CITY OF CANEY, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2024

CITY OF CANEY, KANSAS
December 31, 2024

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Caney, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Caney, Kansas, as of and for the year ended December 31, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Caney, Kansas as of December 31, 2024, 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, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

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

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, 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 purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Caney, Kansas as of and for the year ended December 31, 2023 (not presented herein), and have issued our report thereon dated March 22, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 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/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2024 (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 2023 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 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the 2023 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 2023 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, 2023, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

October 29, 2025
Chanute, Kansas

CITY OF CANEY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2024
General Fund	$ 571,456.42	$ 1,708,062.05	$ 1,644,846.48	$ 634,671.99	$ 76,002.96	$ 710,674.95
Special Purpose Funds:						
Industrial	4,593.42	3,929.82	2,625.00	5,898.24	-	5,898.24
Library	0.03	72,892.75	72,892.75	0.03	-	0.03
Special Parks	10,557.54	5,826.32	6,129.23	10,254.63	-	10,254.63
Employee Benefits	256,361.71	372,136.57	470,810.26	157,688.02	12,474.09	170,162.11
Vehicle Identification	3,992.52	3,760.00	97.85	7,654.67	-	7,654.67
Special Highway	93,179.69	56,703.99	40,538.50	109,345.18	877.40	110,222.58
Tourism	32,804.50	19,847.83	24,558.56	28,093.77	-	28,093.77
Police, Fire, and Ambulance Equipment	26,992.52	57,697.35	57,974.92	26,714.95	-	26,714.95
Street Sales Tax	244,731.08	100,266.96	24,656.51	320,341.53	-	320,341.53
Grant Projects	413,370.62	340,112.77	602,534.32	150,949.07	-	150,949.07
Equipment Reserve	84,730.84	11,587.30	57,383.31	38,934.83	-	38,934.83
Capital Project Funds:						
Wastewater Improvement Project	22,849.27	-	-	22,849.27	-	22,849.27
Capital Project	5.00	-	5.00	-	-	-
Bond and Interest Funds:						
General Obligation Bond and Interest	338,155.39	1,189,174.11	1,269,424.82	257,904.68	-	257,904.68
Business Funds:						
Water Utility	147,864.36	711,959.75	841,690.44	18,133.67	21,836.32	39,969.99
Sewer Utility	170,614.77	532,506.57	479,697.18	223,424.16	9,413.73	232,837.89
Sewer Treatment Replacement	39,791.43	7,509.93	-	47,301.36	-	47,301.36
Solid Waste Utility	100,855.56	239,365.00	244,209.34	96,011.22	20,223.71	116,234.93
Grocery Store Utility	6,192.53	1,147,765.48	1,152,310.97	1,647.04	16,041.77	17,688.81
Total Primary Government (Excluding Agency Funds)	$ 2,569,099.20	$ 6,581,104.55	$ 6,992,385.44	$ 2,157,818.31	$ 156,869.98	$ 2,314,688.29

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, 2024

	2024
Total Cash to be accounted for:	$ 2,314,688.29
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	113,065.40
Grant Checking Account	5.00
Money Market Account	2,213,505.13
Total Cash	2,329,326.53
Agency Funds per Schedule 3	(14,638.24)
Total Reporting Entity (Excluding Agency Funds)	$ 2,314,688.29

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 2024:

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 receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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

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

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

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

Basis of Presentation – Regulatory Basis of Accounting

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

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

Pension Plan

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

Reimbursed Expenses

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

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

Special Assessments

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

Budgetary Information

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2024, the City amended the General Fund, Employee Benefits Fund, Solid Waste Utility Fund and the Tourism 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, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

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

- Grant Projects Fund
- Equipment Reserve

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in compliance with the cash basis laws of Kansas, however as shown in Schedule 1 the City was in apparent violation of K.S.A. 79-2935 as they have obligated expenditures in excess of budgeted limits in the Special Parks Fund, Employee Benefits Fund, and Water Utility Fund.

The City was in apparent violation of K.S.A. 12-1608 which requires the treasurer of first and second class cities to publish the quarterly statements showing the total amount received into each fund and the total amount expended from each fund and the cash balances of each fund at the beginning and close of each quarter. Such quarterly statements shall show the amount of outstanding registered warrants, temporary notes, bonds and all other obligations and liabilities of the City. All four quarterly statements were not published within the 30 day requirement.

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.

3. DEPOSITS AND INVESTMENTS (Continued)

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, 2024.

Deposits: At year-end, the City's carrying amount of deposits was $2,326,575.53 and the bank balance was $2,462,615.58. 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 $2,213,505.13 was collateralized with a repurchase agreement.

4. RIGHT TO USE CONTRACTS

As of December 31, 2024 the City has entered into a right to use contract for office equipment. Rent expense for the year ended December 31, 2024, was $362.45. There are no future minimum payments scheduled.

5. FINANCE LEASE OBLIGATIONS

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

Year Ended December 31	Totals
2025	$ 21,983.28
	21,983.28
Less: Imputed Interest	(265.52)
Net Present Value of Minimum Lease Payments	21,717.76
Less: Current Maturities	(21,717.76)
Long-Term Finance Lease Obligations	$ 0.00

6. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2024, 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	$ 508,916.50	$ -	$ (10,628.23)	$ 498,288.27	$ 7,016.77
Series 2020-B	1.375%	June 24, 2020	2,741,000.00	June 24, 2060	2,583,233.72	-	(53,944.22)	2,529,289.50	35,616.78
Series 2020-C	1.375%	June 24, 2020	693,000.00	June 24, 2060	653,110.77	-	(13,639.12)	639,471.65	9,004.88
Series 2020-D	1.1-2%	September 1, 2020	2,710,000.00	December 1, 2040	1,880,000.00	-	(290,000.00)	1,590,000.00	34,712.50
Series 2022-A	1.375%	August 10, 2022	668,000.00	August 10, 2062	655,361.00	-	(12,812.79)	642,548.21	9,011.21
Series 2022-B	1.50%	August 10, 2022	577,000.00	August 10, 2062	566,365.00	-	(10,794.52)	555,570.48	8,495.48
Series 2024-A	3.00% - 4.100%	February 8, 2024	780,000.00	October 1, 2044	-	780,000.00	-	780,000.00	18,913.46
Temporary Notes									
Paid by Utility Receipts:									
Series 2022-1	0.550%	January 6, 2022	740,000.00	February 15, 2024	740,000.00	-	(740,000.00)	-	1,955.86
Finance Leases									
Sewage Pumper Truck	3.50%	May 25, 2017	40,000.00	September 15, 2024	4,557.26	-	(4,557.26)	-	63.42
Canon Copiers	5.717%	June 12, 2019	8,930.21	June 12, 2024	1,012.78	-	(1,012.78)	-	16.98
Ambulance	3.25%	August 4, 2020	176,546.00	August 1, 2025	53,425.86	-	(31,708.10)	21,717.76	1,266.82
Total Contractual Indebtedness					$ 7,645,982.89	$ 780,000.00	$ (1,169,097.02)	$ 7,256,885.87	$ 126,074.16

6. LONG-TERM DEBT (Continued)

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

Issue	2025	2026	2027	2028	2029	2030-2034	2035-2039
Principal							
General Obligation Bonds							
Series 2020-A	$ 10,793.54	$ 10,941.95	$ 11,092.40	$ 11,227.39	$ 11,399.30	$ 59,374.90	$ 63,572.40
Series 2020-B	54,783.27	55,536.54	56,300.17	56,985.29	57,857.84	301,360.99	322,665.72
Series 2020-C	13,851.26	14,041.72	14,234.79	14,408.02	14,628.63	76,195.36	81,582.00
Series 2020-D	225,000.00	240,000.00	240,000.00	100,000.00	260,000.00	315,000.00	140,000.00
Series 2022-A	12,988.96	13,167.56	13,348.61	13,532.16	13,718.22	71,472.92	76,523.68
Series 2022-B	10,956.44	11,120.79	11,287.60	11,456.92	11,628.77	60,813.24	65,513.13
Series 2024-A	25,000.00	25,000.00	25,000.00	25,000.00	30,000.00	165,000.00	210,000.00
Finance Leases							
Ambulance	21,717.76	-	-	-	-	-	-
Total Principal Payments	375,091.23	369,808.56	371,263.57	232,609.78	399,232.76	1,049,217.41	959,856.93
Interest							
General Obligation Bonds							
Series 2020-A	6,851.46	6,703.05	6,552.60	6,417.61	6,245.70	28,850.10	24,652.60
Series 2020-B	34,777.73	34,024.46	33,260.83	32,575.71	31,703.16	146,444.01	125,139.28
Series 2020-C	8,792.74	8,602.28	8,409.21	8,235.98	8,015.37	37,024.64	31,638.00
Series 2020-D	28,912.50	134,412.50	19,612.50	14,812.50	12,812.50	33,510.00	19,600.00
Series 2022-A	8,835.04	8,656.44	8,475.39	8,291.84	8,105.78	37,647.08	32,596.32
Series 2022-B	8,333.56	8,169.21	8,002.40	7,833.08	7,661.23	35,636.76	30,936.87
Series 2024-A	29,222.50	28,472.50	27,722.50	26,972.50	26,160.00	115,156.26	81,487.50
Finance Leases							
Ambulance	265.52	-	-	-	-	-	-
Total Interest Payments	125,991.05	229,040.44	112,035.43	105,139.22	100,703.74	434,268.85	346,050.57
Total Principal and Interest	$ 501,082.28	$ 598,849.00	$ 483,299.00	$ 337,749.00	$ 499,936.50	$ 1,483,486.26	$ 1,305,907.50

6. LONG-TERM DEBT (Continued)

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

Issue	2040-2044	2045-2049	2050-2054	2055-2059	2060-2062	Total
Principal						
General Obligation Bonds						
Series 2020-A	$ 68,056.69	$ 72,880.81	$ 78,033.29	$ 83,550.07	$ 17,365.53	$ 498,288.27
Series 2020-B	345,425.96	369,911.08	396,062.82	424,063.61	88,336.21	2,529,289.50
Series 2020-C	87,336.64	93,527.40	100,139.53	107,219.18	22,307.12	639,471.65
Series 2020-D	70,000.00	-	-	-	-	1,590,000.00
Series 2022-A	81,931.36	87,721.20	93,920.17	100,557.20	63,666.17	642,548.21
Series 2022-B	70,576.25	76,030.66	81,906.62	88,236.70	56,043.36	555,570.48
Series 2024-A	275,000.00	-	-	-	-	780,000.00
Finance Leases						
Ambulance	-	-	-	-	-	21,717.76
Total Principal Payments	998,326.90	700,071.15	750,062.43	803,626.76	247,718.39	7,256,885.87
Interest						
General Obligation Bonds						
Series 2020-A	20,168.31	15,344.19	10,191.71	4,674.93	239.43	136,891.69
Series 2020-B	102,379.04	77,893.92	51,742.18	23,741.39	1,217.95	694,899.66
Series 2020-C	25,883.36	19,692.60	13,080.47	6,000.82	307.56	175,683.03
Series 2020-D	1,400.00	-	-	-	-	265,072.50
Series 2022-A	27,188.64	26,385.95	15,199.83	8,562.80	1,758.14	191,703.25
Series 2022-B	25,873.75	20,419.34	14,543.38	8,213.30	1,687.58	177,310.46
Series 2024-A	34,897.50	-	-	-	-	370,091.26
Finance Leases						
Ambulance	-	-	-	-	-	265.52
Total Interest Payments	237,790.60	159,736.00	104,757.57	51,193.24	5,210.66	2,011,917.37
Total Principal and Interest	$ 1,236,117.50	$ 859,807.15	$ 854,820.00	$ 854,820.00	$ 252,929.05	$ 9,268,803.24

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial 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, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate (for the Death and Disability Program) and the statutory contribution rate was 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $126,591.31 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was $1,099,777.00. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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 non-employer 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 these financial statements.

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 12/31/24	ESTIMATED COMPLETION
Wastewater Improvement Project	$ 7,440,000.00	$ 6,890,831.90	Completed

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, 2024.

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

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

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

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

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

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

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

In accordance with the above criteria, the City has accrued a liability for annual leave and compensatory time, which has been earned, but not taken, by City employees. The estimated liability at December 31, 2024, was $16,964.60 for annual leave. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

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

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

10. RISK MANAGEMENT

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

11. RELATED PARTY

Main Street Auto and Tire, LLC is an auto repair and tire shop owned by a council member. During the year, the City paid $28,098.30 to Main Street Auto and Tire, LLC.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Sewer Utility	General Obligation Bond and Interest	K.S.A. 12-825d	$ 220,000.00
Water Utility	Grocery Store Utility	K.S.A. 12-825d	25,000.00
Water Utility	Employee Benefits	K.S.A. 12-825d	165,000.00

13. SUBSEQUENT EVENTS

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

SUPPLEMENTARY INFORMATION

CITY OF CANEY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2024

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 1,624,161.00	$ 201,643.26	$ 1,825,804.26	$ 1,644,846.48	$ (180,957.78)
Special Purpose Funds:					
Industrial	3,220.00	-	3,220.00	2,625.00	(595.00)
Library	75,000.00	-	75,000.00	72,892.75	(2,107.25)
Special Parks	5,000.00	-	5,000.00	6,129.23	1,129.23
Employee Benefits	460,937.00	-	460,937.00	470,810.26	9,873.26
Vehicle Identification	6,500.00	-	6,500.00	97.85	(6,402.15)
Special Highway	65,000.00	-	65,000.00	40,538.50	(24,461.50)
Tourism	30,000.00	-	30,000.00	24,558.56	(5,441.44)
Police, Fire, and Ambulance Equipment	53,000.00	20,000.00	73,000.00	57,974.92	(15,025.08)
Street Sales Tax	90,000.00	-	90,000.00	24,656.51	(65,343.49)
Bond and Interest Fund:					
General Obligation Bond and Interest	513,688.00	768,690.00	1,282,378.00	1,269,424.82	(12,953.18)
Business Funds:					
Water Utility	752,449.00	-	752,449.00	841,690.44	89,241.44
Sewer Utility	584,174.00	-	584,174.00	479,697.18	(104,476.82)
Solid Waste Utility	286,000.00	-	286,000.00	244,209.34	(41,790.66)
Grocery Store Utility	1,455,038.00	-	1,455,038.00	1,152,310.97	(302,727.03)

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 247,571.36	$ 223,049.08	$ 255,825.00	$ (32,775.92)
Delinquent Tax	29,484.88	27,397.58	14,000.00	13,397.58
Motor Vehicle Tax	31,825.36	32,239.22	29,803.00	2,436.22
Recreational Vehicle Tax	404.56	383.75	311.00	72.75
16/20M Truck Tax	174.96	95.50	144.00	(48.50)
Commercial Vehicle Tax	286.35	404.29	321.00	83.29
Watercraft Tax	69.96	91.45	118.00	(26.55)
Franchise Taxes	240,307.92	280,273.95	246,482.00	33,791.95
Local Alcoholic Liquor Tax	2,662.65	4,142.15	1,500.00	2,642.15
Compensating Use Tax	231,523.19	328,797.24	200,000.00	128,797.24
Local Sales Tax	190,447.05	200,484.13	282,000.00	(81,515.87)
Pool Sales Tax	95,252.07	100,266.97	93,888.00	6,378.97
Neighborhood Revitalization Rebate	-	-	(9,249.00)	9,249.00
Intergovernmental				
Federal Grants	26,300.00	3,825.00	-	3,825.00
State Grants	5,437.23	14,034.95	-	14,034.95
Licenses and Permits				
Licenses, Permits & Fees	4,136.75	8,044.88	3,000.00	5,044.88
Charges for Services				
Swimming Pool	21,965.95	16,752.20	25,000.00	(8,247.80)
Dog Tags	77.00	56.00	200.00	(144.00)
Accident Reports & Finger Printing	326.00	144.00	650.00	(506.00)
Cemetery Lots & Settings	7,907.00	11,534.00	15,000.00	(3,466.00)
Ambulance Fees	57,056.19	84,057.60	65,000.00	19,057.60
County Ambulance Assistance	42,933.60	57,057.20	56,500.00	557.20
Fines, Forfeitures and Penalties				
Fines	178,212.94	104,750.66	148,000.00	(43,249.34)
Use of Money and Property				
Interest Income	15,277.48	15,436.32	-	15,436.32
Other Receipts				
Insurance Premium Return	9,359.95	183,344.06	12,000.00	171,344.06
Reimbursed Expense	23,776.25	439.25	-	439.25
Miscellaneous	15,715.79	10,960.62	23,000.00	(12,039.38)
Total Receipts	1,478,492.44	1,708,062.05	$ 1,463,493.00	$ 244,569.05

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
City Administrator Department				
Personal Services	$ 120,437.97	$ 137,071.02	$ 110,600.00	$ 26,471.02
Contractual Services	173,150.44	344,330.61	296,500.00	47,830.61
Commodities	9,693.28	9,263.93	15,000.00	(5,736.07)
Capital Outlay	7,369.97	-	2,000.00	(2,000.00)
Street Department				
Personal Services	28,080.25	43,178.05	81,000.00	(37,821.95)
Contractual Services	43,756.75	40,460.32	39,000.00	1,460.32
Commodities	26,380.80	14,834.79	-	14,834.79
Parks Department				
Personal Services	4,213.48	-	20,571.00	(20,571.00)
Contractual Services	7,291.39	12,548.44	39,000.00	(26,451.56)
Commodities	36.00	366.33	-	366.33
Pool Department				
Personal Services	31,165.89	37,032.77	47,000.00	(9,967.23)
Contractual Services	3,435.51	14,968.14	5,000.00	9,968.14
Commodities	14,861.08	12,821.48	16,000.00	(3,178.52)
Police Department				
Personal Services	363,273.27	380,620.19	383,285.00	(2,664.81)
Contractual Services	89,570.53	58,513.50	63,550.00	(5,036.50)
Commodities	31,578.63	25,593.49	29,313.00	(3,719.51)
Capital Outlay	30,809.89	10,095.22	15,000.00	(4,904.78)
Dog Catcher/Pound				
Personal Services	-	12,300.00	-	12,300.00
Commodities	-	1,368.74	-	1,368.74
Municipal Court				
Personal Services	31,545.53	33,061.52	31,915.00	1,146.52
Contractual Services	23,151.53	14,970.04	18,000.00	(3,029.96)
Commodities	576.51	147.84	1,050.00	(902.16)
Fire Department				
Personal Services	14,412.22	17,423.14	25,000.00	(7,576.86)
Contractual Services	47,959.50	30,616.40	30,000.00	616.40
Commodities	4,438.33	22,119.30	20,000.00	2,119.30
Ambulance Department				
Personal Services	243,753.28	291,158.05	263,939.00	27,219.05
Contractual Services	23,052.59	27,686.88	55,000.00	(27,313.12)
Commodities	15,538.08	16,186.43	16,438.00	(251.57)

CITY OF CANEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Cemetery Department				
Personal Services	$ 5,164.57	$ 13,822.57	$ -	$ 13,822.57
Contractual Services	32,764.87	20,845.00	-	20,845.00
Commodities	-	1,442.29	-	1,442.29
Total Certified Budget			1,624,161.00	20,685.48
Adjustments for Qualifying Budget Credits			201,643.26	(201,643.26)
Total Expenditures	1,427,462.14	1,644,846.48	$ 1,825,804.26	$ (180,957.78)
Receipts Over(Under) Expenditures	51,030.30	63,215.57		
Unencumbered Cash, Beginning	520,426.12	571,456.42		
Unencumbered Cash, Ending	$ 571,456.42	$ 634,671.99		

CITY OF CANEY, KANSAS
INDUSTRIAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 3,338.54	$ 3,227.35	$ 3,700.00	$ (472.65)
Delinquent Tax	133.05	254.05	-	254.05
Motor Vehicle	345.68	435.28	4.00	431.28
Recreational Vehicle Tax	3.81	5.17	402.00	(396.83)
16/20M Vehicle Tax	-	1.29	2.00	(0.71)
Commerical Vehicle Tax	3.89	5.45	4.00	1.45
Watercraft Tax	0.95	1.23	2.00	(0.77)
Neighborhood Revitalization Rebate	-	-	(3.00)	3.00
Total Receipts	3,825.92	3,929.82	$ 4,111.00	$ (181.18)
Expenditures				
General Government				
Contractual Services	2,625.00	2,625.00	$ 3,220.00	$ (595.00)
Capital Outlay	785.00	-	-	-
Total Expenditures	3,410.00	2,625.00	$ 3,220.00	$ (595.00)
Receipts Over(Under) Expenditures	415.92	1,304.82		
Unencumbered Cash, Beginning	4,177.50	4,593.42		
Unencumbered Cash, Ending	$ 4,593.42	$ 5,898.24		

CITY OF CANEY, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 56,998.85	$ 59,272.32	$ 67,984.00	$ (8,711.68)
Delinquent Tax	5,943.76	6,059.20	-	6,059.20
Motor Vehicle Tax	6,712.41	7,339.05	6,862.00	477.05
Recreational Vehicle Tax	84.00	87.30	71.00	16.30
16/20M Truck Tax	32.55	20.74	33.00	(12.26)
Commercial Vehicle Tax	62.17	93.08	74.00	19.08
Watercraft Tax	15.19	21.06	28.00	(6.94)
Neighborhood Revitalization Rebate	-	-	(52.00)	52.00
Total Receipts	69,848.93	72,892.75	$ 75,000.00	$ (2,107.25)
Expenditures				
Culture and Recreation				
Library Board	69,848.93	72,892.75	$ 75,000.00	$ (2,107.25)
Total Expenditures	69,848.93	72,892.75	$ 75,000.00	$ (2,107.25)
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, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	$ 2,662.65	$ 4,142.15	$ 298.00	$ 3,844.15
County Alcoholic Liquor Tax	-	1,684.17	2,116.00	(431.83)
Total Receipts	2,662.65	5,826.32	$ 2,414.00	$ 3,412.32
Expenditures				
Culture and Recreation				
Contractual Services	-	1,023.27	$ 5,000.00	$ (3,976.73)
Commodities	912.80	5,105.96	-	5,105.96
Total Expenditures	912.80	6,129.23	$ 5,000.00	$ 1,129.23
Receipts Over(Under) Expenditures	1,749.85	(302.91)		
Unencumbered Cash, Beginning	8,807.69	10,557.54		
Unencumbered Cash, Ending	$ 10,557.54	$ 10,254.63		

CITY OF CANEY, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 167,218.16	$ 168,237.29	$ 192,960.00	$ (24,722.71)
Delinquent Tax	14,573.95	16,441.19	-	16,441.19
Motor Vehicle Tax	19,865.63	21,798.90	20,130.00	1,668.90
Recreational Vehicle Tax	240.74	259.49	209.00	50.49
16/20M Truck Tax	70.66	64.86	97.00	(32.14)
Commercial Vehicle Tax	194.49	273.07	516.00	(242.93)
Watercraft Tax	47.52	61.77	81.00	(19.23)
Operating Transfers from				
Water Utility Fund	100,000.00	165,000.00	165,000.00	-
Total Receipts	302,211.15	372,136.57	$ 378,993.00	$ (6,856.43)
Expenditures				
General Government				
Social Security	87,440.96	128,332.83	$ 110,000.00	$ 18,332.83
KPERS	98,943.10	130,968.55	125,000.00	5,968.55
Workers Compensation	-	3,368.25	5,937.00	(2,568.75)
Unemploment	351.89	2,816.77	10,000.00	(7,183.23)
Health Insurance	193,490.09	205,323.86	210,000.00	(4,676.14)
Total Expenditures	380,226.04	470,810.26	$ 460,937.00	$ 9,873.26
Receipts Over(Under) Expenditures	(78,014.89)	(98,673.69)		
Unencumbered Cash, Beginning	334,376.60	256,361.71		
Unencumbered Cash, Ending	$ 256,361.71	$ 157,688.02		

CITY OF CANEY, KANSAS
VEHICLE IDENTIFICATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
VIN Inspections	$ 4,000.00	$ 3,760.00	$ 4,200.00	$ (440.00)
Total Receipts	4,000.00	3,760.00	$ 4,200.00	$ (440.00)
Expenditures				
General Government				
Commodities	5,971.00	97.85	$ 6,500.00	$ (6,402.15)
Total Expenditures	5,971.00	97.85	$ 6,500.00	$ (6,402.15)
Receipts Over(Under) Expenditures	(1,971.00)	3,662.15		
Unencumbered Cash, Beginning	5,963.52	3,992.52		
Unencumbered Cash, Ending	$ 3,992.52	$ 7,654.67		

CITY OF CANEY, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	$ 47,530.81	$ 47,429.56	$ 53,250.00	$ (5,820.44)
County Gas Tax	9,152.67	9,274.43	8,440.00	834.43
Total Receipts	56,683.48	56,703.99	$ 61,690.00	$ (4,986.01)
Expenditures				
General Government				
Personal Services	22,677.99	32,750.74	$ -	$ 32,750.74
Commodities	9,484.45	7,787.76	65,000.00	(57,212.24)
Total Expenditures	32,162.44	40,538.50	$ 65,000.00	$ (24,461.50)
Receipts Over(Under) Expenditures	24,521.04	16,165.49		
Unencumbered Cash, Beginning	68,658.65	93,179.69		
Unencumbered Cash, Ending	$ 93,179.69	$ 109,345.18		

CITY OF CANEY, KANSAS
TOURISM FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
County Tourism Tax	$ 14,288.10	$ 19,847.83	$ 10,000.00	$ 9,847.83
Total Receipts	14,288.10	19,847.83	$ 10,000.00	$ 9,847.83
Expenditures				
General Government				
Contractual Services	3,765.00	19,955.88	$ 20,000.00	$ (44.12)
Capital Outlay	-	4,602.68	10,000.00	(5,397.32)
Total Expenditures	3,765.00	24,558.56	$ 30,000.00	$ (5,441.44)
Receipts Over(Under) Expenditures	10,523.10	(4,710.73)		
Unencumbered Cash, Beginning	22,281.40	32,804.50		
Unencumbered Cash, Ending	$ 32,804.50	$ 28,093.77		

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, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 26,346.63	$ 30,514.36	$ 35,000.00	$ (4,485.64)
Delinquent Tax	4,396.42	3,620.57	-	3,620.57
Motor Vehicle Tax	3,812.53	3,434.80	3,172.00	262.80
Recreational Vehicle Tax	51.21	40.88	33.00	7.88
16/20M Truck Tax	29.92	10.22	15.00	(4.78)
Commercial Vehicle Tax	30.64	43.03	34.00	9.03
Watercraft Tax	7.49	9.74	13.00	(3.26)
Neighborhood Revitalization Rebate	-	-	(28.00)	28.00
Other Receipts				
Miscellaneous	-	23.75	-	23.75
Reimbursed Expense	-	20,000.00	-	20,000.00
Total Receipts	34,674.84	57,697.35	$ 38,239.00	$ 19,458.35
Expenditures				
General Government				
Contractual Service	-	25,000.00	$ 53,000.00	$ (28,000.00)
Capital Outlay	16,865.21	-	-	-
Debt Service				
Finance Lease	30,202.01	32,974.92	-	32,974.92
Total Certified Budget			53,000.00	4,974.92
Adjustments for Qualifying Budget Credits			20,000.00	(20,000.00)
Total Expenditures	47,067.22	57,974.92	$ 73,000.00	$ (15,025.08)
Receipts Over(Under) Expenditures	(12,392.38)	(277.57)		
Unencumbered Cash, Beginning	39,384.90	26,992.52		
Unencumbered Cash, Ending	$ 26,992.52	$ 26,714.95		

CITY OF CANEY, KANSAS
STREET SALES TAX FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	$ 95,252.09	$ 100,266.96	$ 75,000.00	$ 25,266.96
Total Receipts	95,252.09	100,266.96	$ 75,000.00	$ 25,266.96
Expenditures				
General Government				
Contractual Services	3,707.50	10,676.47	$ 90,000.00	$ (79,323.53)
Commodities	1,351.50	13,980.04	-	13,980.04
Total Expenditures	5,059.00	24,656.51	$ 90,000.00	$ (65,343.49)
Receipts Over(Under) Expenditures	90,193.09	75,610.45		
Unencumbered Cash, Beginning	154,537.99	244,731.08		
Unencumbered Cash, Ending	$ 244,731.08	$ 320,341.53		

CITY OF CANEY, KANSAS
GRANT PROJECTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 2,162.90	$ 334,277.05
State Grants	4,409.14	-
Local Grants	43,051.42	5,835.72
Total Receipts	49,623.46	340,112.77
Expenditures		
General Government		
Contractual Services	158,801.05	600,952.44
Commodities	18,750.00	1,581.88
Capital Outlay	23,700.56	-
Total Expenditures	201,251.61	602,534.32
Receipts Over(Under) Expenditures	(151,628.15)	(262,421.55)
Unencumbered Cash, Beginning	564,998.77	413,370.62
Unencumbered Cash, Ending	$ 413,370.62	$ 150,949.07

CITY OF CANEY, KANSAS
EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Assets	$ 34,419.67	$ 11,587.30
Other Receipts		
Miscellaneous	68,462.91	-
Total Receipts	102,882.58	11,587.30
Expenditures		
General Government		
Capital Outlay	18,151.74	57,383.31
Total Expenditures	18,151.74	57,383.31
Receipts Over(Under) Expenditures	84,730.84	(45,796.01)
Unencumbered Cash, Beginning	-	84,730.84
Unencumbered Cash, Ending	$ 84,730.84	$ 38,934.83

CITY OF CANEY, KANSAS
WASTEWATER IMPROVEMENT PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 42,440.00	$ -
Total Receipts	42,440.00	-
Expenditures		
Capital Improvements		
Commodities	1,210.00	-
Total Expenditures	1,210.00	-
Receipts Over(Under) Expenditures	41,230.00	-
Unencumbered Cash, Beginning	(18,380.73)	22,849.27
Unencumbered Cash, Ending	$ 22,849.27	$ 22,849.27

CITY OF CANEY, KANSAS
CAPITAL PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ -	$ -
Total Receipts	-	-
Expenditures		
Capital Improvements		
Capital Outlay	-	5.00
Total Expenditures	-	5.00
Receipts Over(Under) Expenditures	-	(5.00)
Unencumbered Cash, Beginning	5.00	5.00
Unencumbered Cash, Ending	$ 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, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	$ 190,447.04	$ 200,484.11	$ 180,000.00	$ 20,484.11
Use of Money and Property				
Bond Proceeds	-	768,690.00	-	768,690.00
Operating Transfers from:				
Water Utility Fund	50,000.00	-	-	-
Sewer Utility Fund	170,000.00	220,000.00	220,000.00	-
Total Receipts	410,447.04	1,189,174.11	$ 400,000.00	$ 789,174.11
Expenditures				
Debt Service				
Principal	390,563.92	1,131,818.88	$ 508,688.00	$ 623,130.88
Interest	112,947.58	124,726.94	5,000.00	119,726.94
Cost of Issuance	-	12,879.00	-	12,879.00
Total Certified Budget			513,688.00	755,736.82
Adjustments for Qualifying Budget Credits			768,690.00	(768,690.00)
Total Expenditures	503,511.50	1,269,424.82	$ 1,282,378.00	$ (12,953.18)
Receipts Over(Under) Expenditures	(93,064.46)	(80,250.71)		
Unencumbered Cash, Beginning	431,219.85	338,155.39		
Unencumbered Cash, Ending	$ 338,155.39	$ 257,904.68		

CITY OF CANEY, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Charges	$ 673,433.50	$ 698,864.35	$ 749,669.00	$ (50,804.65)
Connection Fee	8,450.00	7,504.54	-	7,504.54
Bulk Water	32.00	5,517.50	-	5,517.50
Other Receipts				
Miscellaneous	80.59	73.36	-	73.36
Total Receipts	681,996.09	711,959.75	$ 749,669.00	$ (37,709.25)
Expenditures				
Administration, Production, and Distribution				
Personal Services	203,359.69	226,986.02	$ 233,000.00	$ (6,013.98)
Contractual Services	239,584.91	266,513.29	185,449.00	81,064.29
Commodities	144,742.90	147,569.57	159,000.00	(11,430.43)
Capital Outlay	56,130.00	10,621.56	10,000.00	621.56
Operating Transfers to:				
Employee Benefits Fund	100,000.00	165,000.00	165,000.00	-
General Obligation Bond and Interest Fund	50,000.00	-	-	-
Grocery Store Utility Fund	70,000.00	25,000.00	-	25,000.00
Total Expenditures	863,817.50	841,690.44	$ 752,449.00	$ 89,241.44
Receipts Over(Under) Expenditures	(181,821.41)	(129,730.69)		
Unencumbered Cash, Beginning	329,685.77	147,864.36		
Unencumbered Cash, Ending	$ 147,864.36	$ 18,133.67		

CITY OF CANEY, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	$ 534,171.30	$ 532,506.57	$ 580,000.00	$ (47,493.43)
Total Receipts	534,171.30	532,506.57	$ 580,000.00	$ (47,493.43)
Expenditures				
Collection and Treatment				
Personal Services	144,851.06	138,772.88	$ 167,000.00	$ (28,227.12)
Contractual Services	78,572.80	88,014.18	161,154.00	(73,139.82)
Commodities	11,690.09	1,940.37	8,200.00	(6,259.63)
Capital Outlay	38,982.12	26,349.07	22,000.00	4,349.07
Debt Service				
Finance Lease	5,819.07	4,620.68	5,820.00	(1,199.32)
Operating Transfers to				
General Obligation				
Bond and Interest Fund	170,000.00	220,000.00	220,000.00	-
Total Expenditures	449,915.14	479,697.18	$ 584,174.00	$ (104,476.82)
Receipts Over(Under) Expenditures	84,256.16	52,809.39		
Unencumbered Cash, Beginning	86,358.61	170,614.77		
Unencumbered Cash, Ending	$ 170,614.77	$ 223,424.16		

CITY OF CANEY, KANSAS
SEWER TREATMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Wastewater Charges	$ 7,602.02	$ 7,509.93
Total Receipts	7,602.02	7,509.93
Expenditures		
General Government		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	7,602.02	7,509.93
Unencumbered Cash, Beginning	32,189.41	39,791.43
Unencumbered Cash, Ending	$ 39,791.43	$ 47,301.36

CITY OF CANEY, KANSAS
SOLID WASTE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Collections	$ 269,620.50	$ 239,365.00	$ 280,000.00	$ (40,635.00)
Total Receipts	269,620.50	239,365.00	$ 280,000.00	$ (40,635.00)
Expenditures				
Generation and Distribution				
Personal Services	22,459.62	14,474.41	$ 35,000.00	$ (20,525.59)
Contractual Services	231,630.72	228,988.81	246,000.00	(17,011.19)
Commodities	11,322.28	746.12	5,000.00	(4,253.88)
Total Expenditures	265,412.62	244,209.34	$ 286,000.00	$ (41,790.66)
Receipts Over(Under) Expenditures	4,207.88	(4,844.34)		
Unencumbered Cash, Beginning	96,647.68	100,855.56		
Unencumbered Cash, Ending	$ 100,855.56	$ 96,011.22		

CITY OF CANEY, KANSAS
GROCERY STORE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Retail Sales	$ 1,259,886.43	$ 1,122,288.34	$ 1,440,000.00	$ (317,711.66)
Other Receipts				
Miscellaneous	(2,047.97)	477.14	-	477.14
Operating Transfers from				
Water Utility Fund	70,000.00	25,000.00	50,000.00	(25,000.00)
Total Receipts	1,327,838.46	1,147,765.48	$ 1,490,000.00	$ (342,234.52)
Expenditures				
General Government				
Personal Services	198,060.79	147,392.28	$ 220,000.00	$ (72,607.72)
Contractual Services	102,102.77	95,316.20	75,000.00	20,316.20
Commodities	1,027,015.09	909,602.49	1,160,038.00	(250,435.51)
Total Expenditures	1,327,178.65	1,152,310.97	$ 1,455,038.00	$ (302,727.03)
Receipts Over(Under) Expenditures	659.81	(4,545.49)		
Unencumbered Cash, Beginning	5,532.72	6,192.53		
Unencumbered Cash, Ending	$ 6,192.53	$ 1,647.04		

CITY OF CANEY, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Special Law Enforcement	$ 2,138.24	$ -	$ -	$ 2,138.24
Land Bank	-	12,500.00	-	12,500.00
	$ 2,138.24	$ 12,500.00	$ -	$ 14,638.24

Jarred Gilmore Phillips

Honorable Mayor and City Council
City of Caney, Kansas

In planning and performing our audit of the financial statement of the City of Caney, Kansas as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Caney, Kansas' system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Caney, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Caney, Kansas' internal control.

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

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

Preparation of Financial Statement

Accounting standards require that City management be responsible for the financial statements and have enough understanding to recognize if something is incorrect or missing. This includes being able to tell if information in the statements or footnotes is misstated or if a required disclosure has been left out. At this time, City staff do not have the training or experience needed to prepare the full financial statements and related footnotes without outside help. Because of this, there is a risk that errors or missing information in the financial statements could go unnoticed. This situation is considered a material weakness in internal control over financial reporting.

While this is common for smaller cities, it's important for management and the City Council to be aware of the situation and continue to review and understand the City's financial reports. The City should also stay informed about any changes to financial reporting requirements.

Segregation of Duties

An effective internal control structure consists of the policies and procedures established to ensure the City's financial transactions are properly recorded, processed, summarized, and reported in the financial statements. A weakness in this structure exists when one individual is responsible for multiple accounting functions, such as billing, receipting cash, making deposits, reconciling bank accounts, and maintaining access to all financial records. Due to the City's limited staff size, an adequate segregation of duties is not always feasible. This lack of segregation increases the risk that errors or irregularities could occur and not be detected in a timely manner. We recommend the City Council remain diligent in its oversight of financial activities by thoroughly reviewing financial reports, reconciliations, and supporting documentation provided by staff. Where possible, key review functions should be assigned to someone independent of daily processing duties to strengthen internal controls.

Bank Reconciliations

During our fieldwork, it was noted that bank statements were not properly reconciled to the corresponding general ledger accounts. Failure to perform timely and accurate monthly bank reconciliations increases the risk that errors, irregularities, or other issues may go undetected and uncorrected. This deficiency in the design and operation of internal controls could adversely affect the accuracy and reliability of the City's financial reporting if actual bank balances are not reconciled to the general ledger balances at the end of each month. Accordingly, this is considered a material weakness in internal control. We recommend the City ensure that complete and accurate bank reconciliations are prepared and reviewed on a monthly basis. Timely reconciliation of all bank accounts is a critical control for maintaining accurate financial records and safeguarding cash assets.

Calculation of Utility Bills

During our audit, it was discovered that the base fee on water for a group of outside city limit customers was overbilled from May 2023 through the end of the year. In addition, it was discovered that sewer rates for the fiscal year had not been adjusted based on the ordinance. The City should review bills for accuracy when utility rate changes occur and annual sewer rates should be adjusted to ensure that citizens are being charged based on the ordinances. These controls will help ensure customers are billed accurately and consistently with established rates.

Publication of Financial Statements

K.S.A. 12-1608 requires that second-class cities publish their quarterly financial statements within 30 days after the end of each quarter (March, June, September, and December). The City did not publish its quarterly financial statements within the 30-day timeframe required by statute. We recommend the City implement procedures to ensure quarterly financial statements are prepared and published in a timely manner, in compliance with K.S.A. 12-1608. This may include establishing a calendar of reporting deadlines, assigning responsibility for publication, and reviewing compliance each quarter.

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

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
October 29, 2025