
Unencumbered Cash, Beginning	62,431.31	95,691.34		
Unencumbered Cash, Ending	$ 95,691.34	$ 77,910.99		

CITY OF CANEY, KANSAS
GRANT PROJECTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants - CDBG - CV	$ -	$ 14,803.86
Federal Grants - ARPA	-	150,167.41
Total Receipts	-	164,971.27
Expenditures		
General Government		
Contractual Services	-	14,803.86
Total Expenditures	-	14,803.86
Receipts Over(Under) Expenditures	-	150,167.41
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 150,167.41

CITY OF CANEY, KANSAS
WASTEWATER IMPROVEMENT PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 134,688.83	$ 480,066.20
Use of Money and Property		
Loan Proceeds	4,522,700.00	-
Other Receipts		
Miscellaneous	480.00	-
Operating Transfer from		
Sewer Utility Fund	39,800.00	33,268.11
Total Receipts	4,697,668.83	513,334.31
Expenditures		
Capital Improvements		
Contractual Services	875,323.69	215,427.00
Capital Outlay	1,059,318.23	2,527,350.13
Debt Service		
Principal	1,080,000.00	-
Interest	30,274.66	-
Total Expenditures	3,044,916.58	2,742,777.13
Receipts Over(Under) Expenditures	1,652,752.25	(2,229,442.82)
Unencumbered Cash, Beginning	161,126.29	1,813,878.54
Unencumbered Cash, Ending	$ 1,813,878.54	$ (415,564.28)

CITY OF CANEY, KANSAS
CAPITAL PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 974,885.37	$ 97,374.78
Use of Money and Property		
Loan Proceeds	1,993,910.87	-
Other Receipts		
Donations	3,003.00	-
Total Receipts	2,971,799.24	97,374.78
Expenditures		
Capital Improvements		
Contractual Services	99,087.57	19,013.00
Capital Outlay	2,053,897.97	139,123.32
Residual Transfers to:		
General Fund	-	204,919.37
Grocery Store Utility Fund	-	448,036.03
Total Expenditures	2,152,985.54	811,091.72
Receipts Over(Under) Expenditures	818,813.70	(713,716.94)
Unencumbered Cash, Beginning	(105,091.76)	713,721.94
Unencumbered Cash, Ending	$ 713,721.94	$ 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, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	$ 162,181.76	$ 188,248.12	$ 161,000.00	$ 27,248.12
Operating Transfers from:				
Water Utility Fund	-	-	71,635.00	(71,635.00)
Sewer Utility Fund	-	151,900.00	235,196.00	(83,296.00)
Residual Transfers from:				
Water Plant Improvement Fund	-	52,791.29	-	52,791.29
Water Principal and Interest Fund	-	24,979.13	-	24,979.13
Sewer Principal and Interest Fund	-	44,780.10	-	44,780.10
Total Receipts	162,181.76	462,698.64	$ 467,831.00	$ (5,132.36)
Expenditures				
Debt Service				
Principal	-	217,167.50	$ 306,831.00	$ (89,663.50)
Interest	-	89,663.28	-	89,663.28
Operating Transfers to:				
Water Plant Improvement Fund	75,000.00	-	163,294.00	(163,294.00)
Water Principal and Interest Fund	70,000.00	-	-	-
Total Expenditures	145,000.00	306,830.78	$ 470,125.00	$ (163,294.22)
Receipts Over(Under) Expenditures	17,181.76	155,867.86		
Unencumbered Cash, Beginning	70,243.85	87,425.61		
Unencumbered Cash, Ending	$ 87,425.61	$ 243,293.47		

CITY OF CANEY, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Charges	$ 618,112.98	$ 631,191.84	$ 613,800.00	$ 17,391.84
Connection Fee	8,780.00	9,430.00	8,500.00	930.00
Other Receipts				
Miscellaneous	16,288.50	16,459.87	-	16,459.87
Total Receipts	643,181.48	657,081.71	$ 622,300.00	$ 34,781.71
Expenditures				
Administration, Production, and Distribution				
Personal Services	241,303.96	284,362.50	$ 278,085.00	$ 6,277.50
Contractual Services	197,782.68	163,056.43	134,100.00	28,956.43
Commodities	104,751.31	146,101.62	117,950.00	28,151.62
Capital Outlay	9,377.59	7,440.50	-	7,440.50
Operating Transfers to:				
Water Principal and Interest Fund	14,000.00	-	76,767.00	(76,767.00)
Water Plant Improvement Fund	15,000.00	-	-	-
Total Expenditures	582,215.54	600,961.05	$ 606,902.00	$ (5,940.95)
Receipts Over(Under) Expenditures	60,965.94	56,120.66		
Unencumbered Cash, Beginning	270,077.33	331,043.27		
Unencumbered Cash, Ending	$ 331,043.27	$ 387,163.93		

CITY OF CANEY, KANSAS
WATER PLANT IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Loan Proceeds	$ 623,802.84	$ -
Operating Transfers from:		
Water Utility Fund	15,000.00	-
General Obligation Bond and Interest Fund	75,000.00	-
Total Receipts	713,802.84	-
Expenditures		
Debt Services		
Principal	692,642.15	-
Interest	22,857.68	-
Commission and Postage	2,657.87	-
Residual Transfer to General Obligation Bond and Interest Fund	-	52,791.29
Total Expenditures	718,157.70	52,791.29
Receipts Over(Under) Expenditures	(4,354.86)	(52,791.29)
Unencumbered Cash, Beginning	57,146.15	52,791.29
Unencumbered Cash, Ending	$ 52,791.29	$ -

CITY OF CANEY, KANSAS
WATER PRINCIPAL AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Loan Proceeds	$ 257,685.00	$ -
Operating Transfer from:		
Water Utility Fund	14,000.00	-
General Obligation Bond and Interest Fund	70,000.00	-
Total Receipts	341,685.00	-
Expenditures		
Debt Service		
Principal	315,000.00	-
Interest	8,055.00	-
Commission and Postage	15,800.25	-
Residual Transfer to General Obligation Bond and Interest Fund	-	24,979.13
Total Expenditures	338,855.25	24,979.13
Receipts Over(Under) Expenditures	2,829.75	(24,979.13)
Unencumbered Cash, Beginning	22,149.38	24,979.13
Unencumbered Cash, Ending	$ 24,979.13	$ -

CITY OF CANEY, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	$ 495,154.72	$ 484,264.25	$ 492,842.00	$ (8,577.75)
Other Receipts				
Miscellaneous	-	1,207.00	-	1,207.00
Total Receipts	495,154.72	485,471.25	$ 492,842.00	$ (7,370.75)
Expenditures				
Collection and Treatment				
Personal Services	180,605.85	194,356.13	$ 198,250.00	$ (3,893.87)
Contractual Services	44,094.28	75,464.86	22,650.00	52,814.86
Commodities	6,716.24	6,506.22	50,800.00	(44,293.78)
Capital Outlay	-	24,886.66	-	24,886.66
Debt Service				
Capital Lease	5,819.07	5,819.07	-	5,819.07
Operating Transfers to:				
Wastewater Improvement Project Fund	39,800.00	33,268.11	300,021.00	(266,752.89)
Sewer Principal and Interest Fund	138,000.00	-	-	-
General Obligation				
Bond and Interest Fund	-	151,900.00	-	151,900.00
Total Expenditures	415,035.44	492,201.05	$ 571,721.00	$ (79,519.95)
Receipts Over(Under) Expenditures	80,119.28	(6,729.80)		
Unencumbered Cash, Beginning	156,568.42	236,687.70		
Unencumbered Cash, Ending	$ 236,687.70	$ 229,957.90		

CITY OF CANEY, KANSAS
SEWER TREATMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	$ 7,671.90	$ 7,724.33	$ 7,500.00	$ 224.33
Total Receipts	7,671.90	7,724.33	$ 7,500.00	$ 224.33
Expenditures				
General Government				
Capital Outlay	-	-	$ 4,000.00	$ (4,000.00)
Total Expenditures	-	-	$ 4,000.00	$ (4,000.00)
Receipts Over(Under) Expenditures	7,671.90	7,724.33		
Unencumbered Cash, Beginning	9,096.55	16,768.45		
Unencumbered Cash, Ending	$ 16,768.45	$ 24,492.78		

CITY OF CANEY, KANSAS
SEWER PRINCIPAL AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Loan Proceeds	$ 647,770.59	$ -
Operating Transfer from		
Sewer Utility Fund	138,000.00	-
Total Receipts	785,770.59	-
Expenditures		
Debt Service		
Principal	768,968.65	19,838.54
Interest	18,708.51	279.72
Commission and Postage	1,981.59	24.86
Cost of Issuance	13,213.25	-
Residual Transfer to		
General Obligation Bond and Interest Fund	-	44,780.10
Total Expenditures	802,872.00	64,923.22
Receipts Over(Under) Expenditures	(17,101.41)	(64,923.22)
Unencumbered Cash, Beginning	82,024.63	64,923.22
Unencumbered Cash, Ending	$ 64,923.22	$ -

CITY OF CANEY, KANSAS
SOLID WASTE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Collections	$ 236,369.37	$ 238,518.18	$ 235,000.00	$ 3,518.18
Total Receipts	236,369.37	238,518.18	$ 235,000.00	$ 3,518.18
Expenditures				
Generation and Distribution				
Personal Services	24,272.16	25,465.02	$ 34,766.00	$ (9,300.98)
Contractual Services	193,045.37	201,029.51	205,250.00	(4,220.49)
Commodities	-	613.06	7,250.00	(6,636.94)
Total Expenditures	217,317.53	227,107.59	$ 247,266.00	$ (20,158.41)
Receipts Over(Under) Expenditures	19,051.84	11,410.59		
Unencumbered Cash, Beginning	59,786.52	78,838.36		
Unencumbered Cash, Ending	$ 78,838.36	$ 90,248.95		

CITY OF CANEY, KANSAS
GROCERY STORE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Use of Money and Property				
Loan Proceeds	$ 500.00	$ -	$ -	$ -
Charges for Services				
Retail Sales	-	1,026,947.56	927,412.00	99,535.56
Other Receipts				
Miscellaneous	-	45.92	-	45.92
Residual Transfer from				
Capital Project Fund	-	448,036.03	-	448,036.03
Total Receipts	500.00	1,475,029.51	$ 927,412.00	$ 547,617.51
Expenditures				
General Government				
Personal Services	-	275,044.68	$ 212,364.00	$ 62,680.68
Contractual Services	413.21	119,247.26	116,755.00	2,492.26
Commodities	-	970,601.33	996,098.00	(25,496.67)
Total Expenditures	413.21	1,364,893.27	$ 1,325,217.00	$ 39,676.27
Receipts Over(Under) Expenditures	86.79	110,136.24		
Unencumbered Cash, Beginning	-	86.79		
Unencumbered Cash, Ending	$ 86.79	$ 110,223.03		

CITY OF CANEY, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2021

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

CITY OF CANEY, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub Recipients	Receipts	Disbursements/ Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through the Kansas Department of Commerce					
Community Development Block Grant - Wastewater Improvements	19-PF-012	14.228	$ -	$ 480,066.20	$ 387,440.72
Community Development Block Grant - Neighborhood Center Improvements	19-NC-004	14.228	-	97,374.78	24,035.60
Community Development Block Grant - CV	20-CV-074	14.228	13,053.86	14,803.86	14,803.86
		Total 14.228	13,053.86	592,244.84	426,280.18
Total U.S. Department of Housing and Urban Development			13,053.86	592,244.84	426,280.18
U.S. DEPARTMENT OF AGRICULTURE					
Direct Grant					
Water and Waste Disposal Systems for Rural Communities - Loan	N/A	10.760	-	-	2,172,767.10
Water and Waste Disposal Systems for Rural Communities - Grant	N/A	10.760	-	-	182,569.31
		Total 10.760	-	-	2,355,336.41
Community Facilities Loans and Grants Cluster					
Community Facilities Loans and Grants	N/A	10.766	-	50,000.00	-
Total U.S. Department of Agriculture			-	50,000.00	2,355,336.41
U.S. DEPARTMENT OF THE TREASURY					
Passed through the Kansas Department of Commerce					
Coronavirus Relief Fund (SPARK)	Not Assigned	21.019	-	-	1,434.89
Passed through the State of Kanasas, Department of Administration					
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) - COVID-19	Not Assigned	21.027	-	150,167.41	-
Total U.S. Department of the Treasury			-	150,167.41	1,434.89

CITY OF CANEY, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub Recipients	Receipts	Disbursements/ Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through the Office of Kansas Department of Transportation					
Highway Safety Cluster					
State and Community Highway Safety - Click Step	PT-1343-21	20.600	$ -	$ 2,578.29	$ 2,578.29
State and Community Highway Safety - Click Step	PT-1343-22	20.600	-	232.24	232.24
		Total 20.600	-	2,810.53	2,810.53
Total U.S. Department of Transportation			-	2,810.53	2,810.53
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Grant					
Provider Relief Fund - COVID-19	N/A	93.498	-	-	729.13
Total U.S. Department of Health and Human Services			-	-	729.13
TOTAL FEDERAL AWARDS			$ 13,053.86	$ 795,222.78	$ 2,786,591.14

Notes to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.

NOTE B --INDIRECT COST RATE

City of Caney, Kansas did not elect to use the 10% de minimis cost rate.

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

Honorable Mayor and City Council
City of Caney, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Caney, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statement, which collectively comprise the City of Caney, Kansas' basic financial statement, and have issued our report thereon dated August 29, 2022.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statement, we considered the City of Caney, Kansas' 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.

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

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

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

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
August 29, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council
City of Caney, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the City of Caney, Kansas' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Caney, Kansas' major federal programs for the year ended December 31, 2021. The City of Caney, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Caney, Kansas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program
We conducted out audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Caney, Kansas and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Caney, Kansas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Caney, Kansas' federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Caney, Kansas' compliance based on our audit. 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 generally accept auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Caney, Kansas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, 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 City of Caney, Kansas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Caney, Kansas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Caney, Kansas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during our audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
August 29, 2022

CITY OF CANEY, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statement:
The auditors' report expresses an adverse opinion in accordance with generally accepted accounting principles, on the financial statement of City of Caney, Kansas and an unmodified opinion on the regulatory basis of accounting.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	__X__	No
Significant deficiencies identified?	____ Yes	__X__	None Reported
Non compliance or other matters required to be reported under *Government Auditing Standards*	____ Yes	__X__	No

Federal Awards:

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	__X__	No
Significant deficiencies identified?	____ Yes	__X__	None Reported

The auditors' report on compliance for the major federal award programs for City of Caney, Kansas expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	__X__	No

Identification of major programs:

U.S. DEPARTMENT OF AGRICULTURE
Water and Waste Disposal Systems for Rural Communities – CFDA No. 10.760

The threshold for distinguishing Types A and B programs was $750,000.00.

Auditee qualified as a low risk auditee?	____ Yes	__X__	No

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF CANEY, KANSAS

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

None