

CITY OF CANEY, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2020

CITY OF CANEY, KANSAS
For the Year Ended December 31, 2020

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-3
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis.....	4-5
Notes to the Financial Statement	6-17
SUPPLEMENTARY INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget Regulatory Basis - (Budgeted Funds Only)	18
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis - (With Comparative Actual Amounts for the Prior Year)	
General Fund	19-20
Industrial Fund	21
Library Fund.....	22
Special Parks Fund	23
Employee Benefits Fund.....	24
Vehicle Identification Fund.....	25
Special Highway Fund.....	26
Police, Fire, and Ambulance Equipment Fund.....	27
Street Sales Tax Fund.....	28
Wastewater Improvement Project Fund	29
Capital Project Fund	30
General Obligation Bond and Interest Fund.....	31
Water Utility Fund	32
Water Plant Improvement Fund.....	33
Water Principal and Interest Fund.....	34
Sewer Utility Fund.....	35
Sewer Treatment Replacement Fund.....	36
Sewer Principal and Interest Fund.....	37
Solid Waste Utility Fund.....	38
Grocery Store Utility Fund.....	39
<u>Schedule 3</u>	
Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis.....	40
Schedule of Expenditures of Federal Awards.....	41-42

CITY OF CANEY, KANSAS
For the Year Ended December 31, 2020

TABLE OF CONTENTS
(Continued)

	<u>PAGE NUMBER</u>
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.....	43-44
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	45-46
Schedule of Findings and Questioned Costs.....	47
Summary Schedule of Prior Audit Findings.....	48

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Caney, Kansas

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, 2020 and the related notes to the financial statement.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit 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 Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described 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.

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 Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the 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, 2020, 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 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, 2020, 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.

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 and 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 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 the City of Caney, Kansas as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated August 10, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 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 <http://admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2020 (Schedule 1 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 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 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, 2019, 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 September 7, 2021, 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 Standards* in considering the City of Caney, Kansas' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Jarred, Gilmore & Phillips, PA".

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

September 7, 2021
Chanute, Kansas

CITY OF CANEY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2020
General Fund	\$ 100,742.86	\$ 1,319,497.93	\$ 1,195,942.33	\$ 224,298.46	\$ 60,665.39	\$ 284,963.85
Special Purpose Funds:						
Industrial	2,999.35	12,338.06	5,350.00	9,987.41	-	9,987.41
Library	0.03	65,714.03	65,714.03	0.03	-	0.03
Special Parks	6,327.89	1,667.68	-	7,995.57	-	7,995.57
Employee Benefits	282,527.91	136,885.60	6,310.66	413,102.85	203.07	413,305.92
Vehicle Identification	15,278.93	4,180.00	16,285.26	3,173.67	725.35	3,899.02
Special Highway	77,387.91	60,873.92	66,956.93	71,304.90	816.28	72,121.18
Police, Fire, and Ambulance Equipment	89,744.01	213,365.05	270,571.50	32,537.56	-	32,537.56
Street Sales Tax	62,431.31	63,070.70	29,810.67	95,691.34	29,810.67	125,502.01
Capital Project Funds:						
Wastewater Improvement Project	161,126.29	4,697,668.83	3,044,916.58	1,813,878.54	487,058.47	2,300,937.01
Capital Project	(105,091.76)	2,971,799.24	2,152,985.54	713,721.94	195,168.52	908,890.46
Bond and Interest Funds:						
General Obligation Bond and Interest	70,243.85	162,181.76	145,000.00	87,425.61	-	87,425.61
Business Funds:						
Water Utility	270,077.33	643,181.48	582,215.54	331,043.27	28,696.54	359,739.81
Water Plant Improvement	57,146.15	713,802.84	718,157.70	52,791.29	-	52,791.29
Water Principal and Interest	22,149.38	341,685.00	338,855.25	24,979.13	-	24,979.13
Sewer Utility	156,568.42	495,154.72	415,035.44	236,687.70	7,934.62	244,622.32
Sewer Treatment Replacement	9,096.55	7,671.90	-	16,768.45	-	16,768.45
Sewer Principal and Interest	82,024.63	785,770.59	802,872.00	64,923.22	-	64,923.22
Solid Waste Utility	59,786.52	236,369.37	217,317.53	78,838.36	16,530.71	95,369.07
Grocery Store Utility	-	500.00	413.21	86.79	4.04	90.83
Total Primary Government (Excluding Agency Funds)	\$ 1,420,567.56	\$ 12,933,378.70	\$ 10,074,710.17	\$ 4,279,236.09	\$ 827,613.66	\$ 5,106,849.75

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

Statement 1 (Continued)**CITY OF CANEY, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

	<u>2020</u>
Total Cash to be accounted for:	<u><u>\$ 5,106,849.75</u></u>
Composition of Cash:	
Utility Cash on Hand.....	\$ 250.00
General Petty Cash on Hand.....	200.00
Police Petty Cash on Hand.....	201.00
Checking Accounts:	
General Account	114,331.53
Grant Checking Account.....	5.00
Money Market Account	<u>4,994,000.46</u>
Total Cash	5,108,987.99
Agency Funds per Schedule 3	<u>(2,138.24)</u>
Total Reporting Entity (Excluding Agency Funds)	<u><u>\$ 5,106,849.75</u></u>

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

CITY OF CANEY, KANSAS

Notes to the Financial Statement
For the Year Ended December 31, 2020

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 2020:

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, 2020 the City amended the General Fund, Industrial Fund, Vehicle Identification Fund, Special Highway Fund, and Police, Fire and Ambulance Equipment 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, permanent funds.

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 compliance with Kansas cash basis laws. As shown in Schedule 1, the City has obligated expenditures in excess of budgetary limits in the General Obligation Bond and Interest Fund in apparent violation of KSA 79-2934.

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, 2020.

Deposits: At year-end, the City's carrying amount of deposits was \$5,108,336.99 and the bank balance was \$5,143,068.56. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$249,110.45 was covered by FDIC insurance and \$4,893,958.11 was collateralized with a repurchase agreement.

4. **OPERATING LEASES**

As of December 31, 2020 the City has entered into an operating lease for office equipment. Rent expense for the year ended December 31, 2020, was \$1,661.04. Under the current lease agreements, the future minimum rental payments are as follows:

2021	\$ 1,245.78
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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:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 13,162.12
2022	13,162.12
2023	<u>3,290.53</u>
	29,614.77
Less imputed interest	<u>(745.92)</u>
Net Present Value of Minimum	
Lease Payments	28,868.85
Less: Current Maturities	<u>(12,691.14)</u>
Long-Term Capital Lease Obligations	<u>\$ 16,177.71</u>

The City has entered into a capital lease agreement in order finance the purchase of a 1993 Freightliner Fire Truck. Payments are made quarterly including interest at 2.25%. Final maturity of the lease is June 8, 2021. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 3,689.64
	3,689.64
Less imputed interest	<u>(30.91)</u>
Net Present Value of Minimum	
Lease Payments	3,658.73
Less: Current Maturities	<u>(3,658.73)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</u>

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:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 5,819.07
2022	5,819.07
2023	5,819.07
2024	<u>4,754.08</u>
	22,211.29
Less imputed interest	<u>(1,902.41)</u>
Net Present Value of Minimum	
Lease Payments	20,308.88
Less: Current Maturities	<u>(5,070.98)</u>
Long-Term Capital Lease Obligations	<u>\$ 15,237.90</u>

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:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 2,057.52
2022	2,057.52
2023	2,057.52
2024	<u>1,029.76</u>
	7,202.32
Less imputed interest	<u>(688.93)</u>
Net Present Value of Minimum	
Lease Payments	6,513.39
Less: Current Maturities	<u>(1,730.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 4,783.39</u>

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:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 30,227.01
2022	32,974.92
2023	32,974.92
2024	32,974.92
2025	<u>21,983.28</u>
	151,135.05
Less imputed interest	<u>(10,893.88)</u>
Net Present Value of Minimum	
Lease Payments	140,241.17
Less: Current Maturities	<u>(26,404.58)</u>
Long-Term Capital Lease Obligations	<u>\$ 113,836.59</u>

6. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2020, 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 2011 A	.75-3.60%	December 20, 2011	\$ 745,000.00	December 1, 2024	\$ 315,000.00	\$ -	\$ (315,000.00)	\$ -	\$ 8,055.00
Series 2020-A	1.375%	June 24, 2020	540,000.00	June 24, 2060	-	540,000.00	-	540,000.00	-
Series 2020-B	1.375%	June 24, 2020	2,741,000.00	June 24, 2060	-	2,741,000.00	-	2,741,000.00	-
Series 2020-C	1.375%	June 24, 2020	693,000.00	June 24, 2060	-	693,000.00	-	693,000.00	-
Series 2020-D	1.1-2%	September 1, 2020	2,710,000.00	December 1, 2040	-	2,710,000.00	-	2,710,000.00	-
Temporary Notes									
Paid by Utility Receipts:									
Series 2018	4.00%	March 8, 2018	540,000.00	March 1, 2020	540,000.00	-	(540,000.00)	-	5,400.00
Series 2020-1	4.00%	February 19, 2020	1,252,000.00	March 1, 2022	-	1,252,000.00	(540,000.00)	712,000.00	45,348.08
Revolving Loans									
Paid by Utility Receipts:									
KWPCRL C20-1499-01	3.07%	July 7, 1999	600,000.00	March 1, 2021	58,620.51	-	(38,781.97)	19,838.54	1,504.27
KWPCRL C20-1709-01	2.58%	July 6, 2007	1,155,596.00	September 1, 2027	730,186.68	-	(730,186.68)	-	19,185.83
KPWSLF - No. 2491	3.36%	April 20, 2007	1,344,166.58	February 1, 2028	692,642.15	-	(692,642.15)	-	25,515.55
Capital Leases									
Fire Bunker Gear	2.34%	August 8, 2015	50,080.00	May 8, 2020	2,634.55	-	(2,634.55)	-	16.14
Maintenance Equipment	1.95%	March 16, 2016	85,990.32	March 1, 2023	41,313.30	-	(12,444.45)	28,868.85	717.67
Fire Truck	2.25%	September 8, 2016	35,000.00	June 8, 2021	10,846.58	-	(7,187.85)	3,658.73	191.43
Sewage Pumper Truck	3.50%	May 25, 2017	40,000.00	September 15, 2024	25,244.40	-	(4,935.52)	20,308.88	883.55
Canon Copiers	5.72%	June 12, 2019	8,930.21	June 12, 2024	8,147.47	-	(1,634.08)	6,513.39	423.44
Ambulance	3.25%	August 4, 2020	176,546.00	August 1, 2025	-	176,546.00	(36,304.83)	140,241.17	1,994.72
Total Contractual Indebtedness					<u>\$ 2,424,635.64</u>	<u>\$ 8,112,546.00</u>	<u>\$ (2,921,752.08)</u>	<u>\$ 7,615,429.56</u>	<u>\$ 109,235.68</u>

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	2021	2022	2023	2024	2025	2026-2030	2031-2035
Principal							
General Obligation Bonds							
Series 2020-A	\$ 10,220.00	\$ 10,360.52	\$ 10,502.98	\$ 10,628.23	\$ 10,793.54	\$ 56,217.08	\$ 60,191.30
Series 2020-B	51,872.25	52,585.49	53,308.54	53,944.22	54,783.27	285,333.23	305,504.70
Series 2020-C	13,115.25	13,295.58	13,478.40	13,639.12	13,851.26	72,142.94	77,243.04
Series 2020-D	260,000.00	280,000.00	290,000.00	290,000.00	225,000.00	900,000.00	255,000.00
Temporary Notes							
Series 2020-1	-	712,000.00	-	-	-	-	-
Revolving Loans							
KWPCRL C20-1499-01	19,838.54	-	-	-	-	-	-
Capital Leases							
Maintenance Equipment	12,691.14	12,940.43	3,237.28	-	-	-	-
Fire Truck	3,658.73	-	-	-	-	-	-
Sewage Pumper Truck	5,070.98	5,248.47	5,432.17	4,557.26	-	-	-
Canon Copiers	1,730.00	1,831.55	1,939.06	1,012.78	-	-	-
Ambulance	26,404.58	29,715.22	30,695.51	31,708.10	21,717.76	-	-
Total Principal Payments	404,601.47	1,117,977.26	408,593.94	405,489.71	326,145.83	1,313,693.25	697,939.04
Interest							
General Obligation Bonds							
Series 2020-A	7,425.00	7,284.48	7,142.02	7,016.77	6,851.46	32,007.92	28,033.70
Series 2020-B	37,688.75	36,975.51	36,252.46	35,616.78	34,777.73	162,471.77	142,300.30
Series 2020-C	9,528.75	9,348.42	9,165.60	9,004.88	8,792.74	41,077.06	35,976.96
Series 2020-D	64,140.63	46,112.50	40,512.50	34,712.50	28,912.50	79,802.50	29,557.50
Temporary Notes							
Series 2020-1	28,480.00	7,120.00	-	-	-	-	-
Revolving Loans							
KWPCRL C20-1499-01	304.58	-	-	-	-	-	-
Capital Leases							
Maintenance Equipment	470.98	221.69	53.25	-	-	-	-
Fire Truck	30.91	-	-	-	-	-	-
Sewage Pumper Truck	748.09	570.60	386.90	196.82	-	-	-
Canon Copiers	327.52	225.97	118.46	16.98	-	-	-
Ambulance	3,822.43	3,259.70	2,279.41	1,266.82	265.52	-	-
Total Interest Payments	152,967.64	111,118.87	95,910.60	87,831.55	79,599.95	315,359.25	235,868.46
Total Principal and Interest	\$ 557,569.11	\$ 1,229,096.13	\$ 504,504.54	\$ 493,321.26	\$ 405,745.78	\$ 1,629,052.50	\$ 933,807.50

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	2036-2040	2041-2045	2046-2050	2051-2055	2056-2060	Total
Principal						
General Obligation Bonds						
Series 2020-A	\$ 64,434.47	\$ 69,004.52	\$ 73,882.92	\$ 79,106.25	\$ 84,658.19	\$ 540,000.00
Series 2020-B	327,041.20	350,236.74	374,997.36	401,508.68	429,884.32	2,741,000.00
Series 2020-C	82,688.29	88,552.98	94,813.40	101,516.45	108,663.29	693,000.00
Series 2020-D	210,000.00	-	-	-	-	2,710,000.00
Temporary Notes						
Series 2020-1	-	-	-	-	-	712,000.00
Revolving Loans						
KWPCRL C20-1499-01	-	-	-	-	-	19,838.54
Capital Leases						
Maintenance Equipment	-	-	-	-	-	28,868.85
Fire Truck	-	-	-	-	-	3,658.73
Sewage Pumper Truck	-	-	-	-	-	20,308.88
Canon Copiers	-	-	-	-	-	6,513.39
Ambulance	-	-	-	-	-	140,241.17
Total Principal Payments	684,163.96	507,794.24	543,693.68	582,131.38	623,205.80	7,615,429.56
Interest						
General Obligation Bonds						
Series 2020-A	23,790.53	19,220.48	14,342.08	9,118.75	3,526.77	165,759.96
Series 2020-B	120,763.80	97,568.26	72,807.64	46,296.32	17,913.84	841,433.16
Series 2020-C	30,531.71	24,667.02	18,406.60	11,703.55	4,527.39	212,730.68
Series 2020-D	16,800.00	-	-	-	-	340,550.63
Temporary Notes						
Series 2020-1	-	-	-	-	-	35,600.00
Revolving Loans						
KWPCRL C20-1499-01	-	-	-	-	-	304.58
Capital Leases						
Maintenance Equipment	-	-	-	-	-	745.92
Fire Truck	-	-	-	-	-	30.91
Sewage Pumper Truck	-	-	-	-	-	1,902.41
Canon Copiers	-	-	-	-	-	688.93
Ambulance	-	-	-	-	-	10,893.88
Total Interest Payments	191,886.04	141,455.76	105,556.32	67,118.62	25,968.00	1,610,641.06
Total Principal and Interest	\$ 876,050.00	\$ 649,250.00	\$ 649,250.00	\$ 649,250.00	\$ 649,173.80	\$ 9,226,070.62

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 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$93,719.57 for KPERS for the year ended December 31, 2020.

Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$843,821.00. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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:

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/20</u>	<u>ESTIMATED COMPLETION</u>
Wastewater Improvement Project	\$ 4,299,000.00	\$ 2,383,390.29	2021
Swimming Pool Project	2,300,000.00	1,741,917.49	2021
Grocery Store Project	1,048,803.00	559,664.81	2021

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, 2020.

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, 2020, was \$6,432.79 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 2020. Future potential impacts may include a decline in receipts. Our results of operations for full year 2021 may be materially adversely affected.

12. INTERFUND TRANSFERS

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Obligation Bond & Interest	Water Plant Improvement	K.S.A. 12-197	\$ 75,000.00
General Obligation Bond & Interest	Water Principal and Interest	K.S.A. 12-197	70,000.00
Sewer Utility	Sewer Principal and Interest	K.S.A. 12-825d	138,000.00
Sewer Utility	Wastewater Improvement Project	K.S.A. 12-825d	39,800.00
Water Utility	Water Plant Improvement	K.S.A. 12-825d	15,000.00
Water Utility	Water Principal and Interest	K.S.A. 12-825d	14,000.00

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.

SUPPLEMENTARY INFORMATION

CITY OF CANEY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2020

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	\$ 1,290,000.00	\$ 10,321.30	\$ 1,300,321.30	\$ 1,195,942.33	\$ (104,378.97)
Special Purpose Funds:					
Industrial	6,092.00	-	6,092.00	5,350.00	(742.00)
Library	70,336.00	-	70,336.00	65,714.03	(4,621.97)
Special Parks	2,500.00	-	2,500.00	-	(2,500.00)
Employee Benefits	269,268.00	-	269,268.00	6,310.66	(262,957.34)
Vehicle Identification	17,500.00	-	17,500.00	16,285.26	(1,214.74)
Special Highway	83,413.00	-	83,413.00	66,956.93	(16,456.07)
Police, Fire, and Ambulance Equipment	280,000.00	-	280,000.00	270,571.50	(9,428.50)
Street Sales Tax	85,000.00	-	85,000.00	29,810.67	(55,189.33)
Bond and Interest Fund:					
General Obligation Bond and Interest	138,000.00	-	138,000.00	145,000.00	7,000.00
Business Funds:					
Water Utility	630,582.00	-	630,582.00	582,215.54	(48,366.46)
Sewer Utility	550,821.00	-	550,821.00	415,035.44	(135,785.56)
Sewer Treatment Replacement	7,800.00	-	7,800.00	-	(7,800.00)
Solid Waste Utility	230,993.00	-	230,993.00	217,317.53	(13,675.47)
Grocery Store Utility	1,790,905.00	-	1,790,905.00	413.21	(1,790,491.79)

CITY OF CANEY, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 289,578.47	\$ 287,768.74	\$ 316,997.00	\$ (29,228.26)
Delinquent Tax	18,224.02	14,393.90	11,000.00	3,393.90
Motor Vehicle Tax	31,914.26	32,622.14	29,782.00	2,840.14
Recreational Vehicle Tax	264.95	331.39	357.00	(25.61)
16/20M Truck Tax	370.04	235.14	452.00	(216.86)
Commercial Vehicle Tax	476.82	386.71	429.00	(42.29)
Rental Excise Tax	-	2.58	-	2.58
Watercraft Tax	62.72	79.09	89.00	(9.91)
Franchise Taxes	232,930.92	233,581.36	230,000.00	3,581.36
Local Alcoholic Liquor Tax	530.18	440.91	2,250.00	(1,809.09)
Compensating Use Tax	100,856.59	199,154.25	106,000.00	93,154.25
Local Sales Tax	179,906.76	225,252.52	220,000.00	5,252.52
Intergovernmental				
Federal Grants	9,378.28	10,321.30	-	10,321.30
Licenses and Permits				
Licenses, Permits & Fees	3,203.00	4,452.00	3,000.00	1,452.00
Charges for Services				
Swimming Pool	12,689.38	2.10	15,400.00	(15,397.90)
Accident Reports & Finger Printing	-	374.00	450.00	(76.00)
Cemetery Lots & Settings	11,022.00	8,321.00	8,500.00	(179.00)
Ambulance Fees	69,357.19	84,082.78	114,000.00	(29,917.22)
County Ambulance Assistance	54,830.22	42,853.20	56,400.00	(13,546.80)
Fines, Forfeitures and Penalties				
Fines	45,312.97	117,754.85	52,500.00	65,254.85
Use of Money and Property				
Interest Income	9,075.50	19,746.37	4,500.00	15,246.37
Sale of Assets	-	10,318.00	-	10,318.00
Loan Repayments	-	-	600.00	(600.00)
Other Receipts				
Insurance Proceeds	17,823.79	13,886.63	15,000.00	(1,113.37)
Miscellaneous	30,288.92	13,136.97	19,999.00	(6,862.03)
Total Receipts	1,118,096.98	1,319,497.93	\$ 1,207,705.00	\$ 111,792.93
Expenditures				
City Administrator Department				
Personal Services	57,752.48	57,044.91	\$ 64,690.00	\$ (7,645.09)
Contractual Services	189,795.64	212,973.04	225,850.00	(12,876.96)
Commodities	14,249.84	16,131.05	18,250.00	(2,118.95)
Capital Outlay	10,297.99	219.10	-	219.10

CITY OF CANEY, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Street Department				
Personal Services	\$ 24,774.47	\$ 30,266.40	\$ 34,020.00	\$ (3,753.60)
Contractual Services	21,102.81	18,232.88	35,750.00	(17,517.12)
Commodities	25,073.39	28,285.08	4,500.00	23,785.08
Capital Outlay	54.44	-	-	-
Parks Department				
Contractual Services	13,659.50	7,980.53	9,000.00	(1,019.47)
Pool Department				
Personal Services	26,823.66	-	22,000.00	(22,000.00)
Contractual Services	5,402.77	243.30	212,511.00	(212,267.70)
Commodities	8,137.78	116.30	8,925.00	(8,808.70)
Police Department				
Personal Services	333,385.11	363,450.85	260,724.00	102,726.85
Contractual Services	43,190.70	51,999.99	54,100.00	(2,100.01)
Commodities	15,740.37	25,550.46	15,500.00	10,050.46
Capital Outlay	369.43	8,491.00	-	8,491.00
Fire Department				
Personal Services	12,159.13	10,315.28	15,296.00	(4,980.72)
Contractual Services	37,388.23	29,146.46	33,800.00	(4,653.54)
Commodities	4,120.61	2,863.17	4,200.00	(1,336.83)
Ambulance Department				
Personal Services	213,048.90	243,718.21	158,740.00	84,978.21
Contractual Services	27,788.64	28,821.20	47,200.00	(18,378.80)
Commodities	7,465.71	8,595.68	13,044.00	(4,448.32)
Cemetery Department				
Personal Services	9,133.77	6,548.59	7,400.00	(851.41)
Contractual Services	49,056.08	23,795.36	44,250.00	(20,454.64)
Commodities	1,133.93	678.82	250.00	428.82
Debt Service				
Capital Lease	2,803.71	-	-	-
Interest	-	20,474.67	-	20,474.67
Total Certified Budget			1,290,000.00	(94,057.67)
Adjustments for Qualifying Budget Credits			10,321.30	(10,321.30)
Total Expenditures	1,153,909.09	1,195,942.33	\$ 1,300,321.30	\$ (104,378.97)
Receipts Over(Under) Expenditures	(35,812.11)	123,555.60		
Unencumbered Cash, Beginning	136,554.97	100,742.86		
Unencumbered Cash, Ending	\$ 100,742.86	\$ 224,298.46		

CITY OF CANEY, KANSAS
INDUSTRIAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ (1.04)	\$ (8.41)	\$ -	\$ (8.41)
Delinquent Tax	34.70	34.33	-	34.33
Transient Guest Tax	-	12,312.14	-	12,312.14
Total Receipts	33.66	12,338.06	\$ -	\$ 12,338.06
Expenditures				
General Government				
Contractual Services	375.00	5,250.00	\$ 5,092.00	\$ 158.00
Commodities	1,818.84	100.00	1,000.00	(900.00)
Total Expenditures	2,193.84	5,350.00	\$ 6,092.00	\$ (742.00)
Receipts Over(Under) Expenditures	(2,160.18)	6,988.06		
Unencumbered Cash, Beginning	5,159.53	2,999.35		
Unencumbered Cash, Ending	\$ 2,999.35	\$ 9,987.41		

CITY OF CANEY, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 56,822.08	\$ 56,268.30	\$ 61,773.00	\$ (5,504.70)
Delinquent Tax	3,639.08	2,889.30	2,500.00	389.30
Motor Vehicle Tax	6,144.91	6,354.90	5,804.00	550.90
Recreational Vehicle Tax	50.81	64.54	70.00	(5.46)
16/20M Truck Tax	68.38	45.73	88.00	(42.27)
Commercial Vehicle Tax	92.63	75.36	84.00	(8.64)
Rental Excise Tax	-	0.50	-	0.50
Watercraft Tax	12.20	15.40	17.00	(1.60)
Total Receipts	66,830.09	65,714.03	\$ 70,336.00	\$ (4,621.97)
Expenditures				
Culture and Recreation				
Library Board	66,830.09	65,714.03	\$ 70,336.00	\$ (4,621.97)
Total Expenditures	66,830.09	65,714.03	\$ 70,336.00	\$ (4,621.97)
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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	\$ 530.19	\$ 440.93	\$ 1,000.00	\$ (559.07)
County Alcoholic Liquor Tax	-	1,226.75	495.00	731.75
Other Receipts				
Insurance Proceeds	9,415.00	-	-	-
Total Receipts	9,945.19	1,667.68	\$ 1,495.00	\$ 172.68
Expenditures				
Culture and Recreation				
Contractual Services	17,885.94	-	\$ 2,500.00	\$ (2,500.00)
Total Expenditures	17,885.94	-	\$ 2,500.00	\$ (2,500.00)
Receipts Over(Under) Expenditures	(7,940.75)	1,667.68		
Unencumbered Cash, Beginning	14,268.64	6,327.89		
Unencumbered Cash, Ending	\$ 6,327.89	\$ 7,995.57		

CITY OF CANEY, KANSAS
EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 117,618.87	\$ 116,392.04	\$ 127,880.00	\$ (11,487.96)
Delinquent Tax	7,950.27	6,317.14	-	6,317.14
Motor Vehicle Tax	12,811.23	13,155.33	12,015.00	1,140.33
Recreational Vehicle Tax	106.22	133.61	144.00	(10.39)
16/20M Truck Tax	146.78	94.67	182.00	(87.33)
Commercial Vehicle Tax	191.92	156.01	173.00	(16.99)
Rental Excise Tax	-	1.04	-	1.04
Watercraft Tax	25.25	31.91	36.00	(4.09)
Other Receipts				
Miscellaneous	-	603.85	-	603.85
Total Receipts	138,850.54	136,885.60	\$ 140,430.00	\$ (3,544.40)
Expenditures				
General Government				
Personal Services	2,973.25	6,310.66	\$ 269,268.00	\$ (262,957.34)
Total Expenditures	2,973.25	6,310.66	\$ 269,268.00	\$ (262,957.34)
Receipts Over(Under) Expenditures	135,877.29	130,574.94		
Unencumbered Cash, Beginning	146,650.62	282,527.91		
Unencumbered Cash, Ending	\$ 282,527.91	\$ 413,102.85		

CITY OF CANEY, KANSAS
VEHICLE IDENTIFICATION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
VIN Inspections	\$ 4,400.00	\$ 4,080.00	\$ 4,300.00	\$ (220.00)
Other Receipts				
Miscellaneous	360.00	100.00	50.00	50.00
Total Receipts	4,760.00	4,180.00	\$ 4,350.00	\$ (170.00)
Expenditures				
General Government				
Contractual Services	933.96	620.00	\$ 1,130.00	\$ (510.00)
Commodities	20.00	15,665.26	16,370.00	(704.74)
Total Expenditures	953.96	16,285.26	\$ 17,500.00	\$ (1,214.74)
Receipts Over(Under) Expenditures	3,806.04	(12,105.26)		
Unencumbered Cash, Beginning	11,472.89	15,278.93		
Unencumbered Cash, Ending	\$ 15,278.93	\$ 3,173.67		

CITY OF CANEY, KANSAS
SPECIAL HIGHWAY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	\$ 55,001.30	\$ 51,512.70	\$ 55,550.00	\$ (4,037.30)
County Gas Tax	9,823.50	9,361.22	10,100.00	(738.78)
Total Receipts	64,824.80	60,873.92	<u>\$ 65,650.00</u>	<u>\$ (4,776.08)</u>
Expenditures				
General Government				
Personal Services	29,078.58	35,865.91	\$ 32,750.00	\$ 3,115.91
Commodities	10,702.38	7,928.90	50,663.00	(42,734.10)
Capital Outlay	33,794.08	10,000.00	-	10,000.00
Debt Service				
Capital Lease	12,162.12	13,162.12	-	13,162.12
Total Expenditures	85,737.16	66,956.93	<u>\$ 83,413.00</u>	<u>\$ (16,456.07)</u>
Receipts Over(Under) Expenditures	(20,912.36)	(6,083.01)		
Unencumbered Cash, Beginning	98,300.27	77,387.91		
Unencumbered Cash, Ending	<u>\$ 77,387.91</u>	<u>\$ 71,304.90</u>		

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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 49,725.39	\$ 49,344.49	\$ 54,050.00	\$ (4,705.51)
Delinquent Tax	2,746.49	2,183.74	-	2,183.74
Motor Vehicle Tax	5,419.16	5,560.62	5,078.00	482.62
Recreational Vehicle Tax	44.94	56.49	61.00	(4.51)
16/20M Truck Tax	62.09	40.05	77.00	(36.95)
Commercial Vehicle Tax	81.18	65.93	73.00	(7.07)
Rental Excise Tax	-	0.44	-	0.44
Watercraft Tax	10.69	13.49	15.00	(1.51)
Intergovernmental				
State Grants	15,300.00	-	-	-
Use of Money and Property				
Loan Proceeds	-	151,986.00	-	151,986.00
Other Receipts				
Miscellaneous	-	13.80	-	13.80
Reimbursed Expense	-	4,100.00	-	4,100.00
Total Receipts	73,389.94	213,365.05	\$ 59,354.00	\$ 154,011.05
Expenditures				
General Government				
Contractual	-	-	\$ 275,000.00	\$ (275,000.00)
Commodities	-	-	5,000.00	(5,000.00)
Capital Outlay	41,523.54	222,241.98	-	222,241.98
Debt Service				
Capital Lease	17,982.04	48,329.52	-	48,329.52
Total Expenditures	59,505.58	270,571.50	\$ 280,000.00	\$ (9,428.50)
Receipts Over(Under) Expenditures	13,884.36	(57,206.45)		
Unencumbered Cash, Beginning	75,859.65	89,744.01		
Unencumbered Cash, Ending	\$ 89,744.01	\$ 32,537.56		

CITY OF CANEY, KANSAS
STREET SALES TAX FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	\$ 84,688.14	\$ 63,070.70	\$ 72,000.00	\$ (8,929.30)
Total Receipts	84,688.14	63,070.70	\$ 72,000.00	\$ (8,929.30)
Expenditures				
General Government				
Capital Outlay	86,991.36	29,810.67	\$ 85,000.00	\$ (55,189.33)
Total Expenditures	86,991.36	29,810.67	\$ 85,000.00	\$ (55,189.33)
Receipts Over(Under) Expenditures	(2,303.22)	33,260.03		
Unencumbered Cash, Beginning	64,734.53	62,431.31		
Unencumbered Cash, Ending	\$ 62,431.31	\$ 95,691.34		

CITY OF CANEY, KANSAS
WASTEWATER IMPROVEMENT PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	\$ -	\$ 134,688.83
Use of Money and Property		
Loan Proceeds	-	4,522,700.00
Other Receipts		
Miscellaneous	-	480.00
Operating Transfer from Sewer Utility Fund	21,600.00	39,800.00
Total Receipts	21,600.00	4,697,668.83
Expenditures		
Capital Improvements		
Contractual Services	267,472.99	875,323.69
Capital Outlay	-	1,059,318.23
Debt Service		
Principal	-	1,080,000.00
Interest	21,600.00	30,274.66
Total Expenditures	289,072.99	3,044,916.58
Receipts Over(Under) Expenditures	(267,472.99)	1,652,752.25
Unencumbered Cash, Beginning	428,599.28	161,126.29
Unencumbered Cash, Ending	\$ 161,126.29	\$ 1,813,878.54

CITY OF CANEY, KANSAS
CAPITAL PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	\$ 43,500.00	\$ 974,885.37
Use of Money and Property		
Loan Proceeds	-	1,993,910.87
Other Receipts		
Donations	5.00	3,003.00
Total Receipts	43,505.00	2,971,799.24
Expenditures		
Capital Improvements		
Contractual Services	148,596.76	99,087.57
Capital Outlay	-	2,053,897.97
Total Expenditures	148,596.76	2,152,985.54
Receipts Over(Under) Expenditures	(105,091.76)	818,813.70
Unencumbered Cash, Beginning	-	(105,091.76)
Unencumbered Cash, Ending	\$ (105,091.76)	\$ 713,721.94

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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	\$ 148,834.61	\$ 162,181.76	\$ 138,000.00	\$ 24,181.76
Total Receipts	148,834.61	162,181.76	\$ 138,000.00	\$ 24,181.76
Expenditures				
Operating Transfers to:				
Water Plant Improvement Fund	84,500.00	75,000.00	\$ 138,000.00	\$ (63,000.00)
Water Principal and Interest Fund	70,000.00	70,000.00	-	70,000.00
Total Expenditures	154,500.00	145,000.00	\$ 138,000.00	\$ 7,000.00
Receipts Over(Under) Expenditures	(5,665.39)	17,181.76		
Unencumbered Cash, Beginning	75,909.24	70,243.85		
Unencumbered Cash, Ending	\$ 70,243.85	\$ 87,425.61		

CITY OF CANEY, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Charges	\$ 613,110.41	\$ 618,112.98	\$ 608,900.00	\$ 9,212.98
Connection Fee	8,710.00	8,780.00	1,650.00	7,130.00
Other Receipts				
Miscellaneous	16,357.45	16,288.50	25,800.00	(9,511.50)
Total Receipts	638,177.86	643,181.48	\$ 636,350.00	\$ 6,831.48
Expenditures				
Administration, Production, and Distribution				
Personal Services	226,079.02	241,303.96	\$ 252,440.00	\$ (11,136.04)
Contractual Services	193,402.05	197,782.68	150,659.00	47,123.68
Commodities	100,958.60	104,751.31	117,483.00	(12,731.69)
Capital Outlay	1,691.79	9,377.59	110,000.00	(100,622.41)
Debt Service				
Capital Lease	3,803.68	-	-	-
Operating Transfers to:				
Water Principal and Interest Fund	1,000.00	14,000.00	-	14,000.00
Water Plant Improvement Fund	7,500.00	15,000.00	-	15,000.00
Total Expenditures	534,435.14	582,215.54	\$ 630,582.00	\$ (48,366.46)
Receipts Over(Under) Expenditures	103,742.72	60,965.94		
Unencumbered Cash, Beginning	166,334.61	270,077.33		
Unencumbered Cash, Ending	\$ 270,077.33	\$ 331,043.27		

CITY OF CANEY, KANSAS
WATER PLANT IMPROVEMENT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Loan Proceeds	\$ -	\$ 623,802.84
Operating Transfers from:		
Water Utility Fund	7,500.00	15,000.00
General Obligation Bond and Interest Fund	84,500.00	75,000.00
Total Receipts	92,000.00	713,802.84
Expenditures		
Debt Services		
Principal	69,330.12	692,642.15
Interest	22,418.00	22,857.68
Commission and Postage	2,606.74	2,657.87
Total Expenditures	94,354.86	718,157.70
Receipts Over(Under) Expenditures	(2,354.86)	(4,354.86)
Unencumbered Cash, Beginning	59,501.01	57,146.15
Unencumbered Cash, Ending	\$ 57,146.15	\$ 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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Loan Proceeds	\$ -	\$ 257,685.00
Operating Transfer from:		
Water Utility Fund	1,000.00	14,000.00
General Obligation Bond and Interest Fund	70,000.00	70,000.00
Total Receipts	71,000.00	341,685.00
Expenditures		
Debt Service		
Principal	60,000.00	315,000.00
Interest	12,420.00	8,055.00
Commission and Postage	-	15,800.25
Total Expenditures	72,420.00	338,855.25
Receipts Over(Under) Expenditures	(1,420.00)	2,829.75
Unencumbered Cash, Beginning	23,569.38	22,149.38
Unencumbered Cash, Ending	\$ 22,149.38	\$ 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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	\$ 493,020.34	\$ 495,154.72	\$ 499,900.00	\$ (4,745.28)
Other Receipts				
Miscellaneous	195.00	-	2,500.00	(2,500.00)
Total Receipts	493,215.34	495,154.72	\$ 502,400.00	\$ (7,245.28)
Expenditures				
Collection and Treatment				
Personal Services	162,336.16	180,605.85	\$ 196,001.00	\$ (15,395.15)
Contractual Services	56,039.31	44,094.28	59,550.00	(15,455.72)
Commodities	2,220.06	6,716.24	28,000.00	(21,283.76)
Capital Outlay	144.37	-	-	-
Debt Service				
Capital Lease	8,622.75	5,819.07	5,820.00	(0.93)
Operating Transfers to:				
Wastewater Improvement Project Fund	21,600.00	39,800.00	261,450.00	(221,650.00)
Sewer Principal and Interest Fund	147,500.00	138,000.00	-	138,000.00
Total Expenditures	398,462.65	415,035.44	\$ 550,821.00	\$ (135,785.56)
Receipts Over(Under) Expenditures	94,752.69	80,119.28		
Unencumbered Cash, Beginning	61,815.73	156,568.42		
Unencumbered Cash, Ending	\$ 156,568.42	\$ 236,687.70		

CITY OF CANEY, KANSAS
SEWER TREATMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	\$ 7,637.50	\$ 7,671.90	\$ 7,800.00	\$ (128.10)
Total Receipts	7,637.50	7,671.90	\$ 7,800.00	\$ (128.10)
Expenditures				
General Government				
Capital Outlay	-	-	\$ 7,800.00	\$ (7,800.00)
Total Expenditures	-	-	\$ 7,800.00	\$ (7,800.00)
Receipts Over(Under) Expenditures	7,637.50	7,671.90		
Unencumbered Cash, Beginning	1,459.05	9,096.55		
Unencumbered Cash, Ending	\$ 9,096.55	\$ 16,768.45		

CITY OF CANEY, KANSAS
SEWER PRINCIPAL AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Loan Proceeds	\$ -	\$ 647,770.59
Operating Transfer from Sewer Utility Fund	147,500.00	138,000.00
Total Receipts	147,500.00	785,770.59
Expenditures		
Debt Service		
Principal	120,917.10	768,968.65
Interest	23,108.42	18,708.51
Commission and Postage	-	1,981.59
Cost of Issuance	-	13,213.25
Total Expenditures	144,025.52	802,872.00
Receipts Over(Under) Expenditures	3,474.48	(17,101.41)
Unencumbered Cash, Beginning	78,550.15	82,024.63
Unencumbered Cash, Ending	\$ 82,024.63	\$ 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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Collections	\$ 227,363.72	\$ 236,369.37	\$ 220,000.00	\$ 16,369.37
Total Receipts	227,363.72	236,369.37	\$ 220,000.00	\$ 16,369.37
Expenditures				
Generation and Distribution				
Personal Services	21,523.18	24,272.16	\$ 27,823.00	\$ (3,550.84)
Contractual Services	195,060.99	193,045.37	197,770.00	(4,724.63)
Commodities	-	-	4,400.00	(4,400.00)
Debt Service				
Capital Lease	2,803.68	-	1,000.00	(1,000.00)
Total Expenditures	219,387.85	217,317.53	\$ 230,993.00	\$ (13,675.47)
Receipts Over(Under) Expenditures	7,975.87	19,051.84		
Unencumbered Cash, Beginning	51,810.65	59,786.52		
Unencumbered Cash, Ending	\$ 59,786.52	\$ 78,838.36		

CITY OF CANEY, KANSAS
GROCERY STORE UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Use of Money and Property				
Loan Proceeds	\$ -	\$ 500.00	\$ -	\$ 500.00
Charges for Services				
Retail Sales	-	-	1,633,467.00	(1,633,467.00)
Other Receipts				
Miscellaneous	-	-	36,754.00	(36,754.00)
Total Receipts	-	500.00	\$ 1,670,221.00	\$ (1,669,721.00)
Expenditures				
General Government				
Personal Services	-	-	\$ 289,946.00	\$ (289,946.00)
Contractual Services	-	413.21	266,616.00	(266,202.79)
Commodities	-	-	1,174,343.00	(1,174,343.00)
Debt Service				
Capital Lease	-	-	60,000.00	(60,000.00)
Total Expenditures	-	413.21	\$ 1,790,905.00	\$ (1,790,491.79)
Receipts Over(Under) Expenditures	-	86.79		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 86.79		

CITY OF CANEY, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Special Law Enforcement	\$ 2,128.24	\$ 10.00	\$ -	\$ 2,138.24
	<u>\$ 2,128.24</u>	<u>\$ 10.00</u>	<u>\$ -</u>	<u>\$ 2,138.24</u>

CITY OF CANEY, KANSAS

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub Recipients	Receipts	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Passed through the Kansas Department of Commerce					
Community Development Block Grant - Wastewater Improvements	19-PF-012	14.228	\$ -	\$ 113,683.80	\$ 206,309.28
Community Development Block Grant - Neighborhood Center Improvements	19-NC-004	14.228	-	674,885.37	748,224.55
		Total 14.228	-	788,569.17	954,533.83
Total U.S. Department of Housing and Urban Development			-	788,569.17	954,533.83
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Direct Grant					
Water and Waste Disposal Systems for Rural Communities - Loan	N/A	10.760	-	3,434,000.00	1,435,199.19
Water and Waste Disposal Systems for Rural Communities - Grant	N/A	10.760	-	21,005.03	254,000.00
		Total 10.760	-	3,455,005.03	1,689,199.19
Community Facilities Loans and Grants Cluster					
Community Facilities Loans and Grants	N/A	10.766	-	-	50,000.00
Total U.S. Department of Agriculture			-	3,455,005.03	1,739,199.19
<u>U.S. DEPARTMENT OF THE TREASURY</u>					
Passed through Montgomery County, Kansas					
Coronavirus Relief Fund (SPARK)	Not Assigned	21.019	-	205,245.46	205,245.46
Passed through the Kansas Department of Commerce					
Coronavirus Relief Fund (SPARK)	Not Assigned	21.019	-	100,000.00	98,565.11
		Total 21.019	-	305,245.46	303,810.57
Total U.S. Department of the Treasury			-	305,245.46	303,810.57
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through the Office of Kansas Department of Transportation					
Highway Safety Cluster					
State and Community Highway Safety - Click Step	PT-1343-20	20.600	-	1,678.28	1,678.28
Total U.S. Department of Transportation			-	1,678.28	1,678.28

CITY OF CANEY, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub Recipients	Receipts	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Direct Grant					
Provider Relief Fund - COVID-19	N/A	93.498	\$ -	\$ 3,397.56	\$ 2,668.43
Total U.S. Department of Health and Human Services			-	3,397.56	2,668.43
TOTAL FEDERAL AWARDS			\$ -	\$ 4,553,895.50	\$ 3,001,890.30

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.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**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 City of Caney, Kansas, as of and for the year ended December 31, 2020, 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 September 7, 2021.

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.

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
September 7, 2021

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**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

We have audited the City of Caney, Kansas' compliance with the types of compliance requirements described 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, 2020. City of Caney, Kansas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Caney, Kansas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Caney, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Caney, Kansas' compliance.

Opinion on Each Major Federal Program

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, 2020.

Report on Internal Control over Compliance

Management of the City of Caney, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Caney, Kansas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Caney, Kansas' 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
September 7, 2021

CITY OF CANEY, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

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	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	<u> X </u>	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	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	<u> X </u>	No
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Identification of major programs:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Development Block Grant – CFDA No. 14.228

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	<u> X </u>	No
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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, 2020

None