



City of Hutchinson, Kansas

Annual Financial Report

For the Year Ended December 31, 2021

Submitted By:

Finance Department

City of Hutchinson, Kansas

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Council
City of Hutchinson, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of Hutchinson, Kansas (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse and Unmodified Opinions on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on the Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1—Summary of Significant Accounting Policies.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1—Summary of Significant Accounting Policies of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the regulatory basis reporting provisions 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 preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards (GAAS) and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

- Conclude whether in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2021 fund summary statement of receipts, expenditures, and unencumbered cash balances – 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 2021 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 2021 information is the responsibility of management and the supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 information has been subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 comparative information is fairly stated, in all material respects, in relation to the 2021 basic financial statement as a whole, based on accounting described in Note 1—Summary of Significant Accounting Policies.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City, as of and for the year ended December 31, 2020, not presented herein, and have issued our report thereon dated April 9, 2021, which contained an unmodified opinion on the regulatory basis basic financial statement. The 2020 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>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and are not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated May 20, 2022, 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 effectiveness of the City's 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.

A handwritten signature in black ink, reading "Lindburg Vogel Pierce Laris". The signature is written in a cursive, flowing style. It is contained within a light gray rectangular box.

Certified Public Accountants

Hutchinson, Kansas
May 20, 2022

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

	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	\$ 7,202,198	\$ 26,865	\$ 35,979,892	\$ 33,689,422	\$ 9,519,533	\$ 606,514	\$ 10,126,047
Special Purpose Funds							
Special Street	-	1,220	1,550,143	1,551,363	-	11,068	11,068
Special Parks & Recreation	-	-	176,351	176,351	-	12,033	12,033
Special Alcohol Programs	110,956	-	126,079	128,500	108,535	-	108,535
Economic Opportunity Fund	387,500	-	150,000	25,000	512,500	-	512,500
Convention & Tourism Promotion	-	-	563,913	563,913	-	-	-
Recreation Commission	-	-	1,302,223	1,302,223	-	-	-
Animal Shelter	-	-	604,309	604,309	-	16,215	16,215
Community Improvement District	-	-	609,958	609,958	-	-	-
E 911 Surcharge	958,646	12,611	452,097	612,223	811,131	2,437	813,568
Federal and State Grants	(64,644)	-	3,800,820	772,858	2,963,318	156,304	3,119,622
Planning Projects	76,679	-	13,308	8,194	81,793	-	81,793
Gossage Animal Shelter Trust	-	-	6,735	6,735	-	-	-
Municipal Equipment Reserve	2,955,616	36,178	2,123,562	1,903,627	3,211,729	394,170	3,605,899
Bond and Interest Funds							
Bond and Interest	352,648	-	7,004,938	6,647,889	709,697	-	709,697
Sports Arena Sales Tax Fund	3,539,756	-	3,931,935	3,276,025	4,195,666	-	4,195,666
Capital Projects Funds							
Capital Improvement	10,407,190	310,621	8,183,174	9,158,865	9,742,120	2,613,329	12,355,448.87
Business Funds							
Refuse	231,242	-	2,111,854	2,115,930	227,166	154,056	381,222
Golf Course	-	-	947,073	947,073	-	6,866	6,866
Airport	-	-	436,326	436,326	-	17,571	17,571
Water Utility	4,632,121	3,900	7,885,778	8,621,035	3,900,764	303,031	4,203,795
Sewer Utility	4,014,309	3,299	6,858,653	6,145,510	4,730,751	115,865	4,846,616
Storm Water Utility	5,567,726	-	2,197,357	2,021,958	5,743,125	2,152	5,745,277
Health & Dental Insurance	3,181,076	-	4,237,245	4,705,195	2,713,126	6,355	2,719,481
Risk Management	2,406,045	-	1,016,277	939,651	2,482,671	2,116	2,484,787
Worker's Compensation	2,007,925	-	655,930	407,314	2,256,541	-	2,256,541
Central Purchasing	24,950	-	1,819	1,819	24,950	288	25,238
Trust Funds							
Hutchinson Community Foundation	92,617	-	7,635	1,046	99,206	-	99,206
Donation	542,591	-	369,539	376,229	535,901	10,817	546,718
Total Reporting Entity (Excluding Agency Funds)	\$ 48,627,147	\$ 394,694	\$ 93,304,923	\$ 87,756,541	\$ 54,570,223	\$ 4,431,187	\$ 59,001,410

Composition of Cash	Checking Account	\$ 37,268,242
	Petty Cash	8,971
	Municipal Investment Pool	5,727,238
	Certificates of Deposit	14,003,450
	Treasury Note	1,995,542
	Hutchinson Community Foundation	99,206
	Total Cash	59,102,649
	Agency Funds per Schedule 3	(101,239)
	Total Reporting Entity (Excluding Agency Funds)	\$ 59,001,410

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

CITY OF HUTCHINSON, KANSAS
NOTES TO THE FINANCIAL STATEMENT
December 31, 2021

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 2021:

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 disposal well permit 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

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.

If a municipality holds a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City held a revenue neutral rate hearing as a part of the process for adoption of the 2022 budget.

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.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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.

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

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

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

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.

These taxes become a lien against all property November 1. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10.

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.

NOTE 3—DEPOSITS AND INVESTMENTS

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:

Water Well Closure \$ 260,306

As of December 31, 2021, the City had the following investments:

Investment Type	Fair Value	S&P Rating
Kansas Municipal Investment Pool	\$ 5,727,238	Not Rated
Hutchinson Community Foundation Investment Pool	99,206	Not Rated
U.S. Treasury Note	1,995,542	Aaa
	<u>\$ 7,821,986</u>	

At December 31, 2021, the City had invested \$5,727,238 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, 2021 the City also had \$99,206 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.

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, 2021.

At December 31, 2021, the City's carrying amount of deposits was \$53,263,135 and the bank balance was \$51,522,156. The bank balance was held by six banks. Of the bank balance, \$20,040,843 was covered by Federal Depository Insurance Corporation (FDIC): of this amount, \$18,538,143 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 \$31,481,313 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, 2021, capital projects authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

CITY IMPROVEMENT	AUTHORIZED PROJECTS	EXPENDITURES
Atrium Demolition	\$ 670,000	\$ 15,974
Tower #4 Interior Lining	1,700,000	10,697
Water Tower #1 Coating Project	443,333	418,592
Farmland J Groundwater Remediation	175,000	135,325
Secondary Treatment	3,000,000	2,155,505
Disposal Well By-Pass Project	1,500,000	74,479
Risk and Resilience Assessment	150,000	93,517
Water Tower #2 Coating Project	300,000	178,197
Sewer Rehab - Halstead West 48" Sew	70,800	69,480
Washington Bicycle A/29th	151,500	126,279
Cow Creek Channel Expansion	11,600,000	1,082,983
Applelane Street	2,289,000	1,260,353
11th Bridge Replacement by Cochran	685,000	82,166
Pleasant/Hoagland Bridge & 2nd Ave	1,200,000	6,598
5th Ave Bridge / Harsha Canal Rep	254,569	55
Mine Rd Culvert Replace over GVI	54,050	7,743
Golf Master Plan	1,247,000	1,089,760
Orchard Park	883,392	578,575
Salt City Splash Master Plan	50,000	31,289
Runway 13/31	660,000	694,456
Hanger 2 Floor Refurbish	60,000	29,245
Zoo Electrical Upgrades	150,000	99,826
SW Bricktown Park Development	50,000	49,260
Zoo Nature Play Project	75,000	21,900
GA Parking Apron Seal Coat & Remark	195,174	229,492
Farmington Park Development	515,000	16,870
Hobart-Detter Concession Stand	330,000	23,750
Golf & Fun Valley Chip Seal	115,000	82,302
KDOT Apron between T-Hangers	300,000	186,129
Police LEC Renovation	2,640,495	2,632,169
Fire Station #1	4,525,000	243,500
	\$ <u>36,039,313</u>	\$ <u>11,726,462</u>

NOTE 5 – LONG TERM DEBT

Changes in long-term debt of the City for the year ended December 31, 2021 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										
2011B	0.50 - 2.20%	11/15/11	1,170,000	10/01/21	\$ 130,000	\$ -	\$ -	\$ 130,000	\$ -	\$ 2,860
2013C	2.00 - 3.20%	09/24/13	2,530,000	10/01/22	550,000	-	-	400,000	150,000	16,800
2014B	2.50 - 4.50%	04/30/14	2,545,000	10/01/34	215,000	-	-	105,000	110,000	7,525
2014C	2.00 - 3.38%	09/22/14	1,710,000	10/01/34	395,000	-	-	25,000	370,000	11,638
2015A	2.00 - 4.00%	08/31/15	7,530,000	10/01/35	3,430,000	-	-	600,000	2,830,000	85,390
2015B	2.00 - 2.50%	12/07/15	4,915,000	10/01/25	3,730,000	-	-	245,000	3,485,000	88,150
2016A	2.00 - 4.00%	02/17/16	24,985,000	10/01/25	13,255,000	-	-	2,825,000	10,430,000	389,900
2016B	2.00 - 4.00%	06/07/16	3,970,000	10/01/23	2,585,000	-	-	395,000	2,190,000	76,300
2016C	1.50 - 2.00%	10/13/16	2,165,000	10/01/26	1,460,000	-	-	235,000	1,225,000	29,200
2017A	2.00 - 3.20%	11/28/17	6,265,000	10/01/37	3,720,000	-	-	540,000	3,180,000	100,070
2018A	2.00 - 4.00%	07/12/18	1,382,010	10/01/38	1,265,000	-	-	50,000	1,215,000	40,938
2018B	3.00 - 4.25%	10/04/18	380,000	10/01/28	304,000	-	-	38,000	266,000	11,515
2019 A	3.00 - 4.25%	11/25/19	8,565,000	10/01/32	7,255,000	-	-	975,000	6,280,000	283,500
2019 B	3.00 - 3.00%	11/25/19	3,490,000	10/01/35	3,465,000	-	-	10,000	3,455,000	102,400
2020 A	2.00-3.00%	05/14/20	3,740,000	10/01/39	3,740,000	-	-	150,000	3,590,000	87,056
2020 B	2.00-3.625%	11/25/20	6,670,000	10/01/40	6,670,000	-	-	220,000	6,450,000	160,729
2020C	2.00-3.625%	10/19/20	7,280,000	10/01/33	7,280,000	-	-	1,255,000	6,025,000	224,444
					<u>59,449,000</u>	<u>-</u>	<u>-</u>	<u>8,198,000</u>	<u>51,251,000</u>	<u>1,718,414</u>
Temporary Notes										
2021A	0.39-0.59%		670,000	10/01/25	-	670,000	-	-	670,000	-
Capital Leases										
Emergency Radios	4.56%	01/01/12	135,572	09/01/21	16,434	-	-	16,434	-	749
911 Equipment Refinanced	2.50%	01/12/16	443,905	01/12/24	232,913	-	-	56,078	176,835	5,839
2016 Pumper Fire Truck	1.735%	10/22/16	472,554	09/22/22	142,942	-	-	81,150	61,792	1,837
2018 Street Sweeper	3.330%	05/01/18	212,525	05/01/22	80,944	-	-	39,810	41,134	2,695
2021 Aerial Truck	1.715%	09/30/21	1,501,567	08/01/31	-	1,501,567	-	-	1,501,567	-
2021 Street Sweeper	1.513%	10/18/21	241,750	12/15/25	-	241,750	-	49,342	192,408	620
					<u>473,233</u>	<u>1,743,317</u>	<u>-</u>	<u>242,814</u>	<u>1,973,736</u>	<u>11,740</u>
Total Bonded Indebtedness					<u>\$ 59,922,233</u>	<u>\$ 2,413,317</u>	<u>\$ -</u>	<u>\$ 8,440,814</u>	<u>\$ 53,894,736</u>	<u>\$ 1,730,154</u>

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

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	Total
Principal									
General Obligation Bonds	\$ 8,133,000	\$ 8,063,000	\$ 7,843,000	\$ 7,548,000	\$ 3,433,000	\$ 8,576,000	5,110,000	2,545,000	\$ 51,251,000
General Obligation Temp Notes	165,000	165,000	170,000	170,000	-	-	-	-	670,000
Capital Leases	349,872	247,612	252,231	195,031	148,325	780,665	-	-	1,973,736
Total Principal	<u>8,647,872</u>	<u>8,475,612</u>	<u>8,265,231</u>	<u>7,913,031</u>	<u>3,581,325</u>	<u>9,356,665</u>	<u>5,110,000</u>	<u>2,545,000</u>	<u>53,894,736</u>
Interest									
General Obligation Bonds	1,480,095	1,190,234	967,178	756,440	552,264	1,563,609	648,420	143,235	7,301,475
General Obligation Temp Notes	2,925	2,480	1,836	1,003	-	-	-	-	8,244
Capital Leases	31,007	28,523	23,904	19,188	15,932	40,621	-	-	159,175
Total Interest	<u>1,514,027</u>	<u>1,221,237</u>	<u>992,918</u>	<u>776,631</u>	<u>568,196</u>	<u>1,604,230</u>	<u>648,420</u>	<u>143,235</u>	<u>7,468,894</u>
Total Principal and Interest	<u>\$ 10,161,899</u>	<u>\$ 9,696,849</u>	<u>\$ 9,258,149</u>	<u>\$ 8,689,662</u>	<u>\$ 4,149,521</u>	<u>\$ 10,960,895</u>	<u>\$ 5,758,420</u>	<u>\$ 2,688,235</u>	<u>\$ 61,363,630</u>

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.

On February 4, 2019, the City entered into a loan agreement for the operating lease of a fire ladder truck for the amount of \$650,000. The loan is for a term of 9 years with an interest rate of 4.45% and annual payments totaling \$73,115. There is a final balloon payment of \$174,257 due March 5, 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, 2021, there were 5 series of Industrial Revenue Bonds outstanding, 2 series of Multi-Family Revenue Bonds outstanding, and 5 Health Care Facilities Refunding Revenue Bonds outstanding. The aggregate principal payable could not be determined; however, aggregate original issue amounts payable totaled \$290,940,000.

NOTE 6—INTERFUND TRANSFERS

Interfund transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	Special Street Fund	12-1,119	\$ 109,991
General Fund	Golf Course	12-101a	260,633
General Fund	Special Parks Fund	12-101a	50,273
General Fund	Animal Shelter Fund	12-101a	505,209
General Fund	Airport Fund	3-1121	178,097
General Fund	Economic Opportunity Fund	Home Rule	150,000
General Fund	Municipal Equipment Reserve	12-1,117	1,456,664
General Fund	Capital Improve Projects	12-1,118	1,936,841
General Fund	Planning Projects	Home Rule	10,000
Planning Projects	Federal and State Grants	Home Rule	2,114
Municipal Equipment Reserve	Federal and State Grants	Home Rule	6,364
Capital Impr Projects	Federal and State Grants	Home Rule	76,524
Special Street Fund	Capital Impr Projects	12-1,118	200,000
Special Street Fund	Municipal Equipment Reserve	12-1,117	50,897
Convention and Tourism	Capital Impr Projects	12-1,118	241,677
Gossage Trust	Bond & Interest Fund	Home Rule	6,735
Golf Course	Municipal Equipment Reserve	12-1,117	58,000
Airport	Municipal Equipment Reserve	12-1,117	2,400
Animal Shelter	Municipal Equipment Reserve	12-1,117	2,706
Water Utility Fund	Bond & Interest Fund	12-825d	1,128,208

Water Utility Fund	Capital Impr Projects	12-1,118	1,912,000
Water Utility Fund	Municipal Equipment Reserve	12-1,117	79,163
Sewer Utility Fund	Bond & Interest Fund	12-825d	936,166
Sewer Utility Fund	Capital Impr Projects	12-1,118	310,000
Sewer Utility Fund	Municipal Equipment Reserve	12-1,117	14,313
Storm Water	Bond & Interest Fund	12-825d	42,997
Storm Water	Capital Improv Projects	12-1,118	1,505,070
Storm Water	Municipal Equipment Reserve	12-1,117	46,583
Capital Improvement	Bond & Interest Fund	Home Rule	71,830
			<u>\$ 11,351,455</u>

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 a \$50,000 deductible for property and a \$100,000 deductible for wind, hail, or earthquake damage. 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 regard to its health/dental insurance coverage effective January 1, 2000. In 2021, the plan was administered by Meritain, which provided a stop loss provision of incurred claims expense in excess of \$125,000 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 2021 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	\$ 455,284	\$ 303,777	\$ 348,798	\$ 410,263
Health and Dental Insurance	266,937	3,615,167	3,621,778	260,326

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 the 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, 2015, 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 8.87% for KPERS and 22.8% for KP&F for the year ended December 31, 2021. Contributions to the pension plan from the City were \$979,286 for KPERS and \$2,218,743 for KP&F for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, KPERS has determined the City's proportionate share of the collective net pension liability was \$6,390,427 for KPERS and \$16,373,375 for KP&F. The net pension liability was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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 \$19,500 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 \$779,703. 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 \$2,420,198. 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.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement Systems (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

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 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

The City has committed up to \$225,700 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 2022 through 2025 depending on when and if the businesses reach the agreed upon measures.

NOTE 12— SUBSEQUENT EVENTS

On May 1th, 2022, the City held a bond sale for \$9,810,000 of bonds for capital improvement projects. The bonds have a 3.89% interest rate and the final maturity will be in 2043.

City of Hutchinson, Kansas
Summary of Expenditures - Actual & Budget
Regulatory Basis
For the Year Ended December 31, 2021

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	\$ 39,766,684	\$ -	\$ 39,766,684	\$ 33,689,422	\$ (6,077,262)
Special Purpose Funds					
Special Street Fund	1,850,334	-	1,850,334	1,551,363	(298,971)
Special Parks and Recreation Fund	258,282	-	258,282	176,351	(81,931)
Special Alcohol Programs Fund	211,557	-	211,557	128,500	(83,057)
Economic Opportunity Fund	465,635	-	465,635	25,000	(440,635)
Convention and Tourism Promotion Fund	800,000	-	800,000	563,913	(236,087)
Recreation Commission Fund	1,322,000	-	1,322,000	1,302,223	(19,777)
Animal Shelter Fund	688,608	-	688,608	604,309	(84,299)
Community Improvement District Fund	800,000	-	800,000	609,958	(190,042)
E 911 Surcharge Fund	1,154,911	-	1,154,911	612,223	(542,688)
Bond and Interest Funds					
Bond and Interest Fund	7,125,064	-	7,125,064	6,647,889	(477,175)
Sports Arena Sales Tax Fund	6,459,300	-	6,459,300	3,276,025	(3,183,275)
Business Funds					
Refuse Fund	2,294,513	-	2,294,513	2,115,930	(178,583)
Golf Course Fund	981,443	-	981,443	947,073	(34,370)
Airport Fund	490,905	-	490,905	436,326	(54,579)
Water Utility Fund	11,179,007	-	11,179,007	8,621,035	(2,557,972)
Sewer Utility Fund	9,812,808	-	9,812,808	6,145,510	(3,667,298)
Storm Water Utility Fund	7,629,024	-	7,629,024	2,021,958	(5,607,066)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Receipts				
Property Taxes	\$ 11,616,838	\$ 11,917,753	\$ 11,895,873	\$ 21,880
Non Property Taxes	12,699,580	13,654,412	11,554,574	2,099,838
Franchise Fees	4,698,619	4,897,421	4,857,569	39,852
License and Permits	457,007	451,325	463,291	(11,966)
Fines, Forfeitures, and Penalties	618,485	592,325	675,000	(82,675)
Use of Money & Property	99,021	37,731	48,200	(10,469)
Public Safety Service Charges	2,631,129	2,887,469	3,044,567	(157,098)
Recreation & Concession Service Charges	143,212	157,442	172,650	(15,208)
Internal Service Charges	849,852	1,079,511	1,169,500	(89,989)
Miscellaneous	527,221	304,503	138,400	166,103
Operating Transfers In	100,000	-	-	-
Total Receipts	34,440,964	35,979,892	34,019,624	1,960,268
Expenditures				
Personnel Services	23,259,774	23,362,081	24,754,545	(1,392,464)
Contractual Services	6,092,777	6,567,845	6,682,874	(115,029)
Commodities	1,904,174	2,389,585	2,357,840	31,745
Capital Outlay	178,255	229,462	209,000	20,462
Reserve Transfers	3,267,107	3,393,504	3,181,625	211,879
Operating Transfers Out	1,514,068	1,264,202	2,155,612	(891,410)
Allocated Service Costs	(3,384,975)	(3,517,257)	(3,517,257)	-
Appropriated Reserve	-	-	3,942,445	(3,942,445)
Total Expenditures	32,831,179	33,689,422	\$ 39,766,684	\$ (6,077,262)
Receipts Over (Under) Expenditures	1,609,785	2,290,470		
Unencumbered Cash, Beginning	5,591,922	7,202,198		
Prior Year Cancelled Encumbrance	491	26,865		
Unencumbered Cash, Ending	\$ 7,202,198	\$ 9,519,533		

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Property Taxes				
Ad Valorem Property Tax	\$ 9,695,768	\$ 9,932,678	\$ 10,315,631	\$ (382,953)
Vehicle Tax	1,278,558	1,341,344	1,272,384	68,960
In Lieu of Tax	19,674	36,752	39,349	(2,597)
TIF	68,227	67,783	-	67,783
Delinquent Tax Collections	554,611	539,197	268,509	270,688
Total Property Taxes	11,616,838	11,917,753	11,895,873	21,880
Non Property Taxes				
Local Sales tax - Countywide	5,786,519	5,588,605	5,482,348	106,257
Local Sales Tax - Citywide	6,815,242	7,927,978	5,931,554	1,996,424
Liquor Taxes	86,169	126,078	129,072	(2,994)
Intoxicating Liquor Tax	11,650	11,750	11,600	150
Total Non Property Taxes	12,699,580	13,654,412	11,554,574	2,099,838
Utility Franchise Fees				
Electricity - Westar Energy	2,635,398	2,709,908	2,727,393	(17,485)
Gas - Kansas Gas Service Company	760,014	848,764	823,168	25,596
Telephone - AT & T / Other	77,619	85,256	82,466	2,790
Cable Television	382,598	367,841	407,372	(39,531)
Refuse System Fund	200,962	204,311	187,170	17,141
Water/Sewer System Fund	642,028	681,343	630,000	51,343
Total Utility Franchise Fees	\$ 4,698,619	\$ 4,897,421	\$ 4,857,569	\$ 39,852

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Licenses and Permits				
Cereal Malt Beverage Licenses	\$ 2,275	\$ 2,317	\$ 2,600	\$ (283)
Tree Trimming Licenses	625	575	450	125
Alarm License Fees	13,770	10,877	13,000	(2,124)
Fireworks Permits	12,525	10,100	12,500	(2,400)
Police and Protective Licenses	254	392	-	392
Other Licenses and Permits	913	2,084	1,479	605
Building and Fence Permits	257,114	272,397	280,803	(8,406)
Sign Permits	3,490	2,400	3,400	(1,000)
Demolition Permits and Licenses	1,422	1,043	1,768	(725)
Building Occupancy Permits	1,235	5,130	2,771	2,359
Mechanical Permits	38,329	28,079	30,860	(2,781)
Electrical and Plumbing Permits	23,394	33,596	25,672	7,924
Electrical and Plumbing License Fees	30,670	25,510	28,449	(2,939)
Mechanical License Fees	17,330	15,245	12,418	2,827
Driveway Permit	1,189	1,645	1,000	645
Building Contractor Licenses	47,900	33,350	41,121	(7,771)
Zoning Application Fees	4,574	6,587	5,000	1,587
Total Licenses and Permits	457,007	451,325	463,291	(11,966)
Fines, Forfeitures, and Penalties				
Municipal Court Fines	368,059	352,277	390,000	(37,723)
Probation Fees	24,685	23,054	24,000	(946)
Municipal Court Bond Forfeitures	28,380	32,073	26,000	6,073
Municipal Court Costs	131,666	127,910	180,000	(52,090)
Court Surcharges	9,790	9,478	13,000	(3,522)
Diversion Fees	55,882	47,478	42,000	5,478
LALF Fees	23	54	-	54
Total Fines, Forfeitures, and Penalties	\$ 618,485	\$ 592,325	\$ 675,000	\$ (82,675)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 95,821	\$ 34,031	\$ 45,000	\$ (10,969)
Rents and Leases	3,200	3,700	3,200	500
Total Use of Money and Property	99,021	37,731	48,200	(10,469)
Public Safety Revenues				
Police Officer Service Charges	78,565	74,244	100,000	(25,756)
Police Records	11,376	11,101	13,000	(1,899)
Fingerprinting Fees	1,355	1,460	2,500	(1,040)
Radio Maintenance Service Charges	39,661	64,892	-	64,892
Fire District #2	1,889,100	2,061,270	2,132,684	(71,414)
Central Dispatch	558,683	604,258	736,383	(132,125)
Records - Reno County	3,269	6,934	15,000	(8,066)
Evidence Custodian - Reno County	49,120	60,383	45,000	15,383
Fire Reimbursements	-	2,927	-	2,927
Total Public Safety Revenues	2,631,129	2,887,469	3,044,567	(157,098)
Recreation and Concessions				
Soft Drink Contract and Commissions	5,995	3,764	6,000	(2,236)
Memorial Hall - Rental Fees	4,025	14,680	8,000	6,680
Sports Arena - Reimbursements	119,003	108,304	135,650	(27,346)
Homebuilders and Gazebo Rental	14,190	30,695	17,000	13,695
Concessions	-	-	6,000	(6,000)
Total Recreation and Concessions	\$ 143,212	\$ 157,442	\$ 172,650	\$ (15,208)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Central Garage/Custodial Services	\$ 849,852	\$ 1,079,511	\$ 1,169,500	\$ (89,989)
Miscellaneous				
Sale of City Property	64,318	-	-	-
Flood Control Project	25,947	8,310	24,400	(16,090)
Miscellaneous	1,708	2,088	5,000	(2,912)
Industrial Revenue Bond Admin Fees	26,530	32,998	25,000	7,998
Eastside Cemetery Charges	42,095	40,560	16,000	24,560
Reimbursements of Expenditures	21,038	89,009	25,000	64,009
Zoo Gift Shop	37,965	39,459	43,000	(3,541)
Private Contributions	1,000	-	-	-
FEMA Grant Reimbursment	306,620	85,724	-	85,724
Other Grant	-	6,355	-	6,355
Total Miscellaneous	527,221	304,503	138,400	166,103
Transfers into the General Fund				
Operating Transfer	100,000	-	-	-
Total Receipts	\$ 34,440,964	\$ 35,979,892	\$ 34,019,624	\$ 1,960,268

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

	Prior	Current Year		Variance
	Year			Over
	Actual	Actual	Budget	(Under)
Expenditures				
Departmental				
City Council	\$ 44,354	\$ 17,181	\$ 22,000	\$ (4,819)
City Manager	439,567	322,213	361,670	(39,457)
Human Relations	47,895	63,398	76,334	(12,936)
Street Lighting	729,853	737,472	777,500	(40,028)
Human Resources	435,291	436,034	507,906	(71,872)
Finance	341,559	323,637	359,369	(35,732)
Utility Billing	859,478	850,038	858,437	(8,399)
Purchasing	63,855	65,557	72,155	(6,598)
Information Systems	732,413	710,298	699,688	10,610
Planning	426,293	287,539	288,126	(587)
Housing Development	18,360	24,634	136,690	(112,056)
Law	699,596	722,303	718,324	3,979
Public Works Administration	271,396	295,126	309,345	(14,219)
Public Works Maintenance	335,725	352,292	484,592	(132,300)
Central Garage	1,069,829	1,330,401	1,448,249	(117,848)
Engineering	687,385	726,993	890,244	(163,251)
Traffic Signals	211,151	227,040	274,010	(46,970)
GIS	115,230	118,587	192,027	(73,440)
Parks	3,946,090	4,320,510	4,545,143	(224,633)
Police	8,959,993	9,130,349	10,230,815	(1,100,466)
Fire	9,038,150	9,329,746	9,294,585	35,161
Inspection	577,156	630,406	682,303	(51,897)
Total Departmental	\$ 30,050,619	\$ 31,021,754	\$ 33,229,512	\$ (2,207,758)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
Growth Contractual Services				
Chamber of Commerce	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Total Growth	200,000	200,000	200,000	-
Non Departmental Contractual Services				
Kansas Cosmosphere	752,977	806,124	652,471	153,653
Kansas Underground Salt Museum	114,087	122,140	98,859	23,281
SCKEDD & REAP Memberships	9,500	14,944	15,007	(63)
Miscellaneous Contractual Services	18,004	72,015	5,000	67,015
Cultural Activities Fund	40,989	40,983	40,983	-
Hutch Fest Activities	15,000	17,500	15,000	2,500
Arts & Humanities Council	33,562	33,562	33,562	-
Employee Recognition Program	12,378	8,185	12,000	(3,815)
Railroad Spur Property Taxes	42,292	35,839	41,865	(6,026)
Rockstep Sales Tax Reimbursement	24,651	51,709	-	51,709
Rockstep TIF Payment	64,636	64,216	-	64,216
HRC-Director of Neighborhoods	15,000	20,000	20,000	-
Census	1,284	-	-	-
Hutchinson Reno County Chamber	10,000	10,000	10,000	-
StartUp Hutch	30,000	30,000	30,000	-
Total Non Departmental Contractual Services	\$ 1,184,360	\$ 1,327,217	\$ 974,747	\$ 352,470

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-A

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
Reserve Transfers				
Municipal Equipment Reserve	\$ 1,384,586	\$ 1,456,664	\$ 1,463,623	\$ (6,959)
Capital Improvement Projects	1,882,521	1,936,841	1,718,002	218,839
Total Reserve Transfers	3,267,107	3,393,505	3,181,625	211,880
Operating Transfers				
Special Street	351,148	109,991	746,024	(636,033)
Golf Course	178,571	260,633	308,161	(47,528)
Special Park	130,078	50,273	129,210	(78,937)
Animal Shelter	486,879	505,209	586,108	(80,899)
Airport	202,392	178,097	236,109	(58,012)
Economic Opportunity Fund	150,000	150,000	150,000	-
Planning Projects Fund	15,000	10,000	-	10,000
Grants Fund	-	-	-	-
Total Operating Transfers	1,514,068	1,264,203	2,155,612	(891,409)
Other Costs				
Nondepartmental Allocated Service Costs	(3,384,975)	(3,517,257)	(3,517,257)	-
Pay Adjustments	-	-	(400,000)	400,000
Appropriated Reserve	-	-	3,942,445	(3,942,445)
Total Other Costs	(3,384,975)	(3,517,257)	25,188	(3,542,445)
Total Expenditures	\$ 32,831,179	\$ 33,689,422	\$ 39,766,684	\$ (6,077,262)

City of Hutchinson, Kansas
Special Street Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-B

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental Revenue				
State Gas Tax Distribution	\$ 1,053,872	\$ 1,169,615	\$ 921,550	\$ 248,065
County Gas Tax Distribution	156,566	175,664	127,760	47,904
State Connecting Links	93,124	92,996	55,000	37,996
Street Cuts	-	1,877	-	1,877
Miscellaneous Revenues				
Federal Grants	16,253	-	-	-
Operating Transfer In	351,148	109,991	746,024	(636,033)
Total Receipts	1,670,963	1,550,143	1,850,334	(300,191)
Expenditures				
Personnel Services	862,353	888,699	1,061,806	(173,107)
Contractual Services	138,446	180,192	193,046	(12,854)
Commodities	236,754	231,575	338,585	(107,010)
Capital Outlay	-	-	6,000	(6,000)
Reserve Transfer to Municipal Equipment Reserve	233,425	50,897	50,897	-
Reserve Transfer to Capital Improvement Fund	200,000	200,000	200,000	-
Total Expenditures	1,670,978	1,551,363	\$ 1,850,334	\$ (298,971)
Receipts Over (Under) Expenditures	(15)	(1,220)		
Unencumbered Cash, Beginning	15	-		
Prior Year Cancelled Encumbrance	-	1,220		
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, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-C

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Non Property Taxes				
Liquor Taxes	\$ 86,161	\$ 126,078	\$ 129,072	\$ (2,994)
Operating Transfer In	130,078	50,273	129,210	(78,937)
Total Receipts	216,239	176,351	258,282	(81,931)
Expenditures				
Personnel Services	68,773	39,214	74,033	(34,819)
Contractual Services	83,970	72,726	115,249	(42,523)
Commodities	63,496	64,411	69,000	(4,589)
Total Expenditures	216,239	176,351	\$ 258,282	\$ (81,931)
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, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-D

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Non Property Taxes				
Liquor Taxes	\$ 86,161	\$ 126,079	\$ 129,072	\$ (2,993)
Expenditures				
Contractual Services	77,500	128,500	77,500	51,000
Appropriated Reserves	-	-	134,057	(134,057)
Total Expenditures	77,500	128,500	\$ 211,557	\$ (83,057)
Receipts Over (Under) Expenditures	8,661	(2,421)		
Unencumbered Cash, Beginning	102,295	110,956		
Unencumbered Cash, Ending	\$ 110,956	\$ 108,535		

City of Hutchinson, Kansas
Economic Opportunity Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-E

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Transfers In	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Expenditures				
Appropriated Reserves	75,000	25,000	\$ 465,635	\$ (440,635)
Receipts Over (Under) Expenditures	75,000	125,000		
Unencumbered Cash, Beginning	312,500	387,500		
Unencumbered Cash, Ending	\$ 387,500	\$ 512,500		

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

Schedule 2-F

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Non Property Taxes				
Transient Guest Tax	\$ 535,445	\$ 563,913	\$ 800,000	\$ (236,087)
Expenditures				
Convention Visitors Bureau	305,969	322,236	429,371	(107,135)
Atrium/Convention Center	-	-	359,529	(359,529)
Reserve Transfer to Capital Improvement	229,476	241,677	11,100	230,577
Total Expenditures and Transfers	535,445	563,913	\$ 800,000	\$ (236,087)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

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

Schedule 2-G

		Current Year			
	Prior Year Actual	Current Year Actual	Budget	Variance Over (Under)	
Receipts					
Property Taxes					
Ad Valorem Property Tax	\$ 1,067,522	\$ 1,093,255	\$ 1,148,798	\$ (55,543)	
Motor Vehicle Tax	139,008	145,446	138,262	7,184	
16/20M Vehicle Tax	316	314	325	(11)	
Recreational Vehicle Tax	1,557	1,537	1,115	422	
Delinquent Ad Valorem Tax	60,579	59,026	29,500	29,526	
In Lieu of Tax	2,160	2,646	2,000	646	
Miscellaneous	-	-	2,000	(2,000)	
Total Receipts	<u>1,271,142</u>	<u>1,302,223</u>	<u>1,322,000</u>	<u>(19,777)</u>	
Expenditures					
Appropriation to Recreation Commission	1,271,462	1,302,223	1,320,000	(17,777)	
Miscellaneous	-	-	2,000	(2,000)	
Total Expenditures	<u>1,271,462</u>	<u>1,302,223</u>	<u>\$ 1,322,000</u>	<u>\$ (19,777)</u>	
Receipts Over (Under) Expenditures	(320)	-			
Unencumbered Cash, Beginning	<u>320</u>	<u>-</u>			
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>			

City of Hutchinson, Kansas
Animal Shelter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-H

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Licenses and Permits				
Dog License	\$ 8,845	\$ 8,496	\$ 14,000	\$ (5,504)
Service Charges				
Shelter Fees & Charges	6,584	5,024	9,000	(3,976)
Adoption Fees	62,223	69,795	60,000	9,795
Reclaimed Pet Fees	8,788	7,395	11,000	(3,605)
Relinquishment Fees	7,810	8,215	6,500	1,715
Miscellaneous				
Federal Grants	3,871	-	-	-
Reimbursed Expenses	10,074	175	2,000	(1,825)
Operating Transfer In	486,879	505,209	586,108	(80,899)
Total Receipts	595,074	604,309	688,608	(84,299)
Expenditures				
Personnel Services	427,940	388,205	464,048	(75,843)
Contractual Services	88,973	129,477	129,004	473
Commodities	76,492	81,410	89,850	(8,440)
Capital Outlay	1,669	2,511	3,000	(489)
Reserve Transfers to Municipal Equipment Reserve	-	2,706	2,706	-
Total Expenditures	595,074	604,309	\$ 688,608	\$ (84,299)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Community Improvement District Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-I

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
CID Sales Tax	\$ 478,592	\$ 609,958	\$ <u>800,000</u>	\$ <u>(190,042)</u>
Expenditures				
Contractual Services	<u>478,592</u>	<u>609,958</u>	\$ <u>800,000</u>	\$ <u>(190,042)</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, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-J

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 9,751	\$ 2,868	\$ 3,000	\$ (132)
Intergovernmental				
State E 911	394,742	449,019	355,000	94,019
Miscellaneous				
Reimbursements	-	210	-	210
Total Receipts	404,493	452,097	358,000	94,097
Expenditures				
Contractual Services	164,724	231,028	414,000	(182,972)
Commodities	13,032	4,521	10,000	(5,479)
Capital Outlay	298,196	376,674	730,911	(354,237)
Total Expenditures	475,952	612,223	\$ 1,154,911	\$ (542,688)
Cash Over (Under) Expenditures	(71,459)	(160,126)		
Unencumbered Cash, Beginning	1,030,105	958,646		
Prior Year Cancelled Encumbrance	-	12,611		
Unencumbered Cash, Ending	\$ 958,646	\$ 811,131		

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-K

Grant Description	Prior Year Actual						Unencumbered Cash Ending
	Unencumbered Cash Beginning	Federal/State Grant Contributions	Other Income	Transfer In	Grant Program Expenditures	Transfer Out	
Public Safety							
THC Drug Funds	\$ 44	\$ -	\$ 5,000	\$ -	\$ (244)	\$ -	\$ 4,800
Intoxicated Driver Deterrence	-	1,795	-	-	(1,795)	-	-
Special Traffic Enforcement	-	2,531	-	-	(2,531)	-	-
Bulletproof Vest Funding	10,746	29,502	-	-	(36,702)	-	3,546
JAG	(233)	-	-	-	233	-	-
2018 JAG	(22,281)	22,221	-	-	60	-	-
2019 JAG	(15,765)	-	-	-	-	-	(15,765)
2019 Emergency Response JAG	-	-	-	-	(22,208)	-	(22,208)
JAG COVID	-	40,997	-	-	(9,846)	-	31,151
ONEOK Hose & Equipment	270	-	-	-	-	-	270
CARES Act	-	133,322	-	-	(197,446)	-	(64,124)
Housing and Economic Development							
Incentives Without Walls Revolving Loan	37,887	26,239	-	-	(64,126)	-	-
Safe Routes to School	19,615	-	-	-	-	(19,615)	-
2018 Planning Repair Grant	10,000	-	-	-	-	-	10,000
Phase Zero Hutch	7,500	-	-	-	(1,574)	-	5,926
Emergency Shelter							
2019 Emergency Shelter Grant	-	26,784	-	-	(26,784)	-	-
2020 Emergency Shelter Grant	-	11,440	-	-	(11,440)	-	-
CDBG							
Stevens Building Grant	(28,801)	2,000	26,890	-	(89)	-	-
CDBG-CV	-	127,000	-	-	(132,000)	-	(5,000)
CDBG-Housing	-	4,250	-	-	(29,250)	-	(25,000)
Parks							
Community Fisheries	11,281	11,154	-	-	(10,675)	-	11,760
SW Bricktown Development	(668)	-	-	-	668	-	-
	<u>\$ 29,595</u>	<u>\$ 439,235</u>	<u>\$ 31,890</u>	<u>\$ -</u>	<u>\$ (545,749)</u>	<u>\$ (19,615)</u>	<u>\$ (64,644)</u>

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-K Cont.

Grant Description	Current Year						Unencumbered Cash Ending
	Unencumbered Cash Beginning	Federal/State Grant Contributions	Other Income	Transfer In	Grant Program Expenditures	Transfer Out	
Public Safety							
CARES Act	\$ (64,124)	\$ 64,124	\$ -	\$ -	\$ -	\$ -	-
ARPA	-	3,081,408	-	-	-	-	3,081,408
ONEOK Hose & Equipment	270	-	-	-	(270)	-	-
FAA Airport COVID Grant	-	7,975	-	-	(7,975)	-	-
FAA Control Tower COVID Grant	-	2,509	-	-	(3,015)	-	(506)
Police							
THC Drug Funds	4,800	-	-	-	-	-	4,800
Special Traffic Enforcement	-	8,718	-	-	(8,718)	-	-
Nighttime Seatbelt Enforcement	-	1,272	-	-	(1,272)	-	-
Bulletproof Vest Funding	3,546	-	-	-	-	-	3,546
2019 JAG	(15,765)	14,538	1,227	-	-	-	-
2019 Emergency Response JAG	(22,208)	22,101	107	-	-	-	-
JAG COVID	31,151	11,081	-	-	(44,381)	-	(2,149)
2021 KDOT Radars	-	44,324	-	-	(44,324)	-	-
Police Firehouse Subs	-	-	17,446	-	(17,446)	-	-
Fire							
2019 Assistance to Firefighters	-	63,636	-	6,364	(70,000)	-	-
2020 Assistance to Firefighters	-	165,549	-	-	(249,310)	-	(83,761)
Housing and Economic Development							
2018 Planning Repair Grant	10,000	-	-	-	-	-	10,000
Phase Zero Hutch	5,926	-	-	-	(3,151)	-	2,775
Emergency Shelter							
2020 Emergency Shelter Grant	-	64,148	-	-	(77,715)	-	(13,567)
2021 Emergency Shelter Grant	-	6,916	-	-	(39,517)	-	(32,601)
CDBG							
CDBG-CV	(5,000)	5,000	-	-	-	-	-
CDBG-Housing	(25,000)	74,725	30,650	2,114	(85,318)	-	(2,829)
Parks							
Community Fisheries	11,760	8,364	-	-	(23,922)	-	(3,798)
4th Street Ark River Fishing Access	-	20,000	-	76,524	(96,524)	-	-
	<u>\$ (64,644)</u>	<u>\$ 3,666,388</u>	<u>\$ 49,430</u>	<u>\$ 85,002</u>	<u>\$ (772,858)</u>	<u>\$ -</u>	<u>\$ 2,963,318</u>

City of Hutchinson, Kansas
 Planning Projects Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-L

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Private Donations	\$ -	\$ 3,308
Transfer	<u>15,922</u>	<u>10,000</u>
Total Receipts	<u>15,922</u>	<u>13,308</u>
Expenditures		
Contractual Services	33,348	6,080
Transfers	<u>-</u>	<u>2,114</u>
Total Expenditures	<u>33,348</u>	<u>8,194</u>
Receipts Over (Under) Expenditures	(17,426)	5,114
Unencumbered Cash, Beginning	<u>94,105</u>	<u>76,679</u>
Unencumbered Cash, Ending	\$ <u><u>76,679</u></u>	\$ <u><u>81,793</u></u>

City of Hutchinson, Kansas
Gossage Animal Shelter Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-M

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Trust Donations	\$ 7,023	\$ 6,735
Expenditures		
Transfer to Bond & Interest Fund	7,023	6,735
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, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-N

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Municipal Court Fees	\$ 4,814	\$ 5,275
Interest Income	30,538	10,078
Miscellaneous		
Miscellaneous	30,043	81,624
Grants	3,500	1,050
Reimbursement	70,699	189,801
Sale/Salvage/Auction Property	119,540	125,008
Reserve Transfers In	<u>2,229,429</u>	<u>1,710,726</u>
Total Receipts	<u>2,488,563</u>	<u>2,123,562</u>
Expenditures		
Contractual Services	116,177	67,508
Capital Outlay	2,128,056	1,829,755
Transfer	<u>-</u>	<u>6,364</u>
Total Expenditures	<u>2,244,233</u>	<u>1,903,627</u>
Receipts Over (Under) Expenditures	244,330	219,935
Unencumbered Cash, Beginning	2,711,286	2,955,616
Prior Year Cancelled Encumbrance	<u>-</u>	<u>36,178</u>
Unencumbered Cash, Ending	\$ <u><u>2,955,616</u></u>	\$ <u><u>3,211,729</u></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, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-O

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	\$ 24,935	\$ 7,992	\$ 10,000	\$ (2,008)
Property Taxes				
Ad Valorem Property Tax	3,147,206	3,223,892	3,348,295	(124,403)
Motor Vehicle Tax	405,977	429,834	408,742	21,092
16/20M Vehicle Tax	896	913	962	(49)
Recreational Vehicle Tax	3,424	4,542	3,295	1,247
Delinquent Ad Valorem Tax	174,251	173,154	-	173,154
In Lieu of Tax	6,386	11,929	4,732	7,197
Current Special Assessments	953,190	845,883	875,587	(29,704)
Delinquent Special Assessments	45,449	70,857	10,000	60,857
Bonds/Loans				
Bond Proceeds/Premium Received	158,000	-	-	-
Intergovernmental				
Contributions Other Governments	101,059	50,000	50,000	-
Miscellaneous	-	6	-	6
Reserve Transfers	74,968	6,735	6,735	-
Operating Transfer In	1,084,992	2,179,201	2,179,201	-
Total Receipts	6,180,733	7,004,938	6,897,549	107,389
Expenditures				
Debt Principal	4,895,216	5,373,000	5,578,000	(205,000)
Debt Interest	861,506	1,267,389	1,272,302	(4,913)
Refinancing Costs	70,512	-	-	-
Internal Service Costs	7,500	7,500	7,500	-
Appropriated Reserve	-	-	267,262	(267,262)
Total Expenditures	5,834,734	6,647,889	7,125,064	(477,175)
Receipts Over (Under) Expenditures	345,999	357,049		
Unencumbered Cash, Beginning	6,649	352,648		
Unencumbered Cash, Ending	\$ 352,648	\$ 709,697		

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

Schedule 2-P

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Non Property Taxes				
Sales Tax	\$ 3,224,446	\$ 3,419,918	\$ 2,850,000	\$ 569,918
Reimbursement	500,000	500,000	500,000	-
Interest Income	36,010	12,017	10,000	2,017
Total Receipts	<u>3,760,456</u>	<u>3,931,935</u>	<u>3,360,000</u>	<u>571,935</u>
Expenditures				
Bond Principal	2,655,000	2,825,000	2,825,000	-
Bond Interest	557,225	451,025	451,025	-
Appropriated Reserve	-	-	3,183,275	(3,183,275)
Total Expenditures and Transfers	<u>3,212,225</u>	<u>3,276,025</u>	<u>\$ 6,459,300</u>	<u>\$ (3,183,275)</u>
Receipts Over (Under) Expenditures	548,231	655,910		
Unencumbered Cash, Beginning	<u>2,991,525</u>	<u>3,539,756</u>		
Unencumbered Cash, Ending	<u>\$ 3,539,756</u>	<u>\$ 4,195,666</u>		

City of Hutchinson, Kansas
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-Q

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 127,920	\$ 41,991
Miscellaneous		
Reimbursed Expenses	844,640	537,406
Donations	13,973	16,416
Miscellaneous	-	675
Sale of Real Estate/Salvage/Auction	573	6,860
Federal Grants	1,037,112	804,238
Non Revenue Receipts		
Bond Proceeds	10,913,139	670,000
Reserve Transfer Sewer	12,000	310,000
Reserve Transfer Storm Sewer Fund	490,356	1,505,070
Reserve Transfer Water Fund	362,000	1,912,000
Reserve Transfer General Fund	1,882,520	1,936,841
Reserve Transfer Grant Fund	19,615	-
Reserve Transfer Convention & Tourism	229,476	241,677
Reserve Transfer Special Street	200,000	200,000
Total Receipts	<u>16,133,323</u>	<u>8,183,174</u>
Expenditures		
Capital Improvement Expenditures	13,745,759	9,010,511
Transfer to Bond and Interest	67,945	71,830
Transfer to Federal and State Grant Fund	-	76,524
Total Expenditures	<u>13,813,704</u>	<u>9,158,865</u>
Receipts Over (Under) Expenditures	2,319,619	(975,691)
Unencumbered Cash, Beginning	8,079,999	10,407,190
Prior Year Cancelled Encumbrances	<u>7,572</u>	<u>310,621</u>
Unencumbered Cash, Ending	<u>\$ 10,407,190</u>	<u>\$ 9,742,120</u>

City of Hutchinson, Kansas
Refuse Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-R

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 4,388	\$ 983	\$ 2,000	\$ (1,017)
Utility Fees				
Refuse Collection Fees	1,834,140	1,886,636	1,871,700	14,936
Franchise Fees	200,962	204,311	187,170	17,141
Late Fees	18,333	19,924	24,000	(4,076)
Total Receipts	<u>2,057,823</u>	<u>2,111,854</u>	<u>2,084,870</u>	<u>26,984</u>
Expenditures				
Contractual Services	1,964,172	2,037,754	2,012,719	25,035
Internal Service Cost	75,766	78,176	78,176	-
Transfer to General Fund	100,000	-	-	-
Appropriated Reserves	-	-	203,618	(203,618)
Total Expenditures	<u>2,139,938</u>	<u>2,115,930</u>	<u>\$ 2,294,513</u>	<u>\$ (178,583)</u>
Receipts Over (Under) Expenditures	(82,115)	(4,076)		
Unencumbered Cash, Beginning	<u>313,357</u>	<u>231,242</u>		
Unencumbered Cash, Ending	\$ <u>231,242</u>	\$ <u>227,166</u>		

City of Hutchinson, Kansas
Golf Course
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-5

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Green Fees	\$ 185,583	\$ 195,006	\$ 178,201	\$ 16,805
League Fees	-	-	1,000	(1,000)
Advertising	1,000	1,500	2,250	(750)
Season Passes	101,855	107,040	98,505	8,535
School Fees	4,950	6,600	7,500	(900)
Private Cart Fees	14,299	12,182	18,062	(5,880)
City Cart Rental	150,006	136,975	127,125	9,850
Locker Rental	1,734	2,060	1,770	290
Cart Shed Rental	12,595	11,055	14,505	(3,450)
Golf Concessions	58,910	81,166	85,814	(4,648)
Golf Pro Shop	56,575	84,881	82,000	2,881
Driving Range	31,384	35,989	34,500	1,489
Miscellaneous				
Reimbursements	-	7	-	7
Miscellaneous	17,008	10,052	20,350	(10,298)
Golf Certificates	272	1,927	1,700	227
Federal Grants	19,104	-	-	-
Operating Transfer In	178,571	260,633	308,161	(47,528)
Total Receipts	833,844	947,073	981,443	(34,370)
Expenditures				
Personnel Services	531,900	562,810	570,726	(7,916)
Contractual Services	129,858	133,225	144,577	(11,352)
Commodities	136,119	186,800	197,940	(11,140)
Capital Outlay	6,967	6,238	10,200	(3,962)
Reserve Transfer to Municipal Equipment Reserve	29,000	58,000	58,000	-
Total Expenditures	833,844	947,073	\$ 981,443	\$ (34,370)
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, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-T

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Restaurant Rent	\$ 37,019	\$ 47,834	\$ 50,021	\$ (2,187)
Hanger Rent	121,988	127,943	123,352	4,591
Other Rents & Fees	-	-	520	(520)
Office Rent	44,145	34,106	46,288	(12,182)
Farm Rent	7,295	25,257	13,964	11,293
Fuel Sales	16,402	23,089	20,650	2,439
Miscellaneous				
Federal Grants	1,136	-	-	-
Operating Transfer In	202,392	178,097	236,109	(58,012)
Total Receipts	430,377	436,326	490,905	(54,579)
Expenditures				
Personnel Services	167,338	163,404	194,714	(31,310)
Contractual Services	183,306	196,624	212,891	(16,267)
Commodities	51,215	53,920	65,400	(11,480)
Capital Outlay	13,018	4,478	-	4,478
Debt Principal and Interest	15,500	15,500	15,500	-
Transfer to Municipal Equipment Reserve Fund	-	2,400	2,400	-
Total Expenditures	430,377	436,326	\$ 490,905	\$ (54,579)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Prior Year Cancelled Encumbrances	-	-		
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, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-U

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 44,625	\$ 14,037	\$ 20,000	\$ (5,963)
Utility Fees				
Water Sales	6,872,261	7,179,376	6,963,000	216,376
Service Connection Fees	69,894	72,762	25,000	47,762
Tapping Charges	26,080	19,790	-	19,790
Connect/Disconnect Fees	75,011	98,193	80,000	18,193
Late Fees	49,413	61,152	55,000	6,152
Water District Surcharge	3,072	3,072	-	3,072
Franchise Fees	343,039	359,560	348,150	11,410
Non Revenue Receipts				
Temporary Note Repayment	14,827	15,158	-	15,158
Miscellaneous				
Reimbursements	53,772	51,605	50,000	1,605
Miscellaneous	7,927	6,976	10,000	(3,024)
Sale of Property	3,193	4,097	-	4,097
Federal Grant	9,661	-	-	-
Total Receipts	7,572,774	7,885,778	7,551,150	334,628
Expenditures				
Personnel Services	1,181,173	1,211,751	1,211,776	(25)
Contractual Services	1,453,159	1,462,235	1,756,921	(294,686)
Commodities	568,827	740,612	909,650	(169,038)
Capital Outlay	53,204	9,687	93,500	(83,813)
Bond Principal	480,000	-	-	-
Bond Interest and Fees	152,490	-	-	-
Franchise Fee	343,039	359,560	310,000	49,560
Service Allocation Costs	1,655,166	1,717,819	1,717,819	-
Reserve Transfer Municipal Equipment Reserve	278,898	79,163	79,163	-
Reserve Transfer Capital Improvement Fund	362,000	1,912,000	1,412,000	500,000
Operating Transfer Out to Bond and Interest Fund	499,728	1,128,208	1,128,208	-
Appropriated Reserves	-	-	2,559,970	(2,559,970)
Total Expenditures	7,027,684	8,621,035	\$ 11,179,007	\$ (2,557,972)
Receipts Over (Under) Expenditures	545,090	(735,257)		
Unencumbered Cash, Beginning	4,085,039	4,632,121		
Prior Year Cancelled Encumbrances	1,992	3,900		
Unencumbered Cash, Ending	\$ 4,632,121	\$ 3,900,764		

City of Hutchinson, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-V

		Current Year		Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
Receipts				
Use of Money and Property				
Interest Income	\$ 34,717	\$ 12,410	\$ 15,000	\$ (2,590)
Rental of City Property	110	-	-	-
Utility Fees				
Industrial Wastewater Permit Fee	150	200	-	200
Sewer Use Charges	6,120,273	6,484,440	6,292,000	192,440
Late Fees	33,693	39,820	40,000	(180)
Franchise Fees	298,989	321,783	314,600	7,183
Miscellaneous				
Reimbursed Expenses	3,495	-	-	-
Federal Grants	67,206	-	-	-
Total Receipts	6,558,632	6,858,653	6,661,600	197,053
Expenditures				
Personnel Services	1,536,172	1,567,786	1,625,082	(57,296)
Contractual Services	1,250,968	1,273,577	1,470,258	(196,681)
Commodities	484,429	572,513	678,125	(105,612)
Capital Outlay	25,364	3,083	14,000	(10,917)
Bond Principal	140,000	-	-	-
Bond Interest and Fees	57,673	-	-	-
Service Allocation Costs	1,411,874	1,468,073	1,468,073	-
Transfer to Municipal Equipment Reserve Fund	224,838	14,313	14,313	-
Reserve Transfer Capital Improvement Fund	12,000	310,000	310,000	-
Operating Transfer Out to Bond and Interest Fund	542,124	936,166	1,007,996	(71,830)
Appropriated Reserves	-	-	3,224,961	(3,224,961)
Total Expenditures	5,685,441	6,145,510	9,812,808	(3,667,298)
Receipts Over (Under) Expenditures	873,191	713,143		
Unencumbered Cash, Beginning	3,141,118	4,014,309		
Prior Year Cancelled Encumbrances	-	3,299		
Unencumbered Cash, Ending	\$ 4,014,309	\$ 4,730,751		

City of Hutchinson, Kansas
Storm Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-W

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 47,598	\$ 17,842	\$ 7,500	\$ 10,342
Utility Fees				
Storm Water Surcharge	2,167,872	2,179,515	2,160,000	19,515
Miscellaneous				
Federal Grants	25,426	-	-	-
Total Receipts	2,240,896	2,197,357	2,167,500	29,857
Expenditures				
Personnel Services	237,730	277,816	279,798	(1,982)
Contractual Services	11,496	25,158	42,444	(17,286)
Commodities	35,414	44,550	88,300	(43,750)
Service Allocation Costs	74,538	79,783	79,783	-
Reserve Transfer to Municipal Equipment Reserve Fund	78,682	46,584	46,584	-
Reserve Transfer Capital Improvement Fund	490,356	1,505,070	325,000	1,180,070
Operating Transfer to Bond and Interest Fund	43,140	42,997	42,997	-
Appropriated Reserve	-	-	6,724,118	(6,724,118)
Total Expenditures	971,356	2,021,958	\$ 7,629,024	\$ (5,607,066)
Receipts Over (Under) Expenditures	1,269,540	175,399		
Unencumbered Cash, Beginning	4,298,186	5,567,726		
Unencumbered Cash, Ending	\$ 5,567,726	\$ 5,743,125		

City of Hutchinson, Kansas
Health and Dental Insurance Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-X

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 32,942	\$ 9,717
Insurance Premiums		
Employee Contributions	746,983	839,293
Retiree Premiums Collected	79,671	110,326
Employer Contributions	3,020,878	2,967,479
Reimbursed Expenses	<u>230,275</u>	<u>310,430</u>
Total Receipts	<u>4,110,749</u>	<u>4,237,245</u>
Expenditures		
Insurance Claims	3,132,234	3,621,778
Claim Administration	1,462	924
Insurance Premiums	897,969	949,831
Employee Wellness Program	12,115	8,756
Service Allocation Costs	<u>118,131</u>	<u>123,906</u>
Total Expenditures	<u>4,161,911</u>	<u>4,705,195</u>
Receipts Over (Under) Expenditures	(51,162)	(467,950)
Unencumbered Cash, Beginning	<u>3,232,238</u>	<u>3,181,076</u>
Unencumbered Cash, Ending	<u>\$ 3,181,076</u>	<u>\$ 2,713,126</u>

City of Hutchinson, Kansas
Risk Management Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-Y

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 20,345	\$ 6,334
Miscellaneous		
Reimbursed Expenses	144,122	200,632
Department Premiums Charged	<u>818,308</u>	<u>809,311</u>
Total Receipts	<u>982,775</u>	<u>1,016,277</u>
Expenditures		
Administrative Expenses	54,962	42,322
Claims Paid	73,763	209,996
Extended Coverage Insurance	764,958	666,333
Service Allocation Costs	<u>21,000</u>	<u>21,000</u>
Total Expenditures	<u>914,683</u>	<u>939,651</u>
Receipts Over (Under) Expenditures	68,092	76,626
Unencumbered Cash, Beginning	<u>2,337,953</u>	<u>2,406,045</u>
Unencumbered Cash, Ending	<u>\$ 2,406,045</u>	<u>\$ 2,482,671</u>

City of Hutchinson, Kansas
Worker's Compensation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-Z

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 18,182	\$ 6,179
Miscellaneous		
Reimbursed Expenses	32,361	11,653
Department Premiums Charged	<u>640,037</u>	<u>638,098</u>
Total Receipts	<u>690,580</u>	<u>655,930</u>
Expenditures		
Contractual Services	319,931	386,314
Service Allocation Costs	<u>21,000</u>	<u>21,000</u>
Total Expenditures	<u>340,931</u>	<u>407,314</u>
Receipts Over (Under) Expenditures	349,649	248,616
Unencumbered Cash, Beginning	<u>1,658,276</u>	<u>2,007,925</u>
Unencumbered Cash, Ending	\$ <u><u>2,007,925</u></u>	\$ <u><u>2,256,541</u></u>

City of Hutchinson, Kansas
Central Purchasing Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-AA

	Prior Year Actual	Current Year Actual
Receipts		
Inventory Sold	\$ 1,600	1,819
Expenditures		
Inventory Purchased	1,600	1,819
Total Expenditures	1,600	1,819
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	24,950	24,950
Unencumbered Cash, Ending	\$ 24,950	\$ 24,950

City of Hutchinson, Kansas
Hutchinson Community Foundation Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-AB

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 5,873	\$ 7,310
Miscellaneous		
Private Donations	<u>12,129</u>	<u>325</u>
Total Receipts	18,002	7,635
Expenditures		
Other Contractual Services	<u>4,028</u>	<u>1,046</u>
Receipts Over (Under) Expenditures	13,974	6,589
Unencumbered Cash, Beginning	<u>78,643</u>	<u>92,617</u>
Unencumbered Cash, Ending	\$ <u><u>92,617</u></u>	\$ <u><u>99,206</u></u>

City of Hutchinson, Kansas
Donation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

Schedule 2-AC

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous		
Private Donations	\$ 283,507	\$ 354,969
Miscellaneous	<u>13,496</u>	<u>14,570</u>
Total Receipts	<u>297,003</u>	<u>369,539</u>
Expenditures		
Other Contractual Services	<u>176,090</u>	<u>376,229</u>
Total Expenditures	<u>176,090</u>	<u>376,229</u>
Receipts Over (Under) Expenditures	120,913	(6,690)
Unencumbered Cash, Beginning	421,678	542,591
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	\$ <u><u>542,591</u></u>	\$ <u><u>535,901</u></u>

City of Hutchinson, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2021

Schedule 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing Fund	\$ (7,306)	\$ 13,041,360	\$ 13,015,528	\$ 18,526
Fire Proceeds Fund	5,850	24,757	24,757	5,850
Municipal Court Agency Fund	63,302	152,627	145,447	70,482
Agency Funds	<u>1,960</u>	<u>26,037</u>	<u>21,617</u>	<u>6,381</u>
Total	\$ <u><u>63,806</u></u>	\$ <u><u>13,244,782</u></u>	\$ <u><u>13,207,349</u></u>	\$ <u><u>101,239</u></u>

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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, 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, 2021, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated May 20, 2022, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Report on 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) as a basis for designing our 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.

Report on 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 black ink that reads "Lindburg Vogel Pierce Laris". The signature is written in a cursive, flowing style.

Certified Public Accountants

Hutchinson, Kansas
May 20, 2022

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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

Opinion on 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, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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.

A handwritten signature in cursive script that reads "Lindburg Vogel Pierce Laris". The signature is written in black ink on a white background.

Certified Public Accountants

Hutchinson, Kansas
May 20, 2022

City of Hutchinson, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant ID Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Pass-through from Kansas Housing Resource Corporation				
COVID-19 Emergency Solution Grants	14.231	ESG-FFY2020	64,148	<u>64,148</u>
Pass-through from Kansas Department of Commerce				
COVID-19 Community Development Block Grants - Housing Grant	14.228	20-HR-002		70,475
COVID-19 Community Development Block Grants - CV	14.228	20-CV-032		<u>3,000</u>
TOTAL - Community Development Block				<u>73,475</u>
TOTAL - U.S. Department of Housing and Urban Development				<u>137,623</u>
U.S. Department of Homeland Security				
Assistance to Firefighters	97.044	EMW-2019-FG-04355		63,636
Assistance to Firefighters	97.044	EMW-2020-FG-11146		<u>165,549</u>
TOTAL - Assistance to Firefighters				<u>229,185</u>
Pass-through from Kansas Division of Emergency Preparedness				
Distaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4449DR		<u>85,724</u>
TOTAL - U.S. Department of Homeland Security				<u>314,909</u>
U.S. Department of the Agriculture				
Pass-through from Kansas State University				
Volunteer Fire Assistance, Cooperative Forestry Assistance Program	10.664	RN101		<u>525</u>
TOTAL - U.S. Department of Agriculture				<u>525</u>
U.S. Department of Justice				
COVID-19 BJA FY 20 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0561		<u>11,081</u>
TOTAL - U.S. Department of Justice				<u>11,081</u>
U.S. Department of Transportation				
Airport Improvement Program	20.106	3-20-0035-34		183,611
Airport Improvement Program	20.106	3-20-0035-36		225,384
COVID-19 Airport Improvement Program	20.106	3-20-0035-37		3,015
COVID-19 Airport Improvement Program	20.106	3-20-0035-38		<u>7,975</u>
				<u>419,985</u>
Pass-through from Kansas Department of Transportation				
State and Community Highway Safety	20.600	SP-1300-21		6,341
State and Community Highway Safety	20.600	PT-0091-21		2,376
State and Community Highway Safety	20.600	SP-0931-21		44,324
Nighttime Seatbelt Enforcement	20.616	SP-4505-21		<u>1,272</u>
TOTAL - Highway Safety Cluster				<u>54,313</u>
TOTAL - U.S. Department of Transportation				<u>474,298</u>
Total Federal Awards Expended			<u>\$ 64,148</u>	<u>\$ 938,436</u>

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, 2021

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, 2021, 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.

NOTE D – FEDERAL AWARDS PASS-THROUGH TO SUBRECIPIENTS

The City provided federal awards to the subrecipients as follows:

<u>Program Title</u>	<u>Assistance Listing No.</u>		<u>Amount Provided</u>
Emergency Solutions Grant	14.231	\$	64,148

CITY OF HUTCHINSON, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended December 31, 2021

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—Summary of Significant Accounting Policies 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, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the City expressed an unmodified opinion.
6. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with Section 2 CFR 200.516(a).
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

There were no findings.