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City of Hutchinson, Kansas

Annual Financial Report

For the Year Ended December 31, 2017

Submitted By:

Finance Department

City of Hutchinson, Kansas

City of Hutchinson, Kansas
Annual Financial Report
For the Year Ended December 31, 2017
Table of Contents

Independent Auditors' Report	1
Financial Statement	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash	4
Notes to the Financial Statement	5
Supplementary Information	
Schedule 1	
Summary of Expenditures - (Actual and Budget) Regulatory Basis	17
Schedule 2	
Schedule of Receipts and Expenditures - Regulatory Basis	
2-A General Fund	18
Special Purpose Funds (Budgeted and Nonbudgeted) Regulatory Basis	
2-B Special Street Fund	26
2-C Special Parks and Recreation Fund	27
2-D Special Alcohol Programs Fund	28
2-E Economic Opportunity Fund	29
2-F Convention and Tourism Promotion Fund	30
2-G Fun Valley Fund	31
2-H Recreation Commission Fund	32
2-I Animal Shelter Fund	33
2-J Tax Incremental Financing Fund	34
2-K Community Improvement District Fund	35
2-L E 911 Surcharge Fund	36
2-M Federal and State Grants Fund	37
2-N Planning Projects Fund	39
2-O Gossage Animal Shelter Trust Fund	40
2-P Municipal Equipment Reserve Fund	41
Bond and Interest Funds	
2-Q Bond and Interest	42
2-R Sports Arena Sales Tax Fund	43
Capital Projects Fund	
2-S Special Assessments Fund	44

City of Hutchinson, Kansas
Annual Financial Report
For the Year Ended December 31, 2017
Table of Contents - (continued)

2-T	Capital Improvement Fund	45
2-U	Capital Improvement Reserve Fund	46
	Business Funds	
2-V	Refuse Fund	47
2-W	Golf Course Fund	48
2-X	Airport Fund	49
2-Y	Water Utility Fund	50
2-Z	Sewer Utility Fund	51
2-AA	Storm Water Utility Fund	52
2-AB	Health and Dental Insurance Fund	53
2-AC	Risk Management Fund	54
2-AD	Worker's Compensation Fund	55
2-AE	Central Purchasing Fund	56
2-AF	Hutchinson Community Foundation Funds	57
2-AG	Donation Fund	58
Schedule 3		
	Agency Funds	59
Report Required by Government Accountability Office		
	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	60
Single Audit Selection		
	Independent Auditors' Report on Compliance for Each Major Program and on the Internal Control Over Compliance required by Uniform Guidance	62
	Schedule of Expenditures of Federal Awards	64
	Notes to Schedule of Expenditures of Federal Awards	65
	Schedule of Findings and Questioned Costs	66
	Summary Schedule of Prior Audit Findings	68

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Council
City of Hutchinson, Kansas

Report on the Financial Statements

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash, of City of Hutchinson, Kansas (the City), as of and for the year ended December 31, 2017, 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 the financial statement in accordance with the regulatory basis reporting provisions permitted in the Kansas Municipal Audit and Accounting Guide (KMAAG), as described in Note 1, to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for preparing the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's 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 KMAAG. Those standards require that 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 the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 the accounting policies used and the reasonableness of significant 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 reasonable 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 on the basis of the financial reporting provisions permitted in KMAAG, 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 matters 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 accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2017, or the respective changes in financial position or where applicable, its changes in cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions permitted in KMAAG described in Note 1.

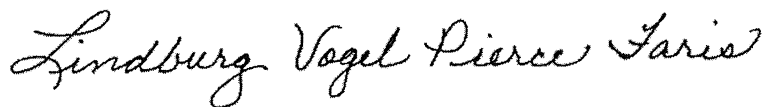
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2017 fund summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis - actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis - actual and budget, and the agency funds schedule of receipts and disbursements – regulatory basis (Schedules 1 through 3, as listed in the table of contents) are presented for additional analysis and are not a required part of the 2017 basic financial statement; however, they are required to be presented under the provisions in KMAAG. The accompanying 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 financial statement of the City. Such 2017 information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 information has been subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 comparative information is fairly stated, in all material respects, in relation to the 2017 basic financial statement as a whole, based on accounting described in Note 1.

The 2016 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and are not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated May 19, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the Kansas Department of Administration website at the link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2016 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 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 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 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, based on 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 June 28, 2018, on our consideration of the City's 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 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's internal control over financial reporting and compliance.



Certified Public Accountants

Hutchinson, Kansas
June 28, 2018

City of Hutchinson
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General	\$ 5,935,706	\$ -	\$ 33,606,762	\$ 35,399,023	\$ 4,143,445	\$ 692,714	\$ 4,836,159
Special Purpose Funds							
Special Street	-	-	2,440,679	2,440,679	-	16,939	16,939
Special Parks & Recreation	-	-	202,356	202,356	-	901	901
Special Alcohol Programs	26,900	-	97,242	103,800	20,342	-	20,342
Economic Opportunity Fund	-	-	150,000	-	150,000	-	150,000
Convention & Tourism Promotion	-	-	733,280	733,280	-	-	-
Fun Valley	-	-	322,529	322,529	-	7,964	7,964
Recreation Commission	-	-	1,246,152	1,246,152	-	2,174	2,174
Animal Shelter	-	-	427,385	427,314	71	7,748	7,819
Tax Incremental Financing	741,270	-	-	741,270	-	6,463	6,463
Community Improvement District	-	-	481,823	481,823	-	-	-
E 911 Surcharge	877,871	-	362,736	334,800	905,807	9,471	915,279
Federal and State Grants	289,412	-	405,276	451,083	243,605	9,577	253,182
Planning Projects	54,902	-	80,848	37,122	98,628	32	98,660
Gossage Animal Shelter Trust	-	-	58,424	58,424	-	-	-
Municipal Equipment Reserve	1,039,875	-	3,308,954	2,761,089	1,587,739	786,619	2,374,358
Bond and Interest Funds							
Bond and Interest	542,763	-	9,394,404	9,562,296	374,872	190	375,061
Sports Arena Sales Tax Fund	1,574,359	-	3,018,984	3,026,525	1,566,818	-	1,566,818
Capital Projects Funds							
Special Assessments	266,439	-	485,509	751,948	-	27	27
Capital Improvement	12,401,101	-	23,017,437	17,945,134	17,473,404	1,561,368	19,034,772
Capital Improvement Reserve	11,821,522	-	2,059,580	13,881,102	-	-	-
Business Funds							
Refuse Collection	236,050	-	2,317,391	2,288,215	265,227	167,768	432,995
Golf Course	-	-	874,504	874,505	(0)	6,977	6,976
Airport	-	-	607,728	607,728	-	13,687	13,687
Water Utility	4,272,246	-	7,443,759	7,403,865	4,312,140	303,199	4,615,339
Sewer Utility	3,679,572	-	5,762,640	6,285,077	3,157,135	70,792	3,227,927
Storm Water Utility	1,383,898	-	2,185,679	1,170,571	2,399,006	7,683	2,406,689
Health & Dental Insurance	3,352,901	-	4,265,979	4,333,880	3,285,000	2,892	3,287,892
Risk Management	2,082,298	-	892,565	749,327	2,225,536	11,827	2,237,363
Worker's Compensation	1,341,324	-	584,973	484,998	1,441,299	-	1,441,299
Central Purchasing	93,607	-	151,265	119,994	124,878	480	125,358
Trust Funds							
Hutchinson Community Foundation	91,915	-	17,011	15,564	93,363	-	93,363
Donations	462,865	-	93,484	217,245	339,104	5,134	344,238
Total Reporting Entity (Excluding Agency Funds)	\$ 52,568,797	\$ -	\$ 107,097,340	\$ 115,458,718	\$ 44,207,419	\$ 3,692,625	\$ 47,900,044
Composition of Cash					Checking Account		\$ 29,369,617
					Petty Cash		6,017
					Municipal Investment Pool		1,995,686
					Certificates of Deposit		16,509,618
					Hutchinson Community Foundation		93,363
					Total Cash		47,974,301
					Agency Funds per Schedule 3		(74,256)
					Total Reporting Entity (Excluding Agency Funds)		\$ 47,900,044

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

CITY OF HUTCHINSON, KANSAS
NOTES TO THE FINANCIAL STATEMENT
December 31, 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Hutchinson (The City) is a municipal corporation incorporated under the laws of the State of Kansas and governed by an elected five-member council. This financial statement does not include the Hutchinson Recreation Commission as a related municipal entity. A related municipal entity is an entity established to benefit the City and/or its constituents.

Hutchinson Recreation Commission

The City of Hutchinson Recreation Commission oversees recreation activities. The recreation commission operates as a separate governing body but the City levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

Fund Accounting

The accounts of the City are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Kansas Regulatory Basis of Accounting Fund Definitions

The following types of funds were utilized in recording the financial activities of the City for the year of 2017:

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds - to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds - to account for the accumulation of resources for and the payment of interest and principal on general long-term debt.

Capital Projects Funds - to account for debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business Funds – funds financed in whole or in part by fees charged to users of the goods and services.

Trust Funds – to report assets held in trust for the benefit of the City.

Agency Funds – to account for assets held by a governmental unit as an agent for individuals, private organizations, other governmental units, and/or other funds.

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United State of America

The regulatory basis of accounting as prescribed in the Kansas Municipal Audit and Accounting Guide (KMAAG) 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 reporting the changes in unencumbered cash and investments of a fund resulting from the regulatory basis revenues 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 City 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.

Use of Estimates

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Reimbursements

The City records reimbursable expenditures (or expense) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (expenses) are properly offset by the reimbursements.

Restricted Assets

As a part of the revolving loan agreements with the Kansas Department of Health and Environment (KDHE), the City is required to set funds aside for the future closure of water wells. The City also has restricted cash balances relating to customer utility deposits.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

Operating and Reserve Transfers between Funds

Transfers of monies between budgeted City funds are presented as Operating Transfers. Transfers of monies between an unbudgeted fund and any other City fund are presented as Reserve Transfers.

NOTE 2—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 funds, and business funds. Although discretionary rather than mandatory, the statutes provide for the following sequence and 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. Amended budgets were prepared for the Tax Incremental Financing Fund, Fun Valley Fund, and Hutchinson Recreational Fund for the year December 31, 2017.

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

All legal 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.

Risk Management
Worker's Compensation
Health and Dental Insurance
Municipal Equipment Reserve
Federal and State Grant
Gossage Animal Shelter Trust
Central Purchasing

The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the County Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

Taxes levied to finance the budget are made available to the City after January 1 and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is accounted for individually. The City's cash and investment pool contains both restricted and unrestricted funds. The City has restricted cash and investment balances as follows:

As of December 31, 2017, the City had the following investments:

Investment Type	Fair Value	S&P Rating
Kansas Municipal Investment Pool	\$ 1,995,686	Not Rated
Hutchinson Community Foundation Investment Pool	93,363	Not Rated
	\$ 2,089,049	

At December 31, 2017, the City had invested \$1,995,686 in the Kansas Municipal Investment Pool (KMIP). KMIP is under the oversight of the pooled money investment board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the United States government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

At December 31, 2017 the City also had \$93,363 in investments being held by the Hutchinson Community Foundation (HCF) investment pool.

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 or branch bank in the county in which the City is located and the banks 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 certificate of deposits with allowable financial institutions; United States 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. The rating of the City's investments is noted above.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. State statutes place no limit on the amount the City can invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the KMIP are diversified according to policies of the investment pool.

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, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$45,879,235 and the bank balance was \$46,772,983. The bank balance was held by five banks. Of the bank balance, \$19,732,829 was covered by Federal Depository Insurance Corporation (FDIC): of this amount, \$18,229,779 of the FDIC coverage was through pass-through deposit placement agreements such as the Certificate of Deposit Account Registry Service and brokered certificates of deposit. The remaining \$27,040,154 was collateralized by pledged securities and irrevocable letters of credit by the pledging financial institutions' agent in the City's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 4—CAPITAL PROJECTS

At December 31, 2017, capital projects authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

CITY IMPROVEMENT	AUTHORIZED PROJECTS	EXPENDITURES
Downtown Streetscape Phase IV	\$ 685,000	\$ 626,424
K61 G to Hwy 50 LED Streetlight	106,241	34,662
Severance Inter US 50	100,000	13,723
Stormwater Master Plan	350,000	225,694
Water Main Replace - Various	825,139	515,401
Well #9 Pipeline Project	296,225	23,266
WWTP Boiler/Heat Exchanger Project	1,700,000	1,034,615
Maple Storm Sewer Replace	900,000	2,161
Sherman/Walnut Parking Lot	130,000	118,332
Main Street 6th to 16th	2,800,000	571,173
Transportation Alt Grant - Trail State Fair	569,125	33,247
Geometric Improvement (4th and K61)	76,000	50,715
2017 Arterial Street Maintenance	1,715,000	1,383,339
Orchard Park	883,392	502,659
Hobart Detter Locker & Shed	262,998	36,135
Fun Valley Improvements	400,000	3,967
River Otter Exhibit	316,919	25,964
Airport Runway/ 17/35	4,077,095	2,801,204
Runway 4/22 Sealcoat	382,949	342,133
T Hanger and Hanger 3 Roof	77,000	36,335
Zoo Educational Building	25,000	5,485
Hobart Detter Light Replacement	360,000	3,609
Pocket Park 13 E 1st	250,000	5,680
Emergency Warning Siren	107,000	147,717
LEC Renovation	14,850	14,850
Fire CTC Parking Lot/Access	100,000	88,705
Fire Station #4 Aux Power Generator	85,000	38,603
	<u>\$ 17,594,934</u>	<u>\$ 8,685,797</u>

NOTE 5 – LONG TERM DEBT

Changes in long-term debt of the City for the year ended December 31, 2017 were as follows:

	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Refunding	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds										
2007C	3.55 - 4.50%	11/15/07	3,005,000	10/01/27	\$ 1,490,000	-	1,285,000	205,000	\$ -	\$ 66,792
2008A	3.15 - 4.35%	08/15/08	2,590,000	10/01/28	850,000	-	585,000	265,000	-	36,828
2009A Refunding	2.00 - 3.95%	04/01/09	2,860,000	10/01/22	1,535,000	-	1,135,000	400,000	-	60,723
2009B	2.00 - 4.40%	06/01/09	1,320,000	10/01/29	490,000	-	360,000	130,000	-	18,615
2010A	2.00 - 4.00%	06/01/10	3,782,476	10/01/30	2,075,000	-	-	335,000	1,740,000	66,663
2011A	0.80 - 3.00%	06/01/11	1,420,000	10/01/22	915,000	-	-	140,000	775,000	24,748
2011B Refunding	0.50 - 2.20%	11/15/11	1,170,000	10/01/21	610,000	-	-	115,000	495,000	11,530
2012A	2.00 - 3.00%	05/15/12	1,890,000	10/01/32	1,395,000	-	-	165,000	1,230,000	29,550
2012B Refunding	1.50 - 2.00%	10/23/12	6,270,000	10/01/28	4,730,000	-	-	400,000	4,330,000	85,225
2013A	1.55 - 2.90%	05/31/13	4,585,000	10/01/33	3,905,000	-	-	300,000	3,605,000	81,865
2013B Refunding	2.00 - 3.20%	09/24/13	2,955,000	10/01/23	1,945,000	-	-	285,000	1,660,000	46,200
2013C Refunding	2.00 - 3.20%	09/24/13	2,530,000	10/01/22	2,065,000	-	-	400,000	1,665,000	58,250
2014A Refunding	2.00 - 2.35%	04/30/14	3,875,000	10/01/24	2,905,000	-	-	430,000	2,475,000	59,635
2014B	2.50 - 4.50%	04/30/14	2,545,000	10/01/34	2,410,000	-	-	95,000	2,315,000	95,318
2014C	2.00 - 3.38%	09/22/14	1,710,000	10/01/34	970,000	-	-	185,000	785,000	23,138
2015A	2.00 - 4.00%	08/31/15	7,530,000	10/01/35	6,980,000	-	-	555,000	6,425,000	177,105
2015B	2.00 - 2.50%	12/07/15	4,915,000	10/01/25	4,680,000	-	-	230,000	4,450,000	107,150
2016A	2.00 - 4.00%	02/17/16	24,985,000	10/01/25	22,945,000	-	-	2,210,000	20,735,000	755,400
2016B	2.00 - 4.00%	06/07/16	3,970,000	10/01/23	3,970,000	-	-	295,000	3,675,000	173,405
2016C	1.50 - 2.00%	10/13/16	2,165,000	10/01/26	2,165,000	-	-	25,000	2,140,000	39,561
2017A	2.00 - 3.20%	11/28/17	6,265,000	10/01/37	-	6,265,000	-	-	6,265,000	-
					<u>69,030,000</u>	<u>6,265,000</u>	<u>3,365,000</u>	<u>7,165,000</u>	<u>64,765,000</u>	<u>2,017,698</u>
Temporary Notes										
2016-A	0.50%	12/19/16	550,000	12/01/17	550,000	-	-	550,000	-	275
Loan - Kansas Department of Health and Environment (KDHE)										
Kansas Water Pollution Control #1780										
	2.470%	03/08/10	3,068,553	03/01/31	2,385,734	-	-	136,237	2,249,497	63,972
Kansas Water Pollution Control #1666										
	2.650%	10/27/05	10,000,000	03/01/28	6,379,629	-	-	481,314	5,898,315	165,892
					<u>8,765,363</u>	<u>-</u>	<u>-</u>	<u>617,551</u>	<u>8,147,812</u>	<u>229,864</u>
Capital Leases										
Pumper Fire Truck	2.00%	11/15/14	371,216	11/15/20	252,354	-	-	61,228	191,126	5,047
Emergency Radios	4.56%	01/01/12	135,572	09/01/21	75,311	-	-	13,750	61,562	3,434
911 Equipment Refinan	2.50%	01/12/16	443,905	01/12/24	443,905	-	-	50,788	393,117	11,128
Pitney Bowes S1000	6.08%	11/21/13	27,299	12/31/18	6,574	-	-	6,574	-	251
Pumper Fire Truck		10/22/16	472,554	09/22/22	453,830	-	-	75,713	378,117	7,274
					<u>1,231,974</u>	<u>-</u>	<u>-</u>	<u>208,053</u>	<u>1,023,922</u>	<u>27,134</u>
Total Bonded Indebtedness					<u>\$ 79,577,337</u>	<u>6,265,000</u>	<u>3,365,000</u>	<u>8,540,604</u>	<u>\$ 73,936,734</u>	<u>\$ 2,274,971</u>

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

	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	Total
Principal									
General Obligation									
Bonds	\$ 7,545,000	\$ 7,475,000	\$ 7,380,000	\$ 7,255,000	\$ 7,135,000	\$ 23,585,000	\$ 3,135,000	\$ 1,255,000	\$ 64,765,000
Loan - KDHE	634,121	651,136	668,607	686,548	704,969	3,818,946	983,485	-	8,147,812
Capital Leases	205,955	210,509	215,170	153,661	119,288	119,339	-	-	1,023,922
Total Principal	8,385,076	8,336,645	8,263,777	8,095,209	7,959,257	27,523,285	4,118,485	1,255,000	73,936,734
Interest									
General Obligation									
Bonds	1,787,427	1,591,646	1,368,266	1,146,016	924,568	2,066,023	547,878	82,519	9,514,343
Loan - KDHE	213,294	196,279	178,808	160,867	142,446	418,129	40,848	-	1,350,671
Capital Leases	22,407	17,853	13,192	7,676	4,868	4,494	-	-	70,490
Total Interest	2,023,128	1,805,778	1,560,266	1,314,559	1,071,882	2,488,646	588,726	82,519	10,935,504
Total Principal and Interest	\$ 10,408,204	\$ 10,142,423	\$ 9,824,043	\$ 9,409,768	\$ 9,031,139	\$ 30,011,931	\$ 4,707,211	\$ 1,337,519	\$ 84,872,238

Other Loans

On June 26, 2015, the City entered into a loan agreement for the purchase of a fire pumper truck for the amount of \$574,402. The loan is for a term of 6 years with an interest rate of 1.9% and annual payments totaling \$101,457. The loan has been included in accounts payable for the Municipal Equipment Reserve Fund. The balance of the loan as of December 31, 2017 was \$342,769.

Operating Lease

On December 27, 2017, the City entered into a loan agreement for the operating lease of a fire ladder truck for the amount of \$1,172,074. The loan is for a term of 10 years with an interest rate of 3.24% and annual payments totaling \$122,066. There is a final balloon payment of \$305,545 due January 27, 2028, if the City decides to purchase the truck at the end of the lease.

Conduit Debt Obligation

From time to time, the City has issued Industrial Revenue Bonds, Single Family Revenue Bonds, Multi-Family Revenue Bonds, and Sales Tax Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. The bonds are not reported as liabilities in the accompanying financial statement.

As of December 31, 2017, there were 7 series of Industrial Revenue Bonds outstanding, 1 series of Multi-Family Revenue Bonds outstanding, and 6 Health Care Facilities Refunding Revenue Bonds outstanding. The aggregate principal payable could not be determined; however, aggregate original issue amounts payable totaled \$294,862,000.

Kansas Water Pollution Control Revolving Loan Agreements

The City entered into various loan agreements with the Kansas Department of Health and Environment (KDHE) for funding of various water pollution control and water supply improvements to the sewage treatment plant and system fund and waterworks fund. Terms of the agreements, require the City to collect such rates, fees, and charges for the use and services furnished by or through the City's wastewater treatment system and water supply system to pay the cost of the operation and maintenance of such systems, pay the principal and interest on the notes as due under these agreements, and pay all other amounts due at any time under these agreements. These loans shall be general obligations of the City payable as both principal and interest from ad valorem taxes which may be levied without limitations as to rate or amount.

NOTE 6—INTERFUND TRANSFERS

Interfund transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	Special Street Fund	12-1,119	\$ 1,117,711
General Fund	Golf Course	12-101a	303,068
General Fund	Special Parks Fund	12-101a	105,114
General Fund	Fun Valley Fund	12-101a	321,539
General Fund	Animal Shelter Fund	12-101a	305,440
General Fund	Airport Fund	3-1121	386,945
General Fund	Bond & Interest Fund	10-113	100,000
General Fund	Economic Opportunity Fund		150,000
General Fund	Municipal Equipment Repl.	12-1,117	1,614,957
General Fund	Capital Improvement Reserve	12-1,118	732,730
General Fund	Capital Improve	12-1,118	1,522,670
General Fund	Planning Projects		53,000
Grants Fund	Planning Projects		2,343
Planning Projects	Grants Fund		601
Special Street Fund	Capital Improvement	12-1,118	311,000
Special Street Fund	Capital Improvement Reserve	12-1,118	300,000
Special Street Fund	Municipal Equipment Repl.	12-1,117	429,400
Special Alcohol Fund	General Fund	12-101a	30,900
Convention and Tourism	Capital Improvement	12-1,118	178,988
Convention and Tourism	Capital Improvement Reserve	12-1,118	135,275
Fun Valley	Municipal Equipment Repl.	12-1,117	12,750
Tax Incremental Financing	Water Fund	Close	674,104
Gossage Trust	Bond & Interest Fund	12-825d	58,424
Special Assessments	Bond & Interest Fund	12-825d	5,526
Golf Course	Municipal Equipment Repl.	12-1,117	56,300
Airport	Municipal Equipment Repl.	12-1,117	136,000
Water Utility Fund	Bond & Interest Fund	12-825d	485,225
Water Utility Fund	Capital Improvement	12-1,118	463,500
Water Utility Fund	Capital Improvement Reserve	12-1,118	463,500
Water Utility Fund	Municipal Equipment Repl.	12-1,117	198,000
Sewer Utility Fund	Bond & Interest Fund	12-825d	616,165
Sewer Utility Fund	Capital Improvement	12-1,118	256,000
Sewer Utility Fund	Capital Improvement Reserve	12-1,118	256,000
Sewer Utility Fund	Municipal Equipment Repl.	12-1,117	458,000
Storm Water	Bond & Interest Fund	12-825d	43,054
Storm Water	Capital Improvement	12-1,118	722,640
Storm Water	Capital Improvement Reserve	12-1,118	100,000
Capital Improvement	Bond & Interest Fund		2,567
Capital Improvement Reserve	Capital Improvement	12-1,118	12,890,865

NOTE 7—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; employee's health and life; and natural disasters. The City manages these various risks of loss as follows:

General Liability

Insured through commercial insurance policy with a \$25,000 deductible. Commercial insurance carried for law enforcement and public official liability with deductibles of \$10,000 and \$10,000, respectively.

Physical Property

Insured through commercial insurance with 90% coinsurance clause with a \$75,000 deductible. Replacement cost insured values based on annual review by insuring agent. Any uninsured losses are funded by the Risk Management Fund.

Worker's Compensation

Insured through an excess indemnity insurance policy. Policy provides coverage for claims in excess of \$400,000 per accident for all other employees. Individual claims up to \$500,000 are self-funded and administered through the Worker's Compensation Reserve. Claims are administered by an independent third party. Aggregate claims for Worker's Compensation are limited to \$1,000,000.

Health and Dental Insurance

The City became self-funded in regards to its health/dental insurance coverage effective January 1, 2000. The plan is administered by Aetna, which provides a stop loss provision of incurred claims expense in excess of \$100,000 for an insured in a contract year.

Claim Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained and recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. An analysis of claims activities for 2017 is presented below:

FUND	Claim Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claim Liability End of Year
Worker's Compensation	\$ 365,013	488,665	438,079	\$ 415,599
Health and Dental Insurance	\$ 239,948	3,428,918	3,405,698	\$ 263,168

NOTE 8—DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue 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 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, 2017, Kansas law establishes the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, or KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, KPERS 3, and KP&F be determined annually based on the results of an annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate was 8.46% for KPERS and 19.03% for KP&F for the year ended December 31, 2017. Contributions to the pension plan from the City were \$910,917 for KPERS and \$1,883,128 for KP&F for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, KPERS has determined the City's proportionate share of the collective net pension liability was \$8,790,228 for KPERS and \$19,257,786 for KP&F. The net pension liability was measured as of June 30, 2017, and the total pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's share of the allocation is based on the ratio of the City's employer contributions, relative to the total employer and non-employer contributions for the plan groups the City participates in. Because the regulatory basis of accounting under KMAAG does not recognize long-term debt, this liability is not reported in the 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 in the first paragraph above.

NOTE 9—DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries, 100% or \$18,000 per year, whichever is less, until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

All assets of the Plan are held by an independent administrator. In management's opinion, the City has no liability for losses under the plan. However, the City does have the duty of due care that would be required of a plan sponsor/fiduciary.

NOTE 10—OTHER LONG TERM LIABILITIES

Compensated Absences

Employees of the City, except temporary and part-time employees working less than 20 hours per week, accumulate vacation leave at the rate of two weeks per year during the first four years of employment.

The rate increases to three weeks per year after five years of employment, and to four weeks per year after fourteen years of employment. Employees are paid for all unused and accrued vacation leave at the time of their leaving City employment. The estimated liability for this vacation is \$908,803. This amount is not reflected in the financial statements.

Employees are paid for unused sick leave up to 480 hours when leaving City employment due to death or qualified retirement (including disability retirement). The costs of accumulated vacation, sick leave, and severance pay are not recorded in the financial statement at the time the benefits are earned by the employee. The estimated liability for this sick leave is \$2,748,352. This amount is not reflected in the financial statements.

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government allows certain qualifying retirees to participate in the group health insurance plan. Monthly premiums for the retiree are set at 102% of the group plan premiums.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 at 102% of the group plan premiums.

NOTE 11—CONTINGENCIES AND COMMITMENTS

Litigation

The City may sometimes be a defendant in various legal actions pending or in process concerning personal injury, worker's compensation claims, and property damage. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. The financial statement does not include accruals or provisions for loss contingencies that may result from these proceedings. Provisions of the Kansas Tort Claims Act authorize the levy of an annual tax by the Risk Management Reserve Fund to provide funding for payment of claims and other direct and indirect costs in connection therewith. In the opinion of the City's legal counsel, the final outcome of the cases will not have an adverse material effect on the City's financial statement.

Grant Program Involvement

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant and loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Environmental Remediation

KDHE has state oversight for the Environmental Protection Agency concerning the groundwater contamination cleanup of the 4th and Carey Site. In 1994, the City entered into a consent agreement with KDHE accepting the obligation to clean-up the contamination. The City entered into a separate agreement with the companies responsible for the contamination in which the companies agreed to pay for the clean-up of the contamination. The City later revised the agreement with the companies by which the companies paid the City \$10.5 million dollars and the City would construct the Groundwater Remediation and RO Water Treatment Plant Project in order to clean-up the contamination and use the clean water as part of the City's public water supply. The City under the agreement with KDHE must operate the remediation and water treatment systems until sampling and monitoring indicates that the 4th and Carey groundwater contamination has been satisfactorily cleaned up. Those systems were operational as of May 2009. It is anticipated that it will take 20 to 30 years to treat and clean-up the groundwater contamination. The City has specific monitoring and reporting requirements from KDHE for the term of the remediation efforts.

Based on the results of the monitoring of the remediation efforts, KDHE will decide when the contamination has been cleaned up and the remediation system and treatment plant are no longer needed to treat the contaminated water. At that point, the water treatment plant will continue to treat the City of Hutchinson's public water supply, but will not be required to treat the 4th and Carey Site groundwater any longer.

Commitments

On September 15, 2009, the City in conjunction with Reno County, Kansas and the City of South Hutchinson, Kansas, entered into a development agreement with Siemens Energy, Inc. The Company has built and is currently operating an assembly, production, and service facility in Hutchinson, Kansas at the Salt City Business Park. The land and improvements will be eligible for a 100% tax abatement for ten years. The City has obligated local Economic Opportunity Funds, as part of the general fund, in the amount of \$1,150,000; \$1,000,000 which was paid upon execution of the development agreement. Additionally, job growth incentives are offered based on certain employment levels through 2017.

The City has also committed up to \$658,189 as incentives for new job creation. Payment of these incentives is dependent upon achievement of certain measures by the participating businesses. The incentives could take place between 2012 through 2019 or later depending on when the businesses would reach the agreed upon measures.

NOTE 12—SUBSEQUENT EVENTS

On June 19, 2018, the City held a bond sale for \$1,350,000 of bonds for capital improvement projects. The bonds have a 3.3% interest rate and the final maturity will in 2039.

City of Hutchinson, Kansas
Summary of Expenditures - Actual & Budget
Regulatory Basis
For the Year Ended December 31, 2017

Schedule 1

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Government Type Funds					
General Fund	\$ 41,386,318	\$ -	\$ 41,386,318	\$ 35,399,023	\$ (5,987,295)
Special Purpose Funds					
Special Street Fund	2,748,493	-	2,748,493	2,440,679	(307,814)
Special Parks and Recreation Fund	240,316	-	240,316	202,356	(37,960)
Special Alcohol Programs Fund	120,170	-	120,170	103,800	(16,370)
Economic Opportunity Fund	150,000	-	150,000	-	(150,000)
Convention and Tourism Promotion Fund	850,000	-	850,000	733,280	(116,720)
Fun Valley Fund	346,141	-	346,141	322,529	(23,612)
Recreation Commission Fund	1,278,912	-	1,278,912	1,246,152	(32,760)
Animal Shelter Fund	461,594	-	461,594	427,314	(34,280)
Tax Incremental Financing Fund	741,271	-	741,271	741,270	(1)
Community Improvement District Fund	575,000	-	575,000	481,823	(93,177)
E 911 Surcharge Fund	999,831	-	999,831	334,800	(665,031)
Bond and Interest Funds					
Bond and Interest Fund	6,483,395	3,403,087	9,886,482	9,562,296	(324,186)
Sports Arena Sales Tax Fund	4,927,485	-	4,927,485	3,026,525	(1,900,960)
Business Funds					
Refuse Collection Fund	2,520,903	-	2,520,903	2,288,215	(232,688)
Golf Course Fund	904,988	-	904,988	874,505	(30,483)
Airport Fund	658,188	-	658,188	607,728	(50,460)
Water Utility Fund	11,116,444	-	11,116,444	7,403,865	(3,712,579)
Sewer Utility Fund	8,974,505	-	8,974,505	6,285,077	(2,689,428)
Storm Water Utility Fund	3,506,053	-	3,506,053	1,170,571	(2,335,482)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Property Taxes	\$ 10,690,735	\$ 11,673,233	\$ 11,654,583	\$ 18,650
Non Property Taxes	12,311,951	11,806,780	12,258,232	(451,452)
Franchise Fees	4,935,943	4,922,449	5,204,389	(281,940)
License and Permits	477,847	455,880	464,700	(8,820)
Fines, Forfeitures, and Penalties	688,466	634,722	682,300	(47,578)
Use of Money & Property	39,201	43,409	22,000	21,409
Public Safety Service Charges	2,620,100	2,787,206	2,823,263	(36,057)
Recreation & Concession Service Charges	93,534	103,744	274,500	(170,756)
Internal Service Charges	1,012,977	972,876	1,441,131	(468,255)
Miscellaneous	246,646	175,563	206,860	(31,297)
Operating Transfers In	15,000	30,900	30,900	-
Total Receipts	<u>33,132,400</u>	<u>33,606,762</u>	<u>35,062,858</u>	<u>(1,456,096)</u>
Expenditures				
Personnel Services	23,068,516	23,545,194	23,321,304	223,890
Contractual Services	5,753,504	6,093,250	6,335,766	(242,516)
Commodities	2,005,664	2,027,380	2,421,709	(394,329)
Capital Outlay	258,803	261,564	288,675	(27,111)
Reserve Transfers	3,829,803	3,870,357	4,046,856	(176,499)
Operating Transfers Out	2,378,185	2,842,817	3,095,902	(253,085)
Allocated Service Costs	(3,444,233)	(3,241,540)	(3,241,539)	(1)
Appropriated Reserve	-	-	5,117,645	(5,117,645)
Total Expenditures	<u>33,850,243</u>	<u>35,399,023</u>	<u>\$ 41,386,318</u>	<u>\$ (5,987,295)</u>
Receipts Over (Under) Expenditures	(717,843)	(1,792,261)		
Unencumbered Cash, Beginning	<u>6,653,549</u>	<u>5,935,706</u>		
Unencumbered Cash, Ending	\$ <u>5,935,706</u>	\$ <u>4,143,445</u>		

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Property Taxes				
Ad Valorem Property Tax	\$ 9,396,357	\$ 9,717,426	\$ 10,094,639	\$ (377,213)
Vehicle Tax	1,056,186	1,464,000	1,297,514	166,486
In Lieu of Tax	14,078	39,168	18,000	21,168
Delinquent Tax Collections	224,114	452,640	244,430	208,210
Total Property Taxes	10,690,735	11,673,233	11,654,583	18,650
Non Property Taxes				
Local Sales tax - Countywide	5,458,821	5,247,064	5,526,646	(279,583)
Local Sales Tax - Citywide	6,738,608	6,450,024	6,619,829	(169,805)
Liquor Taxes	103,771	97,242	99,832	(2,590)
Intoxicating Liquor Tax	10,750	12,450	11,925	525
Total Non Property Taxes	12,311,951	11,806,780	12,258,232	(451,452)
Utility Franchise Fees				
Electricity - Westar Energy	2,888,561	2,849,133	2,822,882	26,251
Gas - Kansas Gas Service Company	725,703	786,688	959,637	(172,949)
Telephone - AT & T / Other	106,482	86,235	130,053	(43,818)
Cable Television	440,722	412,074	474,357	(62,283)
Refuse System Fund	190,465	213,274	178,500	34,774
Water/Sewer System Fund	584,010	575,045	638,960	(63,915)
Total Utility Franchise Fees	\$ 4,935,943	\$ 4,922,449	\$ 5,204,389	\$ (281,940)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Licenses and Permits				
Cereal Malt Beverage Licenses	\$ 3,100	\$ 2,975	\$ 3,000	\$ (25)
Tree Trimming Licenses	525	525	500	25
Alarm License Fees	17,280	20,760	21,000	(240)
Fireworks Permits	10,000	15,000	5,000	10,000
Police and Protective Licenses	278	293	200	93
Other Licenses and Permits	2,316	2,267	3,000	(733)
Building and Fence Permits	255,022	255,072	300,000	(44,928)
Sign Permits	2,830	3,505	3,000	505
Demolition Permits and Licenses	1,265	(1,074)	2,000	(3,074)
Building Occupancy Permits	6,296	5,175	2,000	3,175
Mechanical Permits	47,432	34,516	30,000	4,516
Electrical and Plumbing Permits	29,807	28,337	26,000	2,337
Electrical and Plumbing License Fees	28,620	25,795	28,500	(2,705)
Mechanical License Fees	18,120	14,845	15,000	(155)
Driveway Permit	1,173	1,104	-	1,104
Building Contractor Licenses	53,784	46,786	25,500	21,286
Total Licenses and Permits	477,847	455,880	464,700	(8,820)
Fines, Forfeitures, and Penalties				
Municipal Court Fines	409,625	375,330	400,000	(24,670)
Admin Fee and Set Off Charge	18	-	300	(300)
Probation	24,055	26,320	23,000	3,320
Municipal Court Bond Forfeitures	29,524	25,780	22,000	3,780
Municipal Court Costs	180,693	160,485	180,000	(19,515)
Court Surcharges	13,168	11,886	13,000	(1,114)
Diversion Fees	30,488	33,491	43,000	(9,509)
DARE Fees	895	1,430	1,000	430
Total Fines, Forfeitures, and Penalties	\$ 688,466	\$ 634,722	\$ 682,300	\$ (47,578)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 35,001	\$ 39,209	\$ 13,000	\$ 26,209
Rents and Leases	4,200	4,200	9,000	(4,800)
Total Use of Money and Property	39,201	43,409	22,000	21,409
Public Safety Revenues				
Rental Inspection Fees	181,330	93,396	90,000	3,396
Police Officer Service Charges	95,835	91,120	100,000	(8,880)
Police Records	4,241	3,530	3,000	530
Fingerprinting Fees	2,135	2,172	2,500	(329)
Radio Maintenance Service Charges	67,251	75,719	60,000	15,719
Fire Protection Contracts	26,000	26,780	-	26,780
Fire District #2	1,618,044	1,820,855	1,837,053	(16,198)
Central Dispatch	565,399	602,899	653,710	(50,812)
Records - Reno County	16,831	20,168	17,000	3,168
Evidence Custodian - Reno County	43,035	50,568	60,000	(9,432)
Total Public Safety Revenues	2,620,100	2,787,206	2,823,263	(36,057)
Recreation and Concessions				
Soft Drink Contract and Commissions	11,796	18,200	8,000	10,200
Sports Arena - Rental Fees	3,420	19,180	19,000	180
Memorial Hall - Rental Fees	7,783	6,870	7,000	(130)
Sports Arena - Reimbursements	45,729	33,026	212,500	(179,474)
Homebuilders and Gazebo Rental	19,002	22,411	21,700	711
Concessions	5,320	3,719	6,300	(2,581)
Sales Tax	485	338	-	338
Total Recreation and Concessions	\$ 93,534	\$ 103,744	\$ 274,500	\$ (170,756)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Central Garage/Custodial Services	\$ 1,012,977	\$ 972,876	\$ 1,441,131	\$ (468,255)
Miscellaneous				
Sale of City Property	1,811	2,724	30,000	(27,276)
Flood Control Project	23,027	23,515	22,170	1,345
DHRP Contribution	10,000	10,000	15,000	(5,000)
Miscellaneous	5,358	278	-	278
Industrial Revenue Bond Admin Fees	24,403	27,592	18,500	9,092
Eastside Cemetery Charges	14,746	21,407	16,350	5,057
Zoning Application Fees	5,765	5,464	6,000	(536)
Reimbursements of Expenditures	143,398	51,575	70,459	(18,884)
Zoo Gift Shop	18,140	33,009	28,381	4,628
Total Miscellaneous	246,646	175,563	206,860	(31,297)
Transfers into the General Fund				
Operating Transfer Special Alcohol	15,000	30,900	30,900	-
Total Receipts	\$ 33,132,400	\$ 33,606,762	\$ 35,062,858	\$ (1,456,096)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
Departmental				
City Council	\$ 21,938	\$ 20,220	\$ 24,000	\$ (3,780)
City Manager	362,863	373,347	358,440	14,907
Downtown Director	139,427	139,451	139,935	(484)
Street Lighting	742,953	763,558	808,280	(44,722)
Human Resources	521,059	446,386	457,397	(11,011)
Finance	376,306	363,503	373,989	(10,486)
Utility Billing	751,255	745,568	747,854	(2,286)
Purchasing	161,327	72,083	126,853	(54,770)
Information Systems	631,122	671,102	648,616	22,486
Planning	307,452	310,427	315,064	(4,637)
Housing Development	130,549	134,031	168,257	(34,226)
Law	650,188	654,304	678,557	(24,253)
Public Works Administration	270,486	239,293	265,276	(25,983)
Public Works Maintenance	813,705	832,984	846,967	(13,983)
Central Garage	1,303,132	1,208,796	1,554,511	(345,715)
Streets	129,468	96,350	136,011	(39,661)
Engineering	452,738	727,226	759,786	(32,560)
Traffic Signals	290,281	312,107	295,873	16,234
GIS	251,955	260,784	258,034	2,750
Parks	3,359,117	3,676,591	3,931,483	(254,892)
Police	8,705,423	9,133,338	9,121,120	12,218
Animal Control	138,003	133,390	168,494	(35,104)
Fire	8,379,007	8,599,707	8,301,760	297,947
Inspection	649,710	588,693	645,003	(56,310)
Total Departmental	\$ 29,539,465	\$ 30,503,241	\$ 31,131,560	\$ (628,319)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
Growth Contractual Services				
Arts & Humanities Council	\$ 15,000	\$ -	\$ -	\$ -
Economic Development/Chamber of Commerce	211,554	200,000	200,000	-
Community Development at Chamber	15,000	-	-	-
Economic Development Projects	198,046	-	15,000	(15,000)
Total Growth	439,600	200,000	215,000	(15,000)
Non Departmental Contractual Services				
Kansas Cosmosphere	741,247	709,502	728,108	(18,606)
Kansas Underground Salt Museum	112,310	107,500	110,319	(2,819)
SCKEDD & REAP Memberships	10,315	10,308	13,000	(2,692)
Miscellaneous Contractual Services	61	2,732	5,000	(2,268)
Cultural Activities Fund	55,850	47,250	47,250	-
Hutch Fest Activities	10,000	10,000	5,000	5,000
Arts & Humanities Council	24,600	39,600	39,600	-
United Way	42,045	31,331	31,331	-
Employee Recognition Program	15,659	12,919	12,000	919
Railroad Spur Property Taxes	-	56,601	55,000	1,601
Kohl's Tax Rebate	-	67,310	67,310	-
Rockstep Sales Tax Reimbursement	-	42,827	-	42,827
HRC-Director of Neighborhoods	-	15,000	15,000	-
New Construction Homebuyer Incentive	-	29,768	31,975	(2,207)
Welcome Channel	13,000	6,500	-	6,500
Housing Initiatives	82,335	35,000	70,000	(35,000)
Total Non Departmental Contractual Services	\$ 1,107,422	\$ 1,224,148	\$ 1,230,893	\$ (6,745)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-A

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Expenditures				
Reserve Transfers				
Municipal Equipment Replacement Reserve	\$ 1,672,725	\$ 1,614,957	\$ 1,614,957	\$ -
Planning Projects Fund	20,000	53,000	-	53,000
Capital Improvement Projects	302,500	1,522,670	461,396	1,061,274
Capital Improvement Projects Reserve	<u>1,834,578</u>	<u>732,730</u>	<u>1,820,503</u>	<u>(1,087,773)</u>
Total Reserve Transfers	<u>3,829,803</u>	<u>3,923,357</u>	<u>3,896,856</u>	<u>26,501</u>
Operating Transfers				
Special Street	913,458	1,117,711	1,455,656	(337,945)
Golf Course	323,028	303,068	244,886	58,182
Special Park	104,276	105,114	140,484	(35,370)
Fun Valley	305,814	321,539	321,141	398
Animal Shelter	326,071	305,440	390,594	(85,154)
Airport	305,538	386,945	443,141	(56,196)
Economic Opportunity Fund	-	150,000	150,000	-
Bond and Interest Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Operating Transfers	<u>2,378,185</u>	<u>2,789,817</u>	<u>3,245,902</u>	<u>(456,085)</u>
Other Costs				
Nondepartmental Allocated Service Costs	(3,444,233)	(3,241,540)	(3,241,540)	-
Pay Adjustments	-	-	(210,000)	210,000
Appropriated Reserve	<u>-</u>	<u>-</u>	<u>5,117,647</u>	<u>(5,117,647)</u>
Total Other Costs	<u>(3,444,233)</u>	<u>(3,241,540)</u>	<u>1,666,107</u>	<u>(4,907,647)</u>
Total Expenditures	\$ <u>33,850,242</u>	\$ <u>35,399,023</u>	\$ <u>41,386,318</u>	\$ <u>(5,987,295)</u>

City of Hutchinson, Kansas
Special Street Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-B

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental Revenue				
State Gas Tax Distribution	\$ 1,103,950	\$ 1,104,792	\$ 1,080,800	\$ 23,992
County Gas Tax Distribution	159,846	162,378	153,530	8,848
State Connecting Links	55,874	55,798	54,758	1,040
Street Cuts	-	-	3,750	(3,750)
Operating Transfer In	913,458	1,117,711	1,455,656	(337,945)
Total Receipts	2,233,128	2,440,679	2,748,494	(307,815)
Expenditures				
Personnel Services	897,640	951,925	1,022,581	(70,656)
Contractual Services	280,536	256,886	311,787	(54,901)
Commodities	200,452	191,469	373,725	(182,256)
Reserve Transfer to Municipal Equipment Reserve	254,500	429,400	429,400	-
Reserve Transfer to Capital Improv and Capital Impr Reser	600,000	611,000	611,000	-
Total Expenditures	2,233,128	2,440,679	\$ 2,748,493	\$ (307,814)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-C

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Non Property Taxes				
Liquor Taxes	\$ 103,771	\$ 97,242	\$ 99,832	\$ (2,590)
Operating Transfer In	104,276	105,114	140,484	(35,370)
Total Receipts	208,047	202,356	240,316	(37,960)
Expenditures				
Personnel Services	72,411	73,647	63,353	10,294
Contractual Services	80,206	80,234	109,729	(29,495)
Commodities	43,162	48,062	56,234	(8,172)
Capital Outlay	12,268	413	11,000	(10,587)
Total Expenditures	208,047	202,356	\$ 240,316	\$ (37,960)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Special Alcohol Programs Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-D

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Non Property Taxes				
Liquor Taxes	\$ 103,771	\$ 97,242	\$ 99,832	\$ (2,590)
Expenditures				
Contractual Services	75,000	72,900	75,700	(2,800)
Operating Transfer Out	15,000	30,900	30,900	-
Appropriated Reserves	-	-	13,570	(13,570)
Total Expenditures	90,000	103,800	\$ 120,170	\$ (16,370)
Receipts Over (Under) Expenditures	13,771	(6,558)		
Unencumbered Cash, Beginning	13,129	26,900		
Unencumbered Cash, Ending	\$ 26,900	\$ 20,342		

City of Hutchinson, Kansas
Economic Opportunity Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-E

	Prior Year Actual	Current Year		Variance Over Under
	Actual	Actual	Budget	(Under)
Receipts				
Transfers In	\$ -	\$ 150,000	\$ 150,000	\$ -
Expenditures				
Appropriated Reserves	-	-	\$ 150,000	\$ (150,000)
Receipts Over (Under) Expenditures	-	150,000		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 150,000		

City of Hutchinson, Kansas
Convention and Tourism Promotion Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-F

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Non Property Taxes				
Transient Guest Tax	\$ 777,554	\$ 733,280	\$ 850,000	\$ (116,720)
Expenditures				
Convention Visitors Bureau	444,317	419,017	479,371	(60,354)
HPA Associates/Convention Center	-	-	359,529	(359,529)
Reserve Transfer to Capital Impr & Capital Impr Resen	333,238	314,263	11,100	303,163
Total Expenditures and Transfers	777,554	733,280	\$ 850,000	\$ (116,720)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Fun Valley Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-G

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Recreation & Concession Service Charges				
Concessions	\$ 658	\$ 990	\$ -	\$ 990
Miscellaneous and Reimbursements	4	-	-	-
Operating Transfer In	<u>305,814</u>	<u>321,539</u>	<u>321,141</u>	<u>398</u>
Total Receipts	<u>306,476</u>	<u>322,529</u>	<u>321,141</u>	<u>1,388</u>
Expenditures				
Personnel Services	100,913	116,841	124,066	(7,225)
Contractual Services	141,769	138,312	141,650	(3,338)
Commodities	41,384	49,379	62,675	(13,296)
Capital Outlay	10,283	5,248	5,000	248
Reserve Transfer to Municipal Equipment Reserve	<u>12,127</u>	<u>12,750</u>	<u>12,750</u>	<u>-</u>
Total Expenditures	<u>306,476</u>	<u>322,529</u>	<u>\$ 346,141</u>	<u>\$ (23,612)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

City of Hutchinson, Kansas
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-H

	Prior Year Actual	Current Year		Variance Over (Under)
		Current Year Actual	Budget	
Receipts				
Property Taxes	\$ 1,178,949	\$ 1,246,152	\$ 1,255,000	\$ (8,848)
Expenditures				
Appropriation to Recreation Commission	1,177,917	1,246,152	\$ 1,278,912	\$ (32,760)
Receipts Over (Under) Expenditures	1,032	-		
Unencumbered Cash, Beginning	(1,032)	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Animal Shelter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-I

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Licenses and Permits				
Dog License	\$ 16,506	\$ 14,347	\$ 14,500	\$ (154)
Service Charges				
Shelter Fees & Charges	1,087	6,786	6,500	286
Adoption Fees	68,374	76,475	33,000	43,475
Reclaimed Pet Fees	19,230	14,990	9,500	5,490
Relinquishment Fees	6,245	6,573	5,000	1,573
Miscellaneous				
Reimbursed Expenses	2,820	2,775	2,500	275
Operating Transfer In	326,071	305,440	390,594	(85,154)
Total Receipts	440,333	427,385	461,594	(34,209)
Expenditures				
Personnel Services	258,162	252,620	287,651	(35,031)
Contractual Services	112,971	104,832	108,193	(3,361)
Commodities	66,711	67,797	64,250	3,547
Capital Outlay	360	2,066	1,500	566
Reserve Transfers to Municipal Equipment Reserve	2,128	-	-	-
Total Expenditures	440,333	427,314	\$ 461,594	\$ (34,280)
Receipts Over (Under) Expenditures	-	71		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 71		

City of Hutchinson, Kansas
Tax Incremental Financing Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-J

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	\$ 1,445	\$ -	\$ -	\$ -
Other Contributions	50,000	-	-	-
Total Receipts	51,445	-	-	-
Expenditures				
Contractual Services	318,235	67,166	72,729	(5,563)
Commodities	26,010	-	-	-
Transfers	-	674,104	668,542	5,562
Total Expenditures	344,245	741,270	\$ 741,271	\$ (1)
Receipts Over (Under) Expenditures	(292,801)	(741,270)		
Unencumbered Cash, Beginning	1,034,071	741,270		
Unencumbered Cash, Ending	\$ 741,270	\$ -		

City of Hutchinson, Kansas
Community Improvement District Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-K

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
CID Sales Tax	\$ 381,051	\$ 481,823	\$ <u>575,000</u>	\$ <u>(93,177)</u>
Expenditures				
Contractual Services	<u>381,051</u>	<u>481,823</u>	\$ <u>575,000</u>	\$ <u>(93,177)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	\$ <u>-</u>	\$ <u>-</u>		

City of Hutchinson, Kansas
E 911 Surcharge Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-L

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 1,288	\$ 4,723	\$ -	\$ 4,723
Intergovernmental				
State E 911	361,124	358,013	335,242	22,771
Total Receipts	362,412	362,736	335,242	27,494
Expenditures				
Contractual Services	244,336	257,601	365,000	(107,399)
Commodities	-	-	7,000	(7,000)
Capital Outlay	4,620	77,199	10,000	67,199
Appropriated Reserve	-	-	617,831	(617,831)
Total Expenditures	248,956	334,800	\$ 999,831	\$ (665,031)
Cash Over (Under) Expenditures	113,455	27,936		
Unencumbered Cash, Beginning	764,416	877,871		
Unencumbered Cash, Ending	\$ 877,871	\$ 905,807		

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-M

Grant Description	Prior Year Actual					
	Unencumbered	Federal/State	Interest		Grant	Unencumbered
	Cash	Grant	Income	Other	Program	Cash
	Beginning	Contributions			Expenditures	Ending
Public Safety						
THC Drug Funds	\$ 79,204	\$ 87,286	\$ -	\$ -	(114,770)	\$ 51,720
Drug Enforcement Confiscated Funds	2,654	-	-	-	-	2,654
Confiscated Property Drug Unit	1,154	-	-	-	-	1,154
Intoxicated Driver Deterrence	-	12,991	-	-	(12,991)	-
Special Traffic Enforcement	-	3,700	-	-	(3,700)	-
Nighttime Seatbelt Enforcement	-	5,087	-	-	(5,087)	-
Bulletproof Vest Funding	16,389	-	-	-	-	16,389
JAG Body Cameras	(44,895)	44,895	-	-	-	-
E 911 Telephone Surcharge	422	-	-	-	-	422
JAG Investigation Equipment	(13)	-	-	13	-	-
Volunteer Fire Assistance	(4,999)	-	-	-	-	(4,999)
Housing and Economic Development						
Incentives Without Walls Revolving Loan	75,860	-	-	40,633	(23,929)	92,564
Planning Marketing Communications	1,775	-	-	-	(1,775)	-
Planning Healthy Community Design	4,243	-	-	-	(1,765)	2,478
Safe Routes to School	70,611	-	-	-	(6,828)	63,783
Growing Healthy & Vibrant Neighborhoods	2,217	2,031	-	-	(4,248)	-
Rehab Housing East Ave A	51,424	270,232	-	26,150	(325,816)	21,990
Moderate Income Housing	46,500	-	-	-	(16,633)	29,867
Historic Preservation Grant	-	5,355	-	-	-	5,355
HCF Housing Education Grant	-	-	-	1,500	-	1,500
Emergency Shelter						
2014 Emergency Shelter Grant	5,240	-	-	-	(5,240)	-
2015 Emergency Shelter Grant	-	22,441	-	-	(22,441)	-
2016 Emergency Shelter Grant	-	5,312	-	-	(5,312)	-
Parks						
Community Fisheries	5,018	8,365	-	-	(8,848)	4,535
	<u>\$ 312,804</u>	<u>\$ 467,695</u>	<u>\$ -</u>	<u>\$ 68,296</u>	<u>\$ (559,383)</u>	<u>\$ 289,412</u>

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-M Cont.

Grant Description	Current Year						
	Unencumbered	Federal/State	Interest		Grant		Unencumbered
	Cash	Grant	Income	Transfer In	Program	Transfer Out	Cash
	Beginning	Contributions			Expenditures		Ending
Public Safety							
THC Drug Funds	\$ 51,720	\$ 10,000	\$ 5	\$ -	\$ (36,915)	\$ -	\$ 24,810
Drug Enforcement Confiscated Funds	2,654	16,696	2	-	-	-	19,352
Confiscated Property Drug Unit	1,154	-	-	-	-	-	1,154
Intoxicated Driver Deterrence	-	6,893	-	-	(6,893)	-	-
Special Traffic Enforcement	-	8,502	-	-	(8,502)	-	-
Nighttime Seatbelt Enforcement	-	7,489	-	-	(7,489)	-	-
Bulletproof Vest Funding	16,389	5,071	-	-	(7,541)	-	13,919
JAG Body Cameras	-	18,521	-	-	(18,521)	-	-
E 911 Telephone Surcharge	422	-	-	-	-	-	422
Volunteer Fire Assistance	(4,999)	-	-	-	-	-	(4,999)
Housing and Economic Development							
Incentives Without Walls Revolving Loan	92,564	36,108	-	-	(24,286)	-	104,386
Planning Healthy Community Design	2,478	-	-	601	(736)	(2,343)	-
Safe Routes to School	63,783	-	-	-	-	-	63,783
Rehab Housing East Ave A	21,990	-	-	-	(21,990)	-	-
Moderate Income Housing	29,867	225,000	-	-	(254,867)	-	-
Historic Preservation Grant	5,355	11,500	-	-	(16,855)	-	-
HCF Housing Education Grant	1,500	-	-	-	(1,315)	-	185
2018 Planning Repair Grant	-	10,000	-	-	-	-	10,000
Emergency Shelter							
2016 Emergency Shelter Grant	-	24,750	-	-	(23,806)	-	944
2017 Emergency Shelter Grant	-	10,196	-	-	(7,521)	-	2,675
Parks							
Community Fisheries	4,535	13,942	-	-	(11,503)	-	6,974
	\$ 289,412	\$ 404,668	\$ 7	\$ 601	\$ (448,740)	\$ (2,343)	\$ 243,605

City of Hutchinson, Kansas
 Planning Projects Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-N

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Private Donations	\$ 38,823	\$ 25,087
Sale of Property	285	418
Transfer	7,128	55,343
Reserve Transfer	<u>20,000</u>	<u>-</u>
Total Receipts	<u>66,236</u>	<u>80,848</u>
Expenditures		
Contractual Services	55,715	36,521
Transfers	<u>7,128</u>	<u>601</u>
Total Expenditures	<u>62,843</u>	<u>37,122</u>
Receipts Over (Under) Expenditures	3,393	43,726
Unencumbered Cash, Beginning	<u>51,509</u>	<u>54,902</u>
Unencumbered Cash, Ending	\$ <u><u>54,902</u></u>	\$ <u><u>98,628</u></u>

City of Hutchinson, Kansas
Gossage Animal Shelter Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-O

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Trust Donations	\$ 57,198	\$ 58,424
Expenditures		
Transfer to Bond & Interest Fund	57,198	58,424
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

City of Hutchinson, Kansas
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-P

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Municipal Court Fees	\$ 4,014	\$ 2,938
Interest Income	2,243	10,441
Miscellaneous		
Miscellaneous	43,170	40,767
Reimbursement	-	56,827
Sale/Salvage/Auction Property	316,051	292,575
Reserve Transfers In	<u>2,491,312</u>	<u>2,905,407</u>
 Total Receipts	 <u>2,856,791</u>	 <u>3,308,954</u>
 Expenditures		
Contractual Services	-	49,678
Capital Outlay	<u>2,944,757</u>	<u>2,711,411</u>
 Total Expenditures	 <u>2,944,757</u>	 <u>2,761,089</u>
 Receipts Over (Under) Expenditures	 (87,966)	 547,865
 Unencumbered Cash, Beginning	 <u>1,127,841</u>	 <u>1,039,875</u>
 Unencumbered Cash, Ending	 <u>\$ 1,039,875</u>	 <u>\$ 1,587,739</u>

City of Hutchinson, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-Q

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 3,017	\$ 6,736	\$ 2,000	\$ 4,736
Property Taxes				
Ad Valorem Property Tax	2,796,911	2,807,794	2,916,921	(109,127)
Motor Vehicle Tax	314,737	434,584	368,434	66,150
16/20M Vehicle Tax	402	1,274	-	1,274
Recreational Vehicle Tax	2,585	3,614	17,708	(14,094)
Delinquent Ad Valorem Tax	68,059	134,849	73,912	60,937
Current Special Assessments	1,126,880	1,104,686	1,087,808	16,878
Delinquent Special Assessments	29,716	84,408	45,000	39,408
Bonds/Loans				
Bond Proceeds/Premium Received	(20,185)	3,403,087	-	3,403,087
Intergovernmental				
Contributions Other Governments	101,059	102,411	101,059	1,352
Reserve Transfers	57,198	58,424	51,967	6,457
Operating Transfer In	1,409,280	1,252,536	1,244,444	8,092
Total Receipts	5,889,659	9,394,404	5,909,253	3,485,151
Expenditures				
Debt Principal	4,740,000	8,341,276	4,930,000	3,411,276
Debt Interest	1,084,812	1,179,900	1,188,039	(8,139)
Refinancing Costs	-	33,620	-	33,620
Internal Service Costs	7,500	7,500	7,500	-
Appropriated Reserve	-	-	357,856	(357,856)
(a) Adjustment for Qualifying Budget Credits	-	-	3,403,087	(3,403,087)
Total Expenditures	5,832,312	9,562,296	\$ 9,886,482	\$ (324,186)
Receipts Over (Under) Expenditures	57,347	(167,892)		
Unencumbered Cash, Beginning	485,416	542,763		
Unencumbered Cash, Ending	\$ 542,763	\$ 374,872		
(a) Adjustment for Qualifying Budget Credits				
Bond Refinancing			\$ 3,403,087	

City of Hutchinson, Kansas
Sports Arena Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-R

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Non Property Taxes				
Sales Tax	\$ 3,144,685	\$ 3,010,011	\$ 3,500,000	\$ (489,989)
Interest Income	2,189	8,973	-	8,973
Total Receipts	3,146,873	3,018,984	3,500,000	(481,016)
Expenditures				
Bond Principal	2,040,000	2,210,000	\$ 3,026,525	\$ (816,525)
Bond Interest	529,850	816,525	-	816,525
Appropriated Reserve	-	-	1,900,960	(1,900,960)
Total Expenditures and Transfers	2,569,850	3,026,525	4,927,485	(1,900,960)
Receipts Over (Under) Expenditures	577,023	(7,541)		
Unencumbered Cash, Beginning	997,336	1,574,359		
Unencumbered Cash, Ending	\$ 1,574,359	\$ 1,566,818		

City of Hutchinson, Kansas
Special Assessments Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-S

	2016			
	Levee C Assessments	Monarch Meadows		Total
		Sewer Improvement	Street/Drainage Improvement	
Receipts				
General Obligation Bonds	\$ 302,518	\$ 100,000	\$ 450,000	\$ 852,518
Special Assessment Payments	63,490	-	-	63,490
Total Receipts	366,008	100,000	450,000	916,008
Expenditures				
Purchases and Construction	19,856	71,236	212,325	303,417
Transfers	346,152	-	-	346,152
Total Expenditures	366,008	71,236	212,325	649,569
Receipts Over (Under)	-	28,764	237,675	266,439
Unencumbered Cash, Beginning	-	-	-	-
Unencumbered Cash, Ending	\$ -	\$ 28,764	\$ 237,675	\$ 266,439
	2017			
		Monarch Meadows		Total
		Sewer Improvement	Street/Drainage Improvement	
Receipts				
General Obligation Bonds		\$ 95,033	\$ 390,476	\$ 485,509
Expenditures				
Purchases and Construction		23,257	172,890	196,147
Temporary Notes Principal		100,050	450,225	550,275
Temporary Note Interest				-
Transfers		490	5,036	5,526
Total Expenditures		123,797	628,151	751,948
Receipts Over (Under)		(28,764)	(237,675)	(266,439)
Unencumbered Cash, Beginning		28,764	237,675	266,439
Unencumbered Cash, Ending		\$ -	\$ -	\$ -

City of Hutchinson, Kansas
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-T

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 73,507	\$ 108,264
Miscellaneous		
Reimbursed Expenses	1,353	998,033
Donations	101,742	36,189
Miscellaneous	-	443,347
Non Revenue Receipts		
Bond Proceeds	33,086,473	2,576,235
Federal Grants	1,770,449	2,509,707
Reserve Transfer Sewer	-	256,000
Reserve Transfer Storm Sewer Fund	1,832,416	722,640
Reserve Transfer Water Fund	-	463,500
Reserve Transfer Special Assessments	346,152	-
Reserve Transfer General Fund	302,500	1,522,670
Reserve Transfer Convention & Tourism	-	167,888
Reserve Transfer Guest Tax from Convention & Toursim	-	11,100
Reserve Transfer Special Street	-	311,000
Reserve Transfer from Capital Improvement Reserve	2,213,491	12,890,865
Total Receipts	<u>39,728,083</u>	<u>23,017,437</u>
Expenditures		
Capital Improvement Expenditures	32,314,631	17,942,567
Transfer to Bond and Interest	162,061	2,567
Transfer to Storm Water Fund	50,667	-
Transfer to Capital Improvement Reserve	375,073	-
Total Expenditures	<u>32,902,432</u>	<u>17,945,134</u>
Receipts Over (Under) Expenditures	6,825,651	5,072,303
Unencumbered Cash, Beginning	<u>5,575,450</u>	<u>12,401,101</u>
Unencumbered Cash, Ending	\$ <u><u>12,401,101</u></u>	\$ <u><u>17,473,404</u></u>

City of Hutchinson, Kansas
Capital Improvement Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-U

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Transient Guest Tax from Convention and Toursim Fund	\$ 333,238	\$ 135,275
Miscellaneous		
Reimbursed Expenses	168,452	6,294
Rents and Leases	825	525
Miscellaneous	35,687	11,284
Sale of Property	-	40,130
Private Contributions	76,058	13,842
Non Revenue Receipts		
Reserve Transfer Capital Improvement Projects	375,073	-
Reserve Transfer General Fund	1,834,578	732,730
Reserve Transfer Water Fund	882,000	463,500
Reserve Transfer Sewer Fund	712,000	256,000
Reserve Transfer Storm Water	-	100,000
Reserve Transfer Special Street Fund	600,000	300,000
Total Receipts	<u>5,017,911</u>	<u>2,059,580</u>
Expenditures		
Capital Improvement Expenditures	1,829,724	990,237
Reserve Transfer Capital Improvement Projects	2,213,491	12,890,865
Total Expenditures	<u>4,043,215</u>	<u>13,881,102</u>
Receipts Over (Under) Expenditures	974,696	(11,821,522)
Unencumbered Cash, Beginning	<u>10,846,826</u>	<u>11,821,522</u>
Unencumbered Cash, Ending	\$ <u><u>11,821,522</u></u>	\$ <u><u>-</u></u>

City of Hutchinson, Kansas
Refuse Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-V

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 646	\$ 2,292	\$ 500	\$ 1,792
Utility Fees				
Refuse Collection Fees	2,094,250	2,093,531	2,100,000	(6,469)
Franchise Fees	208,606	194,705	178,500	16,205
Late Fees	28,953	26,863	28,000	(1,137)
Total Receipts	<u>2,332,455</u>	<u>2,317,391</u>	<u>2,307,000</u>	<u>10,391</u>
Expenditures				
Contractual Services	2,217,314	2,226,783	2,211,100	15,683
Internal Service Cost	63,293	61,432	61,432	-
Appropriated Reserves	-	-	248,371	(248,371)
Total Expenditures	<u>2,280,607</u>	<u>2,288,215</u>	<u>\$ 2,520,903</u>	<u>\$ (232,688)</u>
Receipts Over (Under) Expenditures	51,848	29,177		
Unencumbered Cash, Beginning	<u>184,202</u>	<u>236,050</u>		
Unencumbered Cash, Ending	\$ <u>236,050</u>	\$ <u>265,227</u>		

City of Hutchinson, Kansas
Golf Course
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-W

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Green Fees	\$ 163,954	\$ 160,384	\$ 206,644	\$ (46,260)
Advertising	-	500	4,500	(4,000)
Season Passes	80,681	81,886	92,849	(10,963)
School Fees	6,900	7,598	7,500	98
Private Cart Fees	12,994	15,506	15,348	158
City Cart Rental	92,744	98,736	108,049	(9,313)
Locker Rental	2,001	2,294	1,800	494
Cart Shed Rental	12,725	15,230	12,835	2,395
Golf Concessions	79,039	75,701	87,377	(11,676)
Golf Pro Shop	74,267	62,494	78,000	(15,506)
Driving Range	26,843	30,088	29,000	1,088
Miscellaneous				
Reimbursements	40	-	-	-
Miscellaneous	17,366	19,124	15,000	4,124
Golf Certificates	2,029	1,897	1,200	697
Operating Transfer In	323,028	303,068	244,886	58,182
Total Receipts	894,611	874,504	904,988	(30,484)
Expenditures				
Personnel Services	539,334	527,492	510,366	17,126
Contractual Services	117,262	119,321	135,282	(15,961)
Commodities	168,768	171,392	196,040	(24,648)
Capital Outlay	2,947	-	7,000	(7,000)
Reserve Transfer to Municipal Equipment Repl Fund	66,300	56,300	56,300	-
Total Expenditures	894,611	874,505	\$ 904,988	\$ (30,483)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
 Airport Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-X

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Restaurant Rent	\$ 47,214	\$ 45,852	\$ 47,214	\$ (1,362)
Hanger Rent	87,245	88,530	86,789	1,741
Other Rents & Fees	(1,163)	5,437	-	5,437
Office Rent	58,145	53,569	57,080	(3,511)
Farm Rent	8,726	7,395	5,964	1,431
Fuel Sales	26,178	20,000	18,000	2,000
Operating Transfer In	305,538	386,945	443,141	(56,196)
Total Receipts	531,884	607,728	658,188	(50,460)
Expenditures				
Personnel Services	175,783	179,381	181,319	(1,938)
Contractual Services	200,147	214,789	241,069	(26,280)
Commodities	62,088	61,138	73,500	(12,362)
Capital Outlay	11,366	921	10,800	(9,879)
Debt Principal and Interest	15,500	15,500	15,500	-
Transfer to Municipal Equipment Reserve Fund	67,000	136,000	136,000	-
Total Expenditures	531,884	607,728	\$ 658,188	\$ (50,460)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-Y

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 13,221	\$ 27,185	\$ 6,000	\$ 21,185
Utility Fees				
Water Sales	6,151,207	6,100,953	6,200,000	(99,047)
Service Connection Fees	39,920	67,064	38,000	29,064
Tapping Charges	31,865	28,320	35,000	(6,680)
Connect/Disconnect Fees	130,999	126,742	120,000	6,742
Late Fees	66,181	61,398	60,000	1,398
Water District Surcharge	3,072	2,816	3,072	(256)
Franchise Fees	307,092	289,744	357,660	(67,916)
Non Revenue Receipts				
Temporary Note Repayment	13,504	13,835	-	13,835
Miscellaneous				
Reimbursements	4,512	1,135	10,000	(8,865)
Miscellaneous	654	50,462	-	50,462
Transfers In	-	674,104	481,242	192,862
Total Receipts	<u>6,762,226</u>	<u>7,443,759</u>	<u>7,310,974</u>	<u>132,785</u>
Expenditures				
Personnel Services	1,194,975	1,124,980	1,216,996	(92,016)
Contractual Services	1,080,813	1,290,148	1,726,310	(436,162)
Commodities	609,931	736,694	1,005,750	(269,056)
Capital Outlay	93,006	101,659	124,755	(23,096)
Bond Principal	468,808	481,314	481,314	-
Bond Interest	161,568	150,242	150,242	-
Bond Service Fees	16,830	15,650	15,650	-
Franchise Fee	307,092	306,590	340,000	(33,410)
Service Allocation Costs	1,683,457	1,586,364	1,582,740	3,624
Reserve Transfer Municipal Equipment Reserve	137,617	198,000	201,617	(3,617)
Reserve Transfer Capital Impr & Capital Impr Reserve	882,000	927,000	951,000	(24,000)
Operating Transfer Out	488,125	485,225	485,225	-
Appropriated Reserves	-	-	2,834,845	(2,834,845)
Total Expenditures	<u>7,124,221</u>	<u>7,403,865</u>	<u>\$ 11,116,444</u>	<u>\$ (3,712,579)</u>
Receipts Over (Under) Expenditures	(361,996)	39,894		
Unencumbered Cash, Beginning	<u>4,634,242</u>	<u>4,272,246</u>		
Unencumbered Cash, Ending	\$ <u>4,272,246</u>	\$ <u>4,312,140</u>		

City of Hutchinson, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-Z

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
Receipts				
Use of Money and Property				
Interest Income	\$ 11,973	\$ 18,680	\$ 5,000	\$ 13,680
Rental of City Property	8,000	8,000	8,000	-
Utility Fees				
Industrial Wastewater Permit Fee	-	1,800	500	1,300
Sewer Use Charges	5,528,264	5,418,519	5,600,000	(181,481)
Late Fees	49,293	46,805	50,000	(3,195)
Franchise Fees	276,918	268,455	280,000	(11,545)
Miscellaneous				
Reimbursed Expenses	-	380	500	(120)
Total Receipts	5,874,449	5,762,640	5,944,000	(181,360)
Expenditures				
Personnel Services	1,303,465	1,385,810	1,560,149	(174,339)
Contractual Services	1,116,582	1,154,248	1,380,284	(226,036)
Commodities	441,539	563,119	632,275	(69,156)
Capital Outlay	46,290	31,168	57,000	(25,832)
Bond Principal	132,605	136,237	136,237	-
Bond Interest and Fees	67,604	63,972	63,972	-
Service Allocation Costs	1,434,648	1,364,358	1,364,358	-
Transfer to Municipal Equipment Repl Fund	239,915	458,000	414,000	44,000
Reserve Transfer Capital Impr & Capital Impr Reserve	712,000	512,000	512,000	-
Operating Transfer Out	616,040	616,165	616,165	-
Appropriated Reserves	-	-	2,238,065	(2,238,065)
Total Expenditures	6,110,688	6,285,077	\$ 8,974,505	\$ (2,689,428)
Receipts Over (Under) Expenditures	(236,240)	(522,438)		
Unencumbered Cash, Beginning	3,915,812	3,679,572		
Unencumbered Cash, Ending	\$ 3,679,572	\$ 3,157,135		

City of Hutchinson, Kansas
Storm Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-AA

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 2,293	\$ 11,754	\$ 1,600	\$ 10,154
Utility Fees				
Storm Water Surcharge	1,953,748	2,173,925	2,134,125	39,800
Miscellaneous				
Transfer in (CIP)	50,667	-	-	-
Total Receipts	2,006,708	2,185,679	2,135,725	49,954
Expenditures				
Personnel Services	129,682	166,671	191,850	(25,179)
Contractual Services	11,260	12,908	23,810	(10,902)
Commodities	51,682	44,648	79,675	(35,027)
Capital Outlay	32,916	-	-	-
Service Allocation Costs	114,099	80,650	80,650	-
Reserve Transfer to Municipal Equipment Reserve Fund	39,000	-	-	-
Reserve Transfer Capital Impr & Capital Impr Reserve	1,832,416	822,640	700,000	122,640
Operating Transfer	43,054	43,054	43,054	-
Appropriated Reserve	-	-	2,387,014	(2,387,014)
Total Expenditures	2,254,109	1,170,571	\$ 3,506,053	\$ (2,335,482)
Receipts Over (Under) Expenditures	(247,401)	1,015,108		
Unencumbered Cash, Beginning	1,631,299	1,383,898		
Unencumbered Cash, Ending	\$ 1,383,898	\$ 2,399,006		

City of Hutchinson, Kansas
Health and Dental Insurance Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-AB

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 13,372	\$ 19,389
Insurance Premiums		
Employee Contributions	798,038	991,769
Retiree Premiums Collected	102,297	116,593
Employer Contributions	<u>2,916,952</u>	<u>3,138,229</u>
Total Receipts	<u>3,830,659</u>	<u>4,265,979</u>
Expenditures		
Insurance Claims	3,419,246	3,405,698
Claim Administration	58,539	24,920
Insurance Premiums	660,976	757,165
Employee Wellness Program	51,115	46,861
Service Allocation Costs	<u>99,236</u>	<u>99,236</u>
Total Expenditures	<u>4,289,112</u>	<u>4,333,880</u>
Receipts Over (Under) Expenditures	(458,453)	(67,901)
Unencumbered Cash, Beginning	<u>3,811,354</u>	<u>3,352,901</u>
Unencumbered Cash, Ending	\$ <u><u>3,352,901</u></u>	\$ <u><u>3,285,000</u></u>

City of Hutchinson, Kansas
Risk Management Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-AC

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 2,738	\$ 11,399
Miscellaneous		
Reimbursed Expenses	78,222	109,106
Department Premiums Charged	<u>742,484</u>	<u>772,060</u>
Total Receipts	<u>823,444</u>	<u>892,565</u>
Expenditures		
Administrative Expenses	50,092	37,507
Claims Paid	89,282	22,368
Extended Coverage Insurance	563,672	668,452
Service Allocation Costs	<u>21,000</u>	<u>21,000</u>
Total Expenditures	<u>724,046</u>	<u>749,327</u>
Receipts Over (Under) Expenditures	99,398	143,238
Unencumbered Cash, Beginning	<u>1,982,900</u>	<u>2,082,298</u>
Unencumbered Cash, Ending	\$ <u><u>2,082,298</u></u>	\$ <u><u>2,225,536</u></u>

City of Hutchinson, Kansas
Worker's Compensation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-AD

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 2,288	\$ 7,740
Miscellaneous		
Reimbursed Expenses	64	119
Department Premiums Charged	<u>193,062</u>	<u>577,114</u>
Total Receipts	<u>195,414</u>	<u>584,973</u>
Expenditures		
Contractual Services	436,712	463,998
Service Allocation Costs	<u>21,000</u>	<u>21,000</u>
Total Expenditures	<u>457,712</u>	<u>484,998</u>
Receipts Over (Under) Expenditures	(262,297)	99,975
Unencumbered Cash, Beginning	<u>1,603,621</u>	<u>1,341,324</u>
Unencumbered Cash, Ending	\$ <u><u>1,341,324</u></u>	\$ <u><u>1,441,299</u></u>

City of Hutchinson, Kansas
Central Purchasing Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-AE

	Prior Year Actual	Current Year Actual
Receipts		
Inventory Sold	\$ 257,904	\$ 151,265
Expenditures		
Inventory Purchased	<u>230,361</u>	<u>119,994</u>
Receipts Over (Under) Expenditures	27,543	31,271
Unencumbered Cash, Beginning	<u>66,064</u>	<u>93,607</u>
Unencumbered Cash, Ending	\$ <u><u>93,607</u></u>	\$ <u><u>124,878</u></u>

City of Hutchinson, Kansas
Hutchinson Community Foundation Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-AF

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of Money and Property		
Interest Income	\$ 3,290	\$ 6,191
Miscellaneous		
Private Donations	<u>7,623</u>	<u>10,820</u>
Total Receipts	10,913	17,011
Expenditures		
Other Contractual Services	<u>20,833</u>	<u>15,564</u>
Receipts Over (Under) Expenditures	(9,920)	1,448
Unencumbered Cash, Beginning	<u>101,835</u>	<u>91,915</u>
Unencumbered Cash, Ending	\$ <u><u>91,915</u></u>	\$ <u><u>93,363</u></u>

City of Hutchinson, Kansas
Donation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Schedule 2-AG

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of Money and Property		
Fines, Fees & Forfeitures Other	\$ 111,292	\$ -
Miscellaneous		
Private Donations	263,052	52,539
Miscellaneous	39,919	35,695
Reimbursement of Expenses	17,529	-
Advertising	5,650	5,250
Concessions	2,501	-
Facility Deposit Returns	18,950	-
Cereal Malt Beverage State Stamp	<u>1,125</u>	<u>-</u>
Total Receipts	460,018	93,484
Expenditures		
Other Contractual Services	<u>201,762</u>	<u>217,245</u>
Receipts Over (Under) Expenditures	258,256	(123,761)
Unencumbered Cash, Beginning	<u>204,609</u>	<u>462,865</u>
Unencumbered Cash, Ending	\$ <u><u>462,865</u></u>	\$ <u><u>339,104</u></u>

City of Hutchinson, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2017

Schedule 3

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	\$ (25,735)	\$ 7,691,416	\$ 7,701,218	\$ (35,537)
Fire Proceeds Fund	-	62,370	27,725	34,645
Municipal Court Agency Fund	-	177,249	114,981	62,268
Agency Funds	<u>-</u>	<u>69,649</u>	<u>56,769</u>	<u>12,880</u>
 Total	 \$ <u><u>(25,735)</u></u>	 \$ <u><u>8,000,685</u></u>	 \$ <u><u>7,900,693</u></u>	 \$ <u><u>74,256</u></u>

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Brent L. Knoche, CPA
Brian W. Mapel, CPA
Jeffrey D. Reece, CPA
Brady H. Byrnes, CPA

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

The Mayor and City Council
City of Hutchinson, 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, and the Kansas Municipal Audit and Accounting Guide, the regulatory basis summary statement of receipts, expenditures, and unencumbered cash of City of Hutchinson, Kansas (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statement, which collectively comprise the City's financial statement, and have issued our report thereon dated June 28, 2018, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 entity'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.

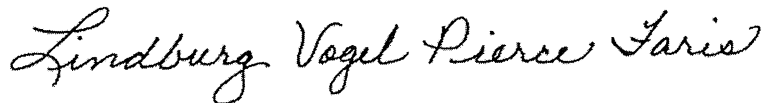
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of 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 determination of financial statement amounts. 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lindburg Vogel Pierce Faris".

Certified Public Accountants

Hutchinson, Kansas
June 28, 2018

Roger W. Field, CPA
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Mayor and City Council
City of Hutchinson, Kansas

Report on Compliance for Each Major Federal Program

We have audited City of Hutchinson, Kansas (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2017. The City's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's 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's 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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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, 2017.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City 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's 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's 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.

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.



Certified Public Accountants

Hutchinson, Kansas
June 28, 2018

City of Hutchinson, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Housing and Urban Development			
Pass-through from Kansas Housing Resource Corporation			
Home Investment Partnership Program	14.239	MIH-FFY2015	254,867
Emergency Solution Grants	14.231	ESG-FFY2016	15,996
Emergency Solution Grants	14.231	ESG-FFY2017	3,761
			<hr/>
TOTAL - U.S. Department of Housing and Urban Development			274,624
			<hr/>
Department of the Interior			
Pass-through from Kansas Historical Society			
Historic Preservation Fund Grants-In-Aid	15.904	HPF 2016-004	11,500
			<hr/>
TOTAL - U.S. Department of Interior			11,500
			<hr/>
U.S. Department of Justice			
Bulletproof Vest Program	16.607		7,541
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-0242	18,521
			<hr/>
TOTAL - U.S. Department of Justice			26,062
			<hr/>
U.S. Department of Transportation			
Airport Improvement Program	20.106	3-20-0035-32	2,486,006
Pass-through from Kansas Secretary of Transportation			
Highway Planning and Construction	20.205	KA-4048-01 017171076	43,332
<u>Highway Safety Cluster:</u>			
State and Community Highway Safety	20.600	SP-1300-17	8,502
National Priority Safety Programs	20.616	SP-4505-17	7,488
National Priority Safety Programs	20.616	SP-4704-17	6,893
			<hr/>
TOTAL - Highway Safety Cluster			22,883
TOTAL - U.S. Department of Transportation			2,552,221
			<hr/>
Total Federal Awards Expended			\$ 2,864,407
			<hr/>

See Accompanying Notes to the Schedule of Federal Awards

CITY OF HUTCHINSON, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Hutchinson, Kansas under programs of the federal government for the year ended December 31, 2017, and is presented on the regulatory basis of accounting in accordance with the Kansas Municipal Audit and Accounting Guide. Expenditures include disbursements, accounts payable, and encumbrances. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of The City of Hutchinson, it is not intended to and does not present the cash and unencumbered cash balances and its cash receipts, expenditures, and budgetary results for the year then ended on the regulatory basis of accounting.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of accounting as described in Note A. Such expenditures are recognized following the cost principles contained in OMB' Uniform Guidance (2 CFR Part 200, Subpart E), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COSTS

The City did not elect to use the 10% de minimus cost rate.

CITY OF HUTCHINSON, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended December 31, 2017

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statement of the City prepared on the regulatory basis of accounting in accordance with the cash basis and budget laws of the State of Kansas prescribed by the Kansas Municipal Audit and Accounting Guide described in Note 1 to the financial statement.
2. No significant deficiencies relating to the audit of the financial statement are reported in the 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.
3. No instances of noncompliance material to the financial statement of the City were disclosed during the audit.
4. No deficiencies material to major federal award programs were disclosed during the audit.
5. The auditors' report on compliance for the major federal award programs expressed an unmodified opinion.
6. Audit findings that are required to be reported in accordance with Section 2 CFR 200.516(a) are included in this schedule.
7. The programs tested as major programs include:

	<u>CFDA No.</u>
Airport Improvement Program	20.106

8. The threshold for distinguishing between Type A and Type B programs was \$750,000.00.
9. The City was not determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2017-001 Airport Improvement Program – CFDA No. 20.106

Condition

A total of 13 days elapsed between one Federal cash draw and its disbursement.

Criteria

Compliance requirements for cash management require procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement.

Context

One of the seventeen Federal cash draws was not timely disbursed. The Federal cash draw, in the amount of \$378,489.69, received on August 4, 2017 was not disbursed until August 17, 2017.

Effect

Any interest earned on the Federal cash draw could be required to be paid to the Federal agency.

Cause

Policies and procedures had not been fully implemented after the previous year finding, including conversion to the new financial reporting software.

Recommendation

We recommend that the City review procedures related to the drawdown of Federal funds and implement changes necessary to insure prompt disbursement of the drawdown received. The City should establish written policies and procedures regarding cash management and communicate these policies and procedures with personnel involved in grant management.

Management's Response

Staff involved in the cash management and draw down procedures have been reminded of the cash management requirements. The request for draw down is to be submitted after the invoice is approved for payment or at the same time, resulting in a reimbursement and not a cash advance. Accounting personnel are now checking that an invoice is paid before submitting the request for draw down. We are now familiar with the new process and new software, and are able to identify if an invoice has been paid in order to qualify as a reimbursement.

CITY OF HUTCHINSON, KANSAS
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2017

2016-1

Context

One of the fourteen Federal cash draws was not timely disbursed. One federal cash draw, in the amount of \$10,053, received on December 27, 2016, was not disbursed until February 2, 2017.

Effect

Any interest earned on the Federal cash draw could be required to be paid to the Federal agency.

Cause

Due to the use of a new process, with a new computer system, it took longer to pay an invoice than anticipated. The anticipated payment date was used to draw down funds, instead of the actual payment date.

Recommendation

We recommend that the City review procedures related to the drawdown of Federal funds and implement changes necessary to insure prompt disbursement of the drawdown received. This could include reminding personnel involved of the cash management requirements and implementation of other safeguards.

Management's Response

Staff involved in the cash management and draw down procedures have been reminded of the cash management requirements. The request for draw down is to be submitted after the invoice is approved for payment or at the same time, resulting in a reimbursement and not a cash advance.

Status

Accounting personnel are now checking that an invoice is paid before submitting the request for draw down. We are now familiar with the new process and new software and are able to identify if an invoice has been paid in order to qualify as a reimbursement.